

MINUTES

MINUTES OF THE REGULAR SESSION OF THE MAYOR AND COUNCIL OF THE CITY OF BISBEE, COUNTY OF COCHISE, AND STATE OF ARIZONA, HELD ON TUESDAY, JANUARY 7, 2020 AT 7:00 PM AT THE CITY HALL BUILDING, 915 S. TOVREAVILLE ROAD, BISBEE, ARIZONA.

THE MEETING WAS CALLED TO ORDER BY MAYOR SMITH AT 7:00PM.

ROLL CALL

COUNCIL

Councilmember Louis Pawlik, Ward III, Mayor Pro Tempore

Councilmember Joni Giacomino, Ward II

Councilmember Bill Higgins, Ward I

Mayor David M. Smith

Councilmember Leslie Johns, Ward I

Councilmember Joan Hansen, Ward II

Councilmember Anna Cline, Ward III

STAFF

Theresa Coleman, City Manager

Ashlee Coronado, City Clerk

Keri Bagley, Finance Director

Joelle Landers, Personnel Director

Jesus Haro, Public Works Director

Albert Echave, Police Chief

George Castillo, Fire Chief

CITY ATTORNEY

James Ledbetter

INVOCATION: Mayor Smith asked for a moment of silence hoping that cooler heads and sanity prevails with the ongoing events that are unfolding as we speak in Iran and Iraq.

PLEDGE OF ALLEGIANCE

MAYOR'S PROCLAMATIONS AND ANNOUNCEMENTS:

- Mayor Smith listed his activities over the last couple of weeks:
 - On December 19th he assisted the Fire and Police Department on a fatal fire investigation in Old Bisbee. He said that the Department did a terrific job in stopping the fire. Also on the 19th he presented a \$500.00 check to Scout Troup #1 from a local foundation.
 - On December 20th he attended a legislative meeting in Sierra Vista. It was a sit down with our two state legislators and senator to discuss local issues. Mayor Smith said he spoke about PSPRS.
 - On December 21st he attended a Ward I meeting at the Central School Project. It was well attended. Mayor Smith went on to say that Councilmember Johns did an outstanding job in facilitating the meeting and getting information from the constituents.
 - On December 29th he had the honor of lighting the main candle of the menorah for the last day of Hanukkah at Grassy Park.

- January 7th he participated in a PBS interview which was a follow-up to the anti-opioid program Cochise Addiction Project. That interview would be airing on January 13th and 14th.
- Mayor Smith thanked the BAC for presenting us with a great piece of art signed by all the artist participating in the CIG-Art machine. He said it would be hung in City Hall.

CALL TO THE PUBLIC

- Nolan Gouguet, spoke on streetlights being left on all night. He spoke on the huge waste of energy and that they were of concern to our planet. Less streetlights at night would result in less energy bills in Bisbee. He went on to say that people sleep better in the dark. He said that there was no evidence that streetlights stopped crime in neighborhoods.
- Claire Chaffee, requested to know why Council had not gone out for a permanent City Attorney. She spoke on requesting assistance from the City Attorney on writing Ordinances. She said he should not be writing them himself that was why we had Boards and Commissions. Ms. Chaffee also requested information on what the Appeals Board to Property Maintenance Code was. Ms. Chaffee presented Mayor and Council with a petition with the subject of Transparency.

THE FOLLOWING ITEMS WERE DISCUSSED, CONSIDERED AND/OR DECIDED UPON AT THIS MEETING:

GENERAL BUSINESS:

1. ACCOUNTS PAYABLE: Subject to availability of funds

MOTION: Councilmember Cline moved to approve accounts payable in the amount of \$200,748.92

SECOND: Councilmember Johns

MOTION PASSED: UNANIMOUSLY

2. Approval of the Consent Agenda

- A. Approval of the Resignation of Lawrence Phillips from the Streets & Infrastructure Committee.
Ashlee Coronado, City Clerk
- B. Approval of the Reappointment of Keri Bagley to the Public Safety Retirement Personnel Board.
Ashlee Coronado, City Clerk
- C. Approval of the Reappointment of William Gronlund to the Library Advisory Board.
Ashlee Coronado, City Clerk
- D. Approval of the Reappointment of Thomas Patterson to the Police & Fire Advisory Committee.
Ashlee Coronado, City Clerk
- E. Approval of the Reappointment of Thomas Patterson to the Board of Adjustment.
Ashlee Coronado, City Clerk
- F. Approval of the Reappointment of Albert Hopper to the Appeals Board for the Property Maintenance Code.
Ashlee Coronado, City Clerk

