

CITY OF GLOBE
REGULAR COUNCIL MEETING
JUNE 26, 2018

Call to Order.

Present: Mayor Al Gameros, Councilman Freddy Rios; District 1, Councilman Mike Humphrey; District 2, Councilwoman Roberta Johnson; District 3, Vice Mayor Mike Stapleton; District 4, Councilwoman Charlene Giles; District 5, Councilman Lerry Alderman; District 6.

Invocation; Councilwoman Charlene Giles
Pledge of Allegiance; Councilman Freddy Rios

1. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Alderman congratulates City Manager; Paul Jepson as the new President for Globe Rotary. Councilman also attended; Legislative Update, ADOT Reception, ADOT Board Meeting, EDC Meeting in Superior, EDC at the Copper Hen and also a BHP meeting at Besh Ba Gowah, very busy week. Lastly Councilman Wife asked for a moment of silence to honor the passing of Mack Spivey, long time Globe resident.

Councilman Rios also attended the Community Reception at the Train Depot for the ADOT and had the opportunity to meet with some of the Board, it was a very nice event. Councilman Rios thanked Shelly Salazar and Molly Cornwell and the Downtown Association for organizing. Councilman Rios announces on a sad note, that the Corso family lost Midstate Pipe, the entire warehouse burnt down today. Tri City Fire, Globe Fire and Tonto Fire all responded.

Councilman Humphrey also extends his condolences to the Corso family for the loss of Mid State this is a devastating loss to our community.

Councilwoman Giles also attended the BHP Economic Seminar shareholders of our community were well attended. Councilwoman gives a shout out to McSpadden Ford for their awesome service, a great business for this community. Tickets are for sale for the Dominion Fire Arms Police Raffle, all proceeds will be donated to the Police Department for body cams. High Desert Humane Society raised approximately \$21,000 at this year's fundraiser, the organization operates strictly on donations. The Globe Library Summer Reading Program is in full swing, programs are on Tuesdays, Wednesday and Thursdays. The Summer Concert Series, hosted by the Downtown Association, United Fund, City of Globe and the Town of Miami has been a lot of fun, concerts are held at the Train Depot.

Vice Mayor Stapleton personally thanked everyone for the support through his house fire. Globe Fire did a tremendous job knocking the fire down in just minutes, Globe Fire also provided a weeks lodging.

B. Mayor

Mayor Gameros attended the ADOT monthly meeting that was held here in Globe where the Board approved their five-year plan. Mayor Gameros thanked City Clerk; Shelly Salazar for organizing the reception that was well spoken of and the Downtown Association for the tours of the Old Jail and Courthouse and Cactus for sponsoring refreshments. The Safe House event raised money for the new safe house; the Alderman House. Mayor Gameros thanked Globe Fire, Tri City Fire, Payson, Superior and Tonto Basin Fire for providing fire service for the Mid State Fire. It was reported that the fire was fully engulfed and 300 gallons of water per minute was no match. The Tonto Forest service battled an associated brush fire between Mid State and surrounding neighborhoods. On Saturday during the summer concert; Mia Kruger and Alyse Coombs sold lemonade and made \$400 towards the repair of the Clock in front of the Train Depot. The remaining costs of \$420 was collected through donations. Lastly Mayor Gameros announced that Police Chief Interviews will be on Thursday.

C. City Manager

Paul Jepson and his wife Tina also attended the Alderman House Brunch that was hosted by the United Fund. Mr. Jepson thanked Mayor Gameros for being the speaker. The ADOT Community Event was a nice way to show off Globe to influential people and we did a good job. Mr. Jepson thanked Molly Cornwell and Tom Thompson for the tours of the downtown buildings. On Thursday the Globe City Council we will have an executive session from 9-5 for Police Chief Interviews. There will be an open forum following from 5-6:30 pm. Lastly Mr. Jepson congratulates Chris Collopy on being a new Grandpa.

