

City of Globe
Meeting Minutes
July 10, 2018

Call to Order.

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

Excused: Councilwoman Roberta Johnson; District 3.

Invocation. Councilman; Lerry Alderman
Pledge of Allegiance; Councilman Freddy Rios

1. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Alderman welcomed Gila County Manager; James Menlove.

Councilman Rios extended condolences to Shelly Salazar and Family for their loss.

Councilman Humphrey gave no report.

Councilwoman Giles reported that she attended the ribbon cutting at Wagon Tail Vineyard along with Councilman Alderman and Mayor Gameros, it was a nice and what a nice addition to our community. Next Councilwoman thanks Ubaldo Ortiz and the Public Works Department for nice job keeping the City Parks and Streets looking nice. The 4th of July Parade had thirty (30) entries and it was well attended. FreePort Mining was also thanked for the 4th of July event that they hosted at the Miami High School football field. Next Councilwoman Giles makes a statement on behalf of the Center for the Arts. "The City recognizes that the Center for the Arts and the downtown partnerships are very important to the future of the city and the health of these organizations are important to the future of the city. Council makes decision in public as a public body and work well together with each other and staff. The Cobre Valley Center for the Arts is a nonprofit organization and are not responsible to the open meeting law but to their membership. Their meetings are not required to be open to the public. Councilwoman sends out an appeal to the Center to make their meeting tomorrow night open to the public".

Vice Mayor Stapleton thanks Jesse Bryant for his effort with the 4th of July Parade. Vice Mayor also attended the new Bloom Grande Opening it was a huge success and an asset to the community, Jon Wong; Owner has done a great job with that building. Vice Mayor also acknowledges Matthew Storm who has also opened a

new business downtown. Lastly Vice Mayor extends condolences to Shelly Salazar and Family.

B. Mayor

Mayor Gameros also comments on the Cober Valley Center for the Arts; the city owned building is leased to the Center for the Arts who is managed by their own board. The City wants the building to remain a positive image in our community that attracts tourism and does not want to damage any funding that goes to the organization for the building. Lastly Mayor Gameros announces that there is a shortage of blood and urges everyone to give blood on the 17th at the Globe Elks and on the 24th at the First Christian Church.

C. City Manager

Mr. Jepson also attended the 4th of July Parade and thanks City Staff and the Globe Police Department for their support. Mr. Jepson attended the Grande opening of the Hostetler Pool in Miami which is another example of community effort pulling together. Mr. Jepson is excited to be named President of the Globe Rotary and thanked everyone. Lastly Mr. Jepson attended the hamburger fry at the Historical Society and that is always a lot of fun.

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.

Victoria Carella residing at 330 N. First Street in Globe is concerned about the Cobre Valley Center of the Arts regarding Molly Cornwell and the eviction of the White Porch. Ms. Carella is deeply concerned regarding the lack of transparency of the CVCA Executive Board whose actions are detrimental to the Downtown, the community and to the City of Globe and to the Art center. Ms. Carella is also concerned of federal and state monies received by the Center and their accountability to the community and to the City of Globe and requests Council to look into the matter and report back to the public. Request that a City representative be present at tomorrow's Board meeting and that the Art Center be re-established.

Mayor directed the City Manager to explain the City's involvement with the CVCA Board after the meeting.

Desmond Baker residing at 132 N. Sutherland thanks the Council for their due diligence concerning the Cobre Valley Center for the Arts, however is concerned about Government over reach. According to the Arizona Revised Statute 38-501, 502 and 503 Elected Officials and City Employees who over reach government could create a conflict of interest and in some case depending on what you do, extortion and extortion in that case is criminal activity. So remember we live in an age of social media and in your positions what you say and what you do concerning someone like CVCA and how you say it and the position you take on social media can be used against you and City Hall in a court action. So, I love the City of Globe and everybody know I am a big fan of CVCA and it is true what they do in their Board Meetings is private. As Government we don't want to take that away from them in anyway whatsoever not just because of this issue but because of issues of what we commonly call separation of Church and State. Government should not be in the business of telling those people, any people what to do. Especially of monies are shared or given in this case bed tax monies and so forth. Those were voted on by the public if I'm correct and that original tax was a vote by the public. And if this is true cannot be amended or used against anyone or those organizations and you cannot say if we are going to give you these monies then you have to have a member of City Council as a voting member or on the executive board of any of those entities because you are ex-officio which means you don't have the right to vote but you do have the right to influence to be instructed to give information. So that's just my opinion and thank you so much for your time.