- G. Approval of the Reappointment of Nancy Parana to the Planning and Zoning Commission.
Ashlee Coronado, City Clerk
- H. Approval of the Reappointment of Duane Doane to the Community Sustainability Commission.
Ashlee Coronado, City Clerk
- I. Approval of the Appointment of Al Anderson to the Appeals Board for the Property Maintenance Code.
Ashlee Coronado, City Clerk
- J. Approval of the Appointment of Todd Conklin to the Appeals Board for the Property Maintenance Code.
Ashlee Coronado, City Clerk
- K. Approval of the Appointment of John Crow to the Appeals Board for the Property Maintenance Code.
Ashlee Coronado, City Clerk

Mayor Pro Tempore Pawlik requested that item 2A be pulled from the agenda.

MOTION: Councilmember Cline moved to approve the Consent Agenda Item B-K.

SECOND: Councilmember Hansen

ROLL CALL VOTE:

AYES: Councilmember Pawlik, Giacomino, Higgins, Johns, Hansen, Cline and Mayor Smith.

NAYS: 0

MOTION PASSED: AYES -7; NAYS -0

2A: Mayor Pro Tempore Pawlik wish to take a moment to thank Larry Phillips for his knowledge and experience in the field of asphalt and pavements. He would be very hard to replace. Councilmember Pawlik thanked him for his 11 years of service.

Mayor Smith agreed with Councilmember Pawlik.

Councilmember Hansen agreed, he was invaluable and did a fabulous job. She thanked him for his service.

MOTION: Councilmember Cline moved to approve Consent Agenda Item A

SECOND: Councilmember Hansen

ROLL CALL VOTE:

AYES: Councilmember Pawlik, Giacomino, Higgins, Johns, Hansen, Cline and Mayor Smith.

NAYS: 0

MOTION PASSED: AYES -7; NAYS -0

OLD BUSINESS

NEW BUSINESS

- 3. Presentation of the City of Bisbee Annual Audit Report for the Year ended June 30, 2019 by Steven Palmer, CPA of Hinton and Burdick.
Keri Bagley, Finance Director

Jennifer Frank from Hinton Burdick gave a presentation on the audited financial statements for the year ended June 30, 2019. The slideshow was attached as "Exhibit A".

Mayor Smith thanked Ms. Frank for her presentation.

4. Consideration and Direction to prepare an Agreement with Albert N. Hopper, Jr. Architect for Architectural and Engineering Services.

Theresa Coleman, City Manager

Mayor Smith said we had people who had signed up to speak on this item. He first wanted to bring people up to date as to where the city was. He said that after the fire a Town Hall meeting was held on November 30, 2017 at the Royale. As a result of that meeting the overwhelming majority wanted the new City Hall to be located at the same site, 118 Arizona as the old City Hall. On November 30, 2017 he held a Town Hall meeting requesting citizen input on size and location, and during that meeting he informed the public on the status of other buildings that had been considered. As a result of that on August 30th 2018 by a 5 to 0 vote of the Council, the Council passed a motion for an RFP/RFQ for A&E Services. On October 15, 2019 by a vote of 5 to 0 vote of the Council voted to indicating that the City Hall would be located at 118 Arizona, with a site-specific RFP/RFQ.

Lynn Kartchner, said he was one of the only engineers around here. He explained he had run the Bisbee Wastewater System back in 2003. He said that he had been involved in rehabbing old adobe buildings for many years. He had no doubt that our architect could do the job. He had the greatest of confidence in him. He would like to see a fireproof building built at the site. He said that this could be done. He supported Mr. Hopper and what he was trying to do and offered to help in any way he could for free.

Dave Cartun, said that there was a wrong and right way to make decisions. We could make them emotionally or based on facts. He thought that the ad hoc committee for City Hall should have had two members from each ward. He said that he went out and canvassed 11 business owners in Warren and San Jose and asked if we should build a new City Hall with the \$2 million. They all said no, it would be a waste of the taxpayer's money. He said they wanted a park in San Jose. He said he spoke to two public works employees who said that we did not need a new City Hall and that this one was fine. He asked Council to please think and reconsider what they had voted on.