2. COMMUNITY CALL TO THE PUBLIC

Any citizen desiring to speak on a matter that IS NOT scheduled on this agenda may do so at this time. This is a time for the public to comment to members of the City Council explicitly not to members of staff. Comments will be limited to **three minutes per person** and shall be addressed **explicitly** to the to the City Council and addressed to the City Council as a whole public body, and not to any individual member. **Please complete a "Request to Speak Card", located with the Agendas at the rear of the Council Chambers and turn it in to the City Clerk prior to the beginning of the meeting.** Issues raised shall be limited to those within the jurisdiction of the City Council. Pursuant to the Arizona Open Meeting Law, the City Council cannot discuss or act on items presented at this time. At the conclusion of the call to the public, individual City Council members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

Chris Sweeny announces that a new film called Steel Wheels will be filmed in Globe and Dusty Ducats will produce.

Jesse Bryant is before Council regarding the 4th of July parade and invites the Mayor and Council to attend.

3. SPECIAL PRESENTATIONS AND CEREMONIAL MATTERS: Presentations, Proclamations, Awards, Guest Introductions and Announcements

A. Transaction and Privilege Tax Audit Update. (Al Holler)

Tax Auditor; Al Holler updates Council on the audit program. Historical and current tax payment journals are reviewed and compared with business licenses to sales tax reports, matching commercial property ownership to business location. Payment journals are reviewed for missing monthly reports and deduction reports are reviewed for accuracy and audits are conducted. Mr. Holler reported to Council that eleven (11) audits have been completed and over \$300K has been collected. Additional yearly tax collections are estimated at \$230K based on audited accounts, additional tax code changes and additional accounts paying other cities. Use Tax is estimated at \$6000 a month based on about 125 accounts. Eliminating the big-ticket tax exemption is generating an additional \$3000. Schedule of collection by tax type is presented; use tax is up 955.6% and contracting is down 48.8% as provided by the Arizona Department of Revenue. Future of the project; current audits in progress will yield \$12,000, detailed review of delinquent accounts, detailed review of deduction reports, audit of accounts selected by review and option to the city to adjust contract based on results.

Council thanked Mr. Holler for his service and all that has been done to recover lost taxes.

City Manager; Jepson adds that before any consideration to raise any tax rate the City needs to be accurate with taxes assessed now. Al Holler and his service has provided that for the City. Mr. Jepson informs Council that Mr. Holler's contract will be included in the budget.

B. Presentation of the FY2017-2018 Annual Financial Statement Audit. (Colby & Powell, PLC)

Scott Graff is before Council with the June 2017 Financial Audit. Mr. Graff informed Council that the Auditor's responsibility is to provide an opinion based on the audit, obtaining a reasonable (high level) assurance about whether the financial statements are free from material misstatements.

Findings: General Ledger Maintenance and reconciliations, approximately 50 journal entries performed by auditors. Managements response to the findings; will evaluate and implement closing procedures for recording transactions and reconciliations. Will maintain monthly reconciliations and will review all audit entries to ensure adjustments are made before next audit. Findings: Segregation of duties; duties should be segregated whereby the individual with custody of assets should not be the same individual responsible for the record keeping and authorization of those assets. Managements response to the finding; will evaluate staffing to eliminate the concentrations of duties and will conduct a risk assessment on all key functions and update procedures.

The City's total net position for 2017 was \$10,683,208 and increase from 2016 by \$722,015 for governmental activities, \$3,373,467 for business type activities mostly due to WIFA loan forgiven in 2017 for \$3M. Total net position increased over \$4M.

Council thanked the Staff and also the Audit Team.

- C. Presentation by the Downtown Association regarding film production development in Globe. (Molly Cornwell)

Downtown Association Manager; Molly Cornwell is excited to share with Council the possibilities of film production development in Globe, a direct result from Economic Development Forums. Past movies that have been filed in the area include; the Great White Hope, White of the Eye, U-Turn, The Prophecy and Mid-Night Run.