Bonnie Lewis residing at 7959 S. Pinal View Drive expresses support for the CVCA and as a fifteen (15) year volunteer would like more of accounting of board business. Ms. Lewis will be at the meeting tomorrow to show support for Molly Cornwell and encourages Council to monitor and report to the public.

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

- A. Presentation and possible direction on the Cost-Benefit of purchasing a Type 3 Fire Apparatus and Cost Recovery Timeline estimate. (Paul Jepson)

Fire Chief Gary Robinson is before Council to discuss some of the financial aspects of the Type 3 Fire Apparatus. Chief Robinson presented projected goals which include; increase response capabilities, revenue generation, funding source for equipment purchases. Limitations could be; maintenance and fuel costs, rate changes and calls received. The Type 3 Engine could have a billable rate of \$126 per hour less 10% for maintenance and fuel costs for the first 5-years, which would net a

\$113.40 per hour of revenue for the City for actual billable service of the truck.

Chief discusses revenue return and at an hourly rate of \$113.40 could potentially bring in a daily revenue of \$101 for a 15-hour shift. The average assignment is 11-days or \$18,711. The City would need seventeen (17) assignments to recover the cost of the truck.

Average revenue breakdown based on Tri-City Fire District Engine 106 yields a 5-year recovery with an estimated \$780,000 net income estimated in 20 years. Type 3 wildland apparatus are a high demand and are put on a rotation list with other agencies.

Revenue generated in 2017 for Globe's Type 6 Engine was \$63,920 responding to seven (7) responses out of nine (9) requests. Compared to Tri City Type 3 Engine earning \$198,198 responding to fourteen (14) requests out of the thirty-five calls. Five responses by Globe's Type 6 in 2016 yielded \$41,364.50 compared to five responses by Tri City Fire Type 3 at \$102,287.00 in 2016. In closing Fire Chief Robinson also, informed Council that revenue generated by the Type 3 Engine could establish an equipment fund that could be used to pay off apparatus, purchase future apparatus or purchase other emergency response equipment.

Council discussion with Chief Robinson discovered that the life expectancy of the Engine is 28-29 years depending on maintenance and operation which would exceed cost recovery period. Other advantages discussed with Council was the value the engine would serve as a reserve or sold to another agency. Council also discussed the concerns with housing an additional engine in the current facility.

Mayor Gameros and Chief Robinson discussion explained that Type-3 trucks are more heavy duty and provide greater capability than a Type -6. Chief Robinson also informed Council that Firefighters Scott Cameron and Sterling White would participate in the training program and eventually receive the required certification.

Mr. Jepson discussed the advantage of the engine fighting local structure fires and the use in alternative responses; technical rescue, highway responses and emergency responses with Mayor Gameros.

Mr. Jepson also indicated that this presentation is pending Council direction to pull funding out of contingency when the FY18-19 Budget is approved at a later meeting. Revenue would be directed back into the fund balance to recover the cost of the truck.

Councilman Rios requested more detail regarding the purchase and cost recovery. Council directed this item to come back as a new item.

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: \$294,511.11

B. Consideration of July 7, 2018 list of building permits. (Chris Collopy)

Motion: Motion to approve the consent agenda as read. , **Action:** Approve, **Moved by** Councilman Freddy Rios; District 1, **Seconded by** Vice Mayor Mike Stapleton; District 4.

Motion passed unanimously by Councilman Rios, Councilman Humphrey, Vice Mayor Stapleton, Councilwoman Giles, Councilman Alderman and Mayor Gameros.