Ken Budge, said he sent a memo to Council on City Hall alternatives. He said he had always supported the City Hall being rebuilt, but he had started looking at the numbers, and looking at other towns he started to think what we could do. He went over the options he sent to Council. He said that there were buildings within the City that could be repurposed and come under the \$2 million. He wanted to put these out as alternatives if we were unable to come up under the \$2 million.

Councilmember Pawlik explained that there were two reasons he tabled this issue. The first was that there was a discrepancy in the closing date which was listed by Subscription Bid Company. If that mistake had been based on something that the city put out, then we would've had no responsive bids to that contract. We would have had no choice but to go out and bid again. After discussing it with Staff and the Mayor it was an error on the part of bid company. That issue was now moot. The second reason it was tabled was he needed time to analyze the proposal of the selected firm. He thanked Council for the additional time. He had completed a due diligence review and he had three issues with it. He addressed the city's unfunded debt. We had a debt we could not deal with. He said that he was coming at this with a financial perspective only. He accepted the site. He said that this was a very competent firm they had the skills to do this job and a very reasonable estimate of the cost. He stated his three problems with the proposal as:

1. Scope was excessive- 25% more square footage than a staff of 12 people currently occupy. His solution was counsel must set a scope at a reasonable square footage and budget.
2. Lacks alternative concept designs- saving the portico was a potential budget buster. Three stories was not financially viable. The solution was to direct staff to contract for two additional concept designs to be premised on total demolition of the existing vertical structures, or a two-story design without the original portico or a single-story design.
3. Once contract was signed there was no turning back- the solution was to direct staff to negotiate three services, each with its own notice to proceed and a city review period between services. The architectural and engineering firm would present concept designs to Staff, Council and public for review and selection of the best alternative.
- 4.

He said that those were his issues and none of this was personal. With that in mind he would like to make a motion.

MOTION: I move that we authorize the City Staff to prepare an agreement with Albert N. Hopper Jr, Architect, for Architect/Engineering Services, to include the following directives:

- a. cap scope at 7300 square feet, not to be exceeded without Council approval.
- b. Maximum budget of \$2 million, not to be exceeded without Council approval.
- c. Authorize selected firm to develop two additional concept designs, one as a two-story building, and one is a single-story building, both concepts without the original portico.
- d. Contract to be phased: Concept designs, bid document prep, and construction management services, each phase with its own notice to proceed. Present concept designed to Council and public for consideration with recommendation.

SECOND: Councilmember Higgins

Mayor Smith opened it up for discussion.

Mayor Smith confirmed that what we were doing here was authorizing the city staff to enter into a contract with Mr. Hopper’s firm and within the contract certain things would be enumerated such as a not to exceed budget and square feet. They were all contractual issues. That contract would come back to Council and Council would authorize the signature of the contract.

Mayor and Council discussed procedure and process if this item was approved tonight.

Ms. Coleman explained that what was provided was a preliminary analysis. We would work with the architect to come up with actual ideas for space.

ROLL CALL VOTE:

AYES: Councilmember Pawlik, Giacomino, Higgins and Johns.

NAYS: Councilmember Hansen, Cline and Mayor Smith- Mayor Smith stated that his vote had nothing to do with the architectural firm it had to do with the restrictions.

MOTION PASSED: AYES -4; NAYS -3

5. Discussion and Possible Direction on the Proposed Fee Schedule.

Theresa Coleman, City Manager

Mayor Smith allowed citizens to speak first.

Donna Pulling said she wanted to express her concerns on the wording of this agenda item. She said that statute suggests that agendas should be worded with sufficient information that the public should be able to understand what was going on and being discussed. She said it would be helpful in the future if we put as much detail in these agenda items so the general public could understand what the items were.

Claire Chaffee said that she didn't know what a fee schedule was. She also commented on a statute that required a report when changing fees. She wanted to know if that had been done.

Ms. Coleman said that she had been working with staff on the fees that were spread throughout the City Code. They were reviewing whether or not the fees were adequate to cover the city's costs, along with putting the fees in one central location. She explained that this was Council's opportunity to have some discussion and provide direction. She said this would come back for adoption at a later date.

Councilmember Pawlik asked about the places that were listed as N/A throughout the document.

Ms. Coleman responded that there were currently not fees for those items.