- D. Presentation by the Globe Library Committee regarding the Globe Public Library Strategic Plan. (Bobbie Ravenkamp)

Ms. Ravenkamp informed Council that the Library Committee held eight (8) work sessions that were open to the public and attended by several members of the Friends of the Globe Public Library and members of the public. Frank discussions regarding the committee's vision for the future were held to bring a plan before the Globe City Council. The first step was to develop a mission statement; "The mission of the Globe Library is to create a better city by providing a safe, adaptable and accountable environment where everyone could meet, learn and congregate. The second step was to identify the Strengths, Weaknesses, Opportunities and Threats (S.W.O.T.) elements. Goal Development was the third step, each goal had a gap-risk analysis that compared: where we are now versus where we want to be and what the risk was to our mission if the goal wasn't realized. Goals include; physical environment that would allow the Library to achieve their mission, Adequate staff to achieve the mission and

recognition by staff and community as a vital asset to the community health and economic development.

Ms. Ravenkamp on behalf of the Library Committee continues to present steps taken to develop the Strategic Plan for the Library. Goals for the first year of the plan include improving the visibility of the library within the community, improve awareness of the important role the library has in community development, achieve recognition in the budgeting process and to create an implement a life-cycle management plan for existing technology. Year 5 includes building a larger, modern facility. The Committee recognizes the Gila County Library District, fundraising efforts of the Friends of the Globe Public Library and grants from the Globe-Miami United Fund.

In closing, Ms. Ravenkamp summarizes, if the approved, actions plans will be initiated starting with goals for year one. The committee will review and revise the actions plans and the entire strategic plan at least quarterly or as needed. Status reports on action plans will be included in the minutes of committee meetings. Mr. Ravenkamp emphasizes that this plan is a living document not to be approved and put on the shelf.

Council requested possibly a cost analysis of the plans brought forward.

City Manager Jepson suggest discussion bringing into the City Strategic Plan process. First thing is to discuss and bring back some funding related directions.

Mayor Gamos appreciates all of the consideration that has gone into the plan and agrees that parts of the plan to be included within the City Strategic Plan.

Jon Cornell speaks to the item regarding advertising for the Library and suggest Way Finding Grant for signs possibly through the Economic Development Corporation.

E. Zoning and Sign Code update. (Chris Collopy)

Chris Collopy updates Council on efforts to amend the current Zoning and Sign Code that will be more flexible and development friendly. Staff is working with Dana Burkhardt of HUB Planning & Urban Design and plans to present recommendation to the Planning and Zoning Commission in July.

Mayor Gamos thanks Staff for working to change the face of Globe to a more friendly City.

4. **CONSENT CALENDAR:** Matters listed under the Consent Calendar are considered to be routine and will be enacted by one motion and one vote. Public Hearing items are designated with an asterisk (*). Prior to consideration of the Consent Agenda, the Mayor will ask whether any member of the public wishes to remove a Public Hearing item for separate consideration. Members of the Council and or staff may remove any item for separate consideration.

A. Consideration of Waiver of Section 2-4-10 (A) [prior discussion rule] to allow action on the balance of the consent Agenda:

1. Accounts Payable: \$317,609.37
2. Consideration of Approval of Council Minutes:
 1. Council Meeting Minutes for May 8, 2018

B. Consideration of agreements and purchases less than \$25,000. (Jeannie Sgroi)

C. Consideration of the current list of building permits. (Chris Collopy)

D. Consideration of the Fleet Report. (Brandon Gillum)

E. Consideration to approve the FY17-18 third quarter distribution of bed tax funds in the amount of \$3,372.23 to Gila County Historical Society, from Account #10-51-51925 General Fund-Community Organizations-Bed Tax. (Jeannie Sgroi)

Motion: Approve the Consent Calendar as presented. , **Action:** Approve, **Moved by** Councilwoman Charlene Giles; District 5, **Seconded by** Councilman Lerry Alderman; District 6.
Motion passed unanimously.

5. **NEW BUSINESS:**

None

6. **ACTION ITEMS:**

A. Presentation of the City of Globe consolidated Information Technology (IT) Budget Review. (Gene Martel)

Mr. Gene Martel reviews Current IT related projects; Public Safety Radio Antenna Relocation, Globe Police Department Computers and Citywide IT.