5. **NEW BUSINESS:**

A. Discussion and possible direction to move forward with a Contingency Reserve Policy for budgetary purposes. (Paul Jepson)

Finance Director; Jeannie Sgroi is before Council with a contingency fund policy for review. No budget is complete without a plan to deal with the unexpected. The contingency policy before Council tonight will provide guidelines for budgeting as well as guidelines throughout the year to ensure that financial resources are maintained for unexpected expenditures from revenue shortfalls. The General Fund is the main operating fund that pays for general services, such as Public Safety, City Administration, Parks and Library services. The General Fund accounts for all general revenue and the expenditures of the City rendering to general services. The General Fund is considered to have a high level of risk to operations due to its dependence of revenue streams that are susceptible to economic downturns reduction impacts from outside agencies actions. In addition, the General Fund is the main funding source when reacting to unexpected expenses and emergencies. The role

of the contingency fund is to improve the organizations stability in providing the organization with a safety net to fill emergency needs. Without a contingency fund events like natural disasters and mechanical failures can drain much needed resources and cripple a organizations ability to conduct business. The Government Finance Officers Association (GFOA) recommends that no less than two (2) months of general unrestricted budgetary fund balance contingency be built into each year in the general fund. The City's desire is to maintain a prudent level of contingency based on the revenue impacts described above and to minimize the City's borrowing cost if needed in the future. The contingency policy sets the minimal target level of two months of budgeted General Fund operating revenues to provide stability and flexibility to respond to unexpected adversity and/or opportunities. Currently the contingency budget is at 15% of the General Fund operating budget, or 8-weeks of operating costs. Acceptable contingency uses would include emergencies situations, one-time spending opportunities and appropriation transfers to allow spending in other funds, with Council approval. Unspent contingency balances would be returned to the General Fund in that budget year.

Mr. Jepson informed Council at the request of the Finance Director – 15% is recommended to be included in the budget rather than the \$.5M as presented prior. The 15% was included in the approved tentative budget. \$1.4M is 15% of the fund balance as recommended by Finance.

Motion: Motion to move the 15% contingency General Fund balance policy to the next available meeting for approval, **Action:** Approve, **Moved by** Councilman Freddy Rios; District 1, **Seconded by** Councilman Mike Humphrey; District 2.

Motion passed unanimously by Councilman Rios, Councilman Humphrey, Vice Mayor Stapleton, Councilwoman Giles, Councilman Alderman and Mayor Gameros.

6. **ACTION ITEMS:**

- A. Consideration to modify FY-2018-19 budget categories to increase Technology line items in an amount not to exceed \$25,000. (Paul Jepson)

City Manager Jepson updates Council that at the last Council meeting Council discussed readjusting the IT line items in the FY2018-2019 budget based on Gene Martel's presentation. This agenda item request will allow Council to see a presentation showing specific budget line changes that will be made and where the money will be moved from. Because the Tentative Budget has been passed Staff will move money from within the

budget already presented however the total IT increase will not exceed \$25,000.

Motion: Motion to modify the FY2018-2019 Budget to increase the Information Technology line item to not exceed \$25,000., **Action:** Approve, **Moved by** Councilman Lerry Alderman; District 6, **Seconded by** Vice Mayor Mike Stapleton; District 4.
Motion passed unanimously by; Councilman Rios, Councilman Humphrey, Vice Mayor Stapleton, Councilwoman Giles, Councilman Alderman and Mayor Gameros.

7. **CALL TO THE PUBLIC:**

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8. **SCHEDULING OF MEETINGS:**

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

9. **ADJOURNMENT.**

Motion: Motion to adjourn the Regular Meeting at 7:12 pm., **Action:** Adjourn, **Moved by** Councilman Lerry Alderman; District 6, **Seconded by** Councilman Freddy Rios; District 1.

Motion passed unanimously by Councilman Rios, Councilman Humphrey, Vice Mayor Stapleton, Councilwoman Giles, Councilman Alderman and Mayor Gameros.

I, Shelly Salazar do hereby certify that the foregoing are a true and correct copy of the meeting minutes for the July 10, 2018 Regular Globe Council Meeting and that the meeting was duly called and a quorum was present.



Shelly Salazar, City Clerk