Councilmember Pawlik asked about the nuisance fees and the fact that they were not included.

Ms. Coleman said that at the time when discussing those fees, it was thought that they would be adopted before this schedule was approved by Council. They would be added to the fee schedule once the ordinances were put in place.

Councilmember Pawlik asked what formula was used to calculate the building permit fees.

Ms. Coleman responded that this was a collaboration with Dan Coxworth at Cochise County. We worked with him on approximating how to get our fees in line with what he thought was appropriate.

Councilmember Hansen said that she did not see the low income fees in this fee schedule.

Ms. Coleman responded thank you for pointing that out and it would be included.

Councilmember Giacomino requested to see the document in its full form before any decisions were made.

- 6. Possible Approval of a Motion to go into Executive Session for the purpose of Discussion and Consultation with the City Attorney to provide legal guidance with respect to a notice of claim, pending litigation and dismissal of Open Meeting Law complaints against the city.

Per ARS § 38-431.03(a)(3)(4), the City Council may vote to go into executive session for discussion or consultation for legal advice with the attorney or attorneys of the public body and for Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation.

James Ledbetter, City Attorney

MOTION: Councilmember Higgins moved that the Mayor and Council go into Executive Session pursuant to ARS § 38-431.01(a)(3)(4) for the consideration of the employment and appointment of a City Manager.

SECOND: Councilmember Johns

MOTION PASSED: UNANIMOUSLY

MOTION: Councilmember Higgins moved to come out of Executive Session.

SECOND: Councilmember Hansen

MOTION PASSED: UNANIMOUSLY

7. City Manager's Report:

- Minimum Wage- Ms. Coleman explained that we did make adjustments to fire Department wages. These adjustments will fit within budget.
- Other Current events (No Discussion) –
 - Ms. Coleman explained that we would now have a paperless option available for packets. It was tried with the Art's Commission last night and they loved it.
 - Ms. Coleman discussed fleet and said that the City had officially purchased the vehicles we had from the County.
 - Ms. Coleman said it was time for her six-month review and the attorney would be sending out a form.
 - Ms. Coleman said she had been working with folks to bring the first habitat program into town.

COUNCIL COMMENTS OR FUTURE AGENDA ITEM SUGGESTIONS: (Council members may suggest topics for future meeting agendas, but Council will not here discuss, deliberate or take any action on these topics.):

- Councilmember Hansen said that there would be a Youth Council Presentation at the Boys and Girls Club on January 10th at 4 p.m. She encouraged youths to attend to see what Youth Council was all about.
- Councilmember Cline commented on news dissemination and transparency. As Councilmembers they should be kept informed of whatever was going on within the city. She spoke on the subjects of Hillcrest, eminent domain and Erie Street. She went on to say she had been receiving questions on the Charter Review Committee. In the Charter we were all equal Mayor and Council. She felt like the Mayor had his hands in everything Charter Review.

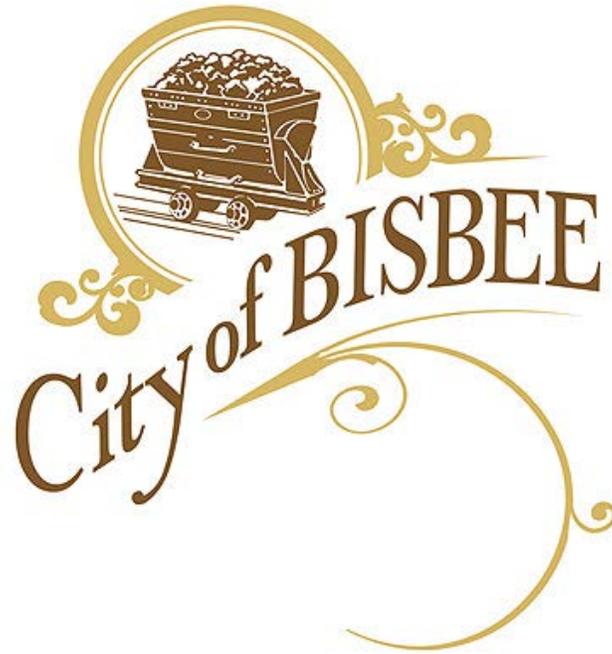
MOTION: Councilmember Higgins moved to adjourn the meeting.