Mr. Martel discusses the Public Safety Radio Antenna Relocation and the problematic issue of inadequate signal penetration. The solution is to relocate to Crown Castle Tower at Buffalo Bluff. Estimated Costs are approximately \$33,944 with a monthly lease of \$11K.

The problem with the Globe Police Computers is outdated workstation computers and no computers in the vehicle. Solution; install fixed mounted MDT's in vehicles and replace squad room workstation computers. Estimated Costs \$30,600 with a monthly cost of \$8040.00.

Citywide support problems; outdated servers, outdated mission critical server, no unified IT support and the current environment presents great risks to organizational stability. Solution; one-time replacement virtual server, contracted network monitoring and citywide support contract with single vendor contract and hands on support. Estimated Costs of \$32,886 for one-time expenditures and annual expenditures in the amount of \$85K.

Next Steps; direction from Council at this point to include in budget and meet with Staff.

City Manager Jepson discusses budgetary concerns with Council. The one-time expenses could be funded from Capital Improvement funds with additional ongoing cost for the Police Department which is approximately \$10,000 and \$15,000 for ongoing cost for City Hall. Mr. Jepson informed Council that a worksheet will be presented with the final budget. Mr. Martel points out the cost savings, eliminating multiple vendors.

Jon Cornell addresses Council with suggestions of a cloud server.

Mr. Martel informed Council that this was considered, however cloud servers need a stable interconnect connection, right now there are some instabilities with the ISP's.

Mr. Jepson informed Council that going forward with this would require a three (3) year contract. Upon the recommendations that were presented tonight, Staff is confident in the term.

Motion: Motion to move forward with the consolidation of IT Services in the final budget. , **Action:** Approve, **Moved by** Councilman Lerry Alderman; District 6, **Seconded by** Vice Mayor Mike Stapleton; District 4. Motion passed unanimously.

- B. Consideration to approve using the existing Cactus Asphalt contract to do a 2" mill and fill project utilizing HURF funds from Account #11-80-52200 Capital Outlay-Construction in the amount of \$108,740, and the remaining approximately \$52,000 from Account #21-80-52200 CIP-Capital Outlay Construction, approved by Council in the FYE18 budget. (Jerry Barnes)

Jerry Barnes updates Council, on May 22, 2018 Council approved utilizing a cooperative agreement with Pinal County's contract with Cactus Asphalt, the estimated completion date is August 3, 2018. For a total amount of \$160,740 which includes owner contingency. Mr. Barnes informs Council that there is \$108,740 remaining in HURF funds, due to staffing shortage of street positions, that will be used with the remaining approximate \$52,000 from CIP-Capital Outlay Construction that was approved by Council in FY18. Mr. Barnes states that the projects that will be completed are; High Street between Maple and Cottonwood, Cedar Street from U.S. 60 to Broad Street and the side parking lot of City Hall.

Motion: Motion to approve utilizing the existing Cactus Asphalt contract to do a 2" mill and fill projecting utilizing HURF funds in the amount of \$108,740 and the remaining approximate \$52,000 from CIP-Capital Outlay Construction which included approximately \$7000 in owner contingency. , **Action:** Approve, **Moved by** Councilwoman Charlene Giles; District 5, **Seconded by** Vice Mayor Mike Stapleton; District 4. Motion passed unanimously.

- C. Discussion and possible direction on implementation of a schedule for future Water/Wastewater rate increases of up to 2.5% per year over the next 5 years. (Jerry Barnes)