SECOND: Councilmember Pawlik

MOTION PASSED: UNANIMOUSLY

ADJOURNMENT: 9:06 PM

David M. Smith, Mayor



Fiscal Year 2019 Audit Presentation

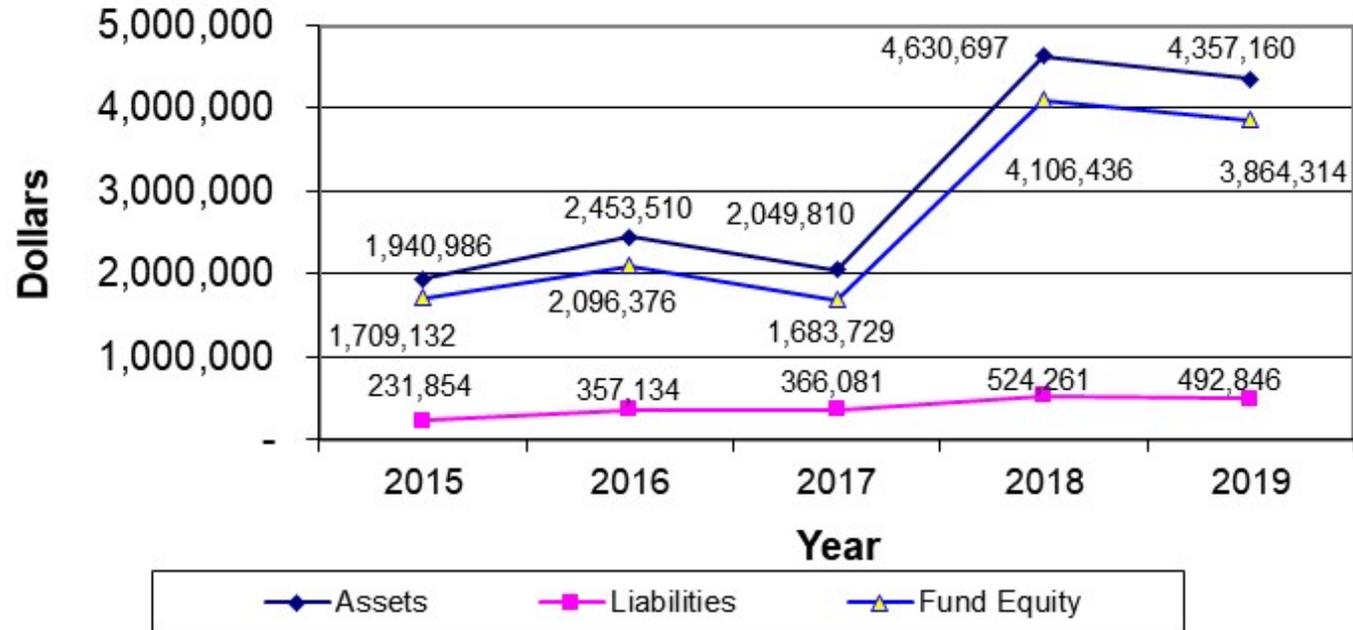
Audit Reports

- **Independent Auditors Report**
 - Unmodified or “clean opinion”.
- **Report on Compliance and on Internal Control over Financial Reporting**
 - No material weaknesses noted.
 - No significant deficiencies noted.
- **State Compliance Report**
 - The General Grants Fund over expended its budget by \$12,994.

Government-Wide Financial Highlights

- Total net position (equity) was \$7,810,202.
- Over time, increases or decreases in net position are indicators of whether the financial health of the City is improving or deteriorating.
- The City's net position decreased by \$1,215,070 for the year ending June 30, 2019.

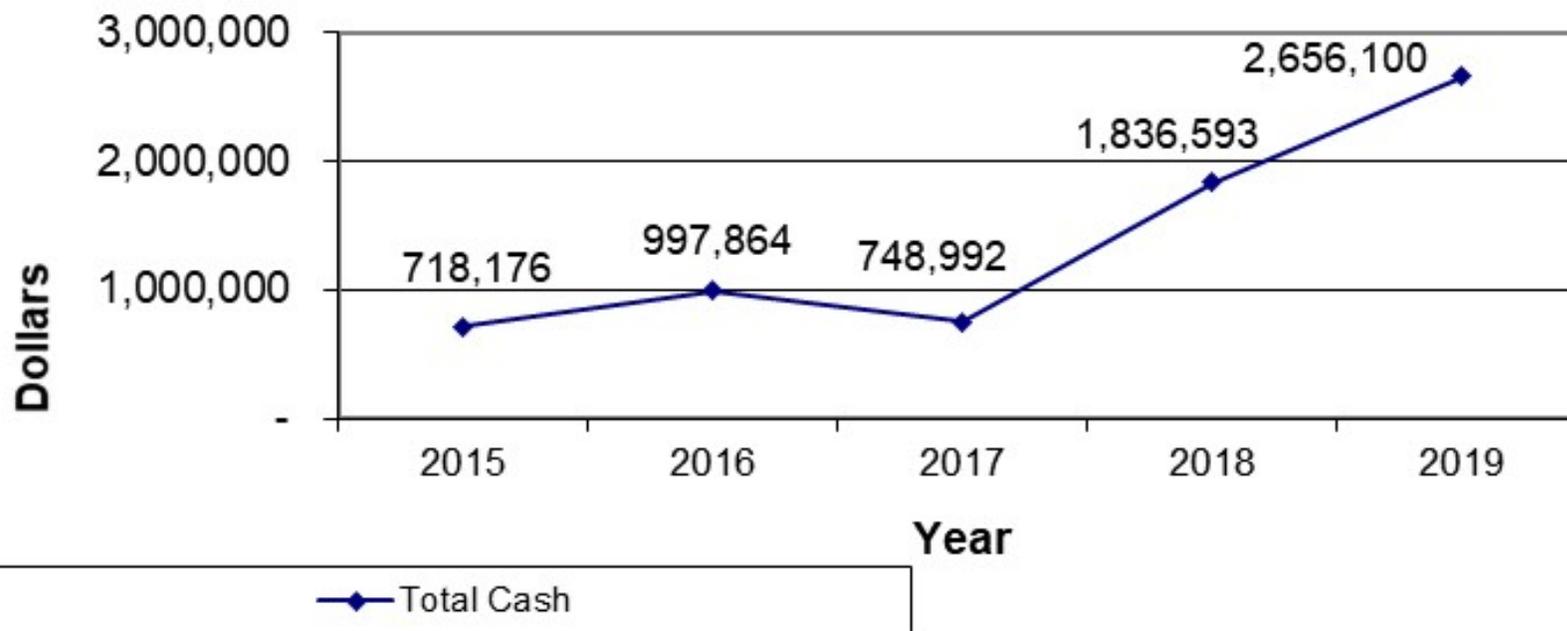
CITY OF BISBEE, AZ GENERAL FUND BALANCE SHEET TREND



- The General Fund continues to report a healthy fund balance.
- In 2019 fund balance decreased \$242,122.
 - \$2,000,000 of the City's fund balance has been committed for the construction of City Hall.

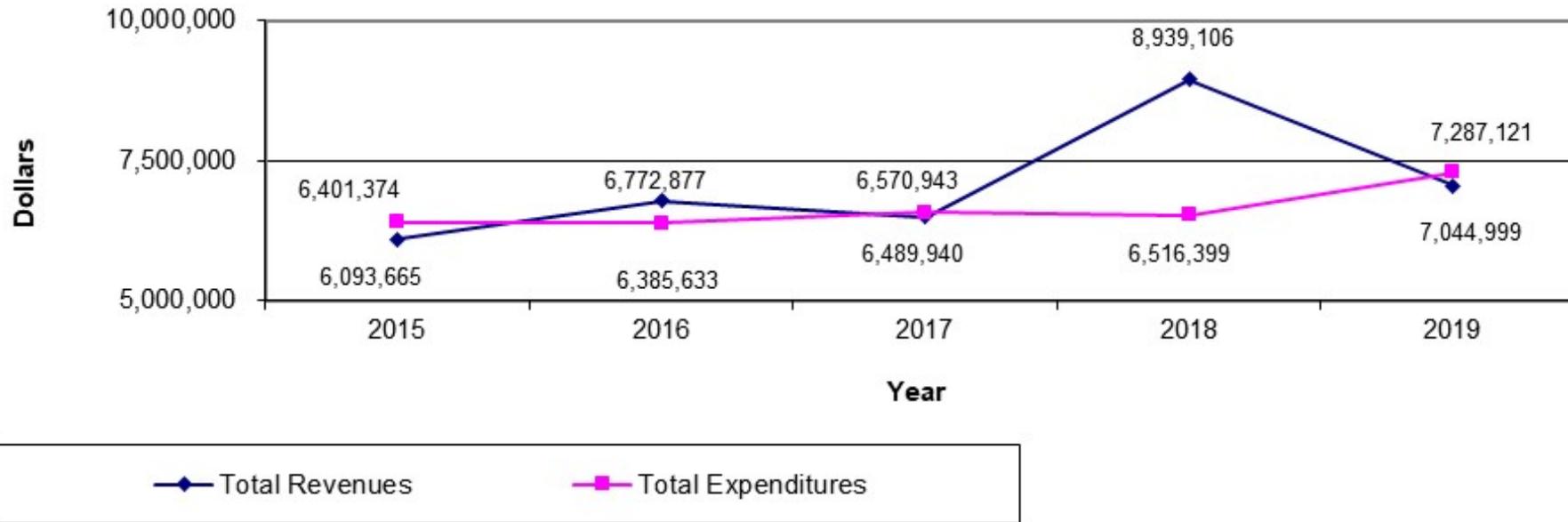
(Keep in mind that fund balance represents equity based on a current measurement focus, i.e., capital assets and long-term debt are not considered)