Mr. Barnes updates Council of direction given during the May 15, 2018 Budget Work Session that would move Water and Wastewater rate increases forward. Staff proposes a 2.5% increase over the next five (5) years to stabilize Debt Service Coverage. This will not only fulfill the coverage required by the Water Infrastructure Authority (WIFA) but will also account for increased expenses over the next five (5) years. 2014 WIFA Loan was \$5.5M with \$3M forgivable principle. The City was approved for a \$35,000 grant to do a preliminary engineering report that

identified system needs. The City was approved for a series of projects to improve the water system and facilities which included; water tank replacement and improvements, water meter replacement and installation as well as new automated reading and software, Well #3 repair and equipment replacement, replace and upgrade SCADA System, replace hydrants, Pressure Reducing Valves and Water System Modeling and replace US Highway 60 and miscellaneous Waterline. The 2017 WIFA Loan was \$3M with \$750K forgivable principle, projects include; Arlington Tank Waterline, High Street waterline Cottonwood to Sycamore, Euclid-Gleason-Hackney waterline, Oak and Pine Street waterlines, Bonita Street waterline, Mesquite to Sycamore waterlines on Pine Street, Maple Eucalyptus-Escalera waterlines, upgrade Thompson Booster Station at Crestline Tanks, Arlington Booster, Crestline Tank and waterline, Meters, Pine Street Well rehab, High Street waterline Maple to Cottonwood and Thompson Tank connection modifications.

Mr. Barnes presented past rate history which presented no increase for FY 2016 and FY 2018. The proposed rate increase is incremental and consistent for the next five (5) years at 2.5%.

Council thanks staff.

Motion: Motion to implement the five (5) year Water and Wastewater rate increase plan. , **Action:** Approve, **Moved by** Councilwoman Charlene Giles; District 5, **Seconded by** Councilman Lerry Alderman; District 6. Motion passed unanimously.

City Manager; Paul Jepson informed Council that Staff will proceed with required postings and public hearings and that this increase would not take effect until October.

- D. Consideration to approve the adoption of the City of Globe 2018-2019 (FY18-19) Tentative Budget in the amount of \$22,572,055.00 and announce the Public Hearing date for the adoption of the Final Budget. (Jeannie Sgroi)

Finance Director; Jeannie Sgroi reviews the budget approval process Which began on June 12th with the review of the draft Tentative Budget. If Council approves the Tentative Budget this evening it will be published along with a public meeting notice for July 24, 2018 Final Budget Adoption.

Approval of the Tentative Budget sets the maximum budget amount for the City. Once the Tentative Budget is approved the budget can be adjusted but cannot be passed at a higher amount. This presentation will cover all Enterprise Funds and Special Funds budget items for example

Water, Wastewater, HURF, Library, Active Adult Center, RDX Excise Tax, WIFA and Volunteer Fire. Components of the Tentative Budget are as follows:

General Fund Operational Budget - \$11,007,667
 Volunteer Fire Pension - \$6,000
 HURF - \$858,612
 RDX ½ Excise Tax - \$509,063
 Water Fund - \$4,222,143
 Wastewater Fund - \$1,844,339
 2017 WIFA - \$1,500,000
 Library Fund - \$211,900
 Grants - \$1,850,000
 Active Adult Center - \$213,226
 Revenue budgeted for Miami Tax - \$90,000
 CIP- \$259,105
 For a total Tentative Budget of \$22,572,055

CIP consists of:

POLICE CIP		
	Radio Tower & Equipment	45,000
	Refurbish two Crown Victoria's	60,000
	Buildings-Facilities-Architectural & Design	20,000
	Total Police CIP-General Fund	125,000
FIRE CIP		
	Fire Hose	8,000
	Personal Protective Equipment	17,100
	Total Fire CIP-General Fund	25,100
WASTEWATER CIP		
	Haskins Sewer Line	60,000
	Locating Equipment	20,000
	Oxidation Ditch Rehab	600,000
	Wastewater Lift Station Electrical	60,000
	Wastewater Plant Roof	25,000
Contingent on Grant	City Sewer Line Camera Program	120,000
	Total Wastewater CIP-WW Fund	765,000
	Total Wastewater CIP-Grants	120,000

WATER CIP

	Dump Truck	109,36
	Water Barn Extension-P	70,00
	Securing Water Resources	1,054,71
	Water Barn Concrete Floor-P	15,00
	Total Water CIP-Water Fund	1,249,08

PARKS/STREETS

Contingent on CDBG	2" Mill and Fill	420,00
	Ball Fields Rehab	20,00
Contingent on Grant	Ball Fields Rehab	20,00
	Dog Park Sprinklers-P	16,50
	Fence Replacement-P	8,00
	Lap Top	2,00
Contingent on Grant	Playground Equipment	50,00
	Total General Fund-Pub. Works/Streets	46,50
	Total Grants/Streets	490,00
	Total Public Works/Streets CIP	536,50

LIBRARY

	New Roof (Metal \$50,000/Shingles \$25,000)	30,00
	Window Replacements	5,00
	Total Library CIP-General Fund	35,00

CITY HALL

	IT-Computer Hardware & On-Going Service	
	Contracts	25,00
	Total City Hall CIP-General Fund	25,00

FLEET MAINTENANCE

	Plasma Cutter	1,60
	Pipe Bender-Shop Hydraulic	90
	Total Fleet Maintenance CIP-General Fund	2,50

ENGINEERING

Grant (HISP)	Signage Program-Computer Striping Inventory	
	Software	100,00
	Total Grant Fund-Engineering	100,00

FUNDING SUMMARY	
General Fund	\$ 259,105
Water Fund	\$ 1,249,084
Wastewater Fund	\$ 765,000
Transportation Sales Tax Fund	\$ 520,000
TOTAL CIP W/O GRANTS	\$ 2,793,189
Grants	\$ 710,000
TOTAL CIP WITH GRANTS	\$ 3,503,189

FUNDING SUMMARY	
General Fund	\$ 259,105
Water Fund	\$ 1,249,084
Wastewater Fund	\$ 765,000
Transportation Sales Tax Fund	\$ 520,000
TOTAL CIP W/O GRANTS	\$ 2,793,189
Grants	\$ 710,000
TOTAL CIP WITH GRANTS	\$ 3,503,189

Mr. Jepson informed Council that Staff will present the Type 3 Wildland Engine and a Contingency Policy at the next meeting that will be included in the Final Budget

Motion: Motion to approve the Tentative Budget for FY 2018-2019 in the amount of \$44,572,055., **Action:** Approve, **Moved by** Vice Mayor Mike Stapleton; District 4, **Seconded by** Councilwoman Roberta Johnson; District 3.
Motion passed unanimously.

7. **CALL TO THE PUBLIC:**

Any citizen desiring to speak on a matter that IS NOT scheduled on this agenda may do so at this time. This is a time for the public to comment to members of the City Council explicitly not to members of staff. Comments will be limited to **three minutes per person** and shall be addressed **explicitly** to the City Council and addressed to the City

Council as a whole public body, and not to any individual member. **Please complete a "Request to Speak Card", located with the Agendas at the rear of the Council Chambers and turn it in to the City Clerk prior to the beginning of the meeting.** Issues raised shall be limited to those within the jurisdiction of the City Council. Pursuant to the Arizona Open Meeting Law, the City Council cannot discuss or act on items presented at this time. At the conclusion of the call to the public, individual City Council members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

8. **SCHEDULING OF MEETINGS:**

Scheduling of meetings, which may be brought up at this time.

1. Possible re-schedule of the August 21, 2018 Regular Council Meeting to accommodate the Arizona League Annual Conference.

Motion: Motion to cancel the August 21st Council Meeting., **Action:** Approve, **Moved by** Vice Mayor Mike Stapleton; District 4, **Seconded by** Councilman Freddy Rios; District 1.

Motion passed unanimously.

10. **ADJOURNMENT.**

Motion: Motion to adjourn at 8:57 pm., **Action:** Adjourn, **Moved by** Vice Mayor Mike Stapleton; District 4, **Seconded by** Councilman Freddy Rios; District 1.
Motion passed unanimously.

I hereby certify that the foregoing are a true and correct copy of the Regular Meeting Minutes of the Globe Council on June 26, 2018. I also certify that the meeting was duly called and a quorum of Council was present.



Shelly Salazar, CMC, City Clerk