CITY OF BISBEE, AZ GENERAL FUND CASH TREND



- The large increase in cash in 2018 was due to insurance proceeds (approximately \$50k was received in fiscal year 2019 from insurance proceeds).

**CITY OF BISBEE, AZ
GENERAL FUND
Revenue and Expenditure Trend**

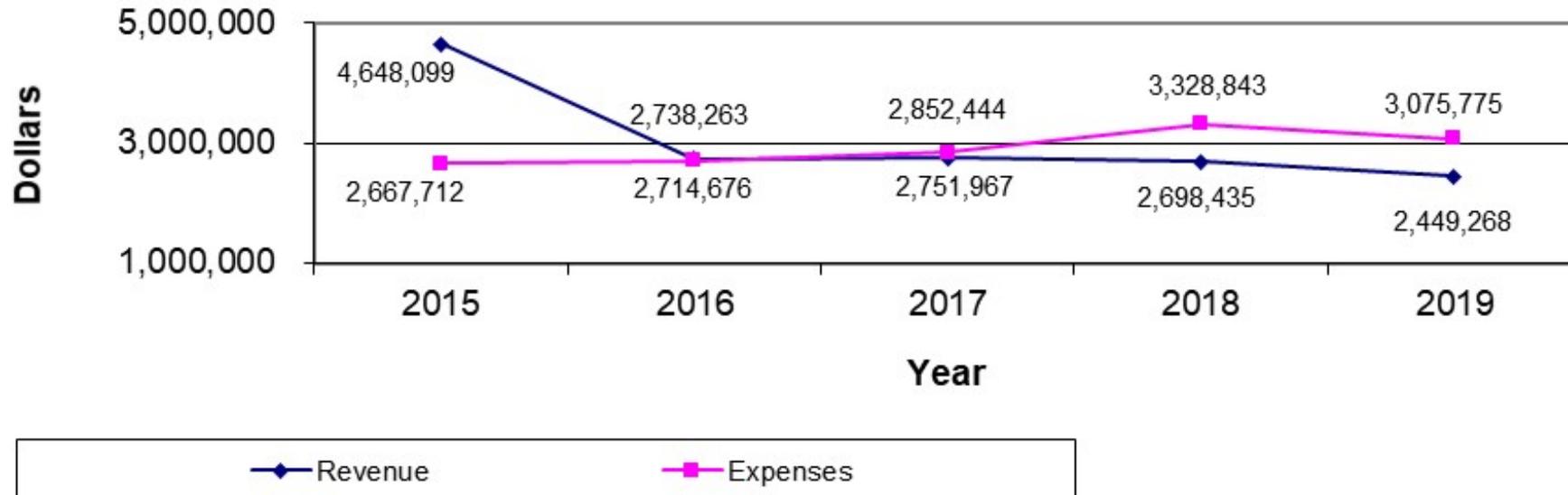


- General Fund revenues and expenditures are normally expected to break even over time.
- Cumulatively, over the past five years, expenditures have exceeded revenues by \$518k (excluding insurance proceeds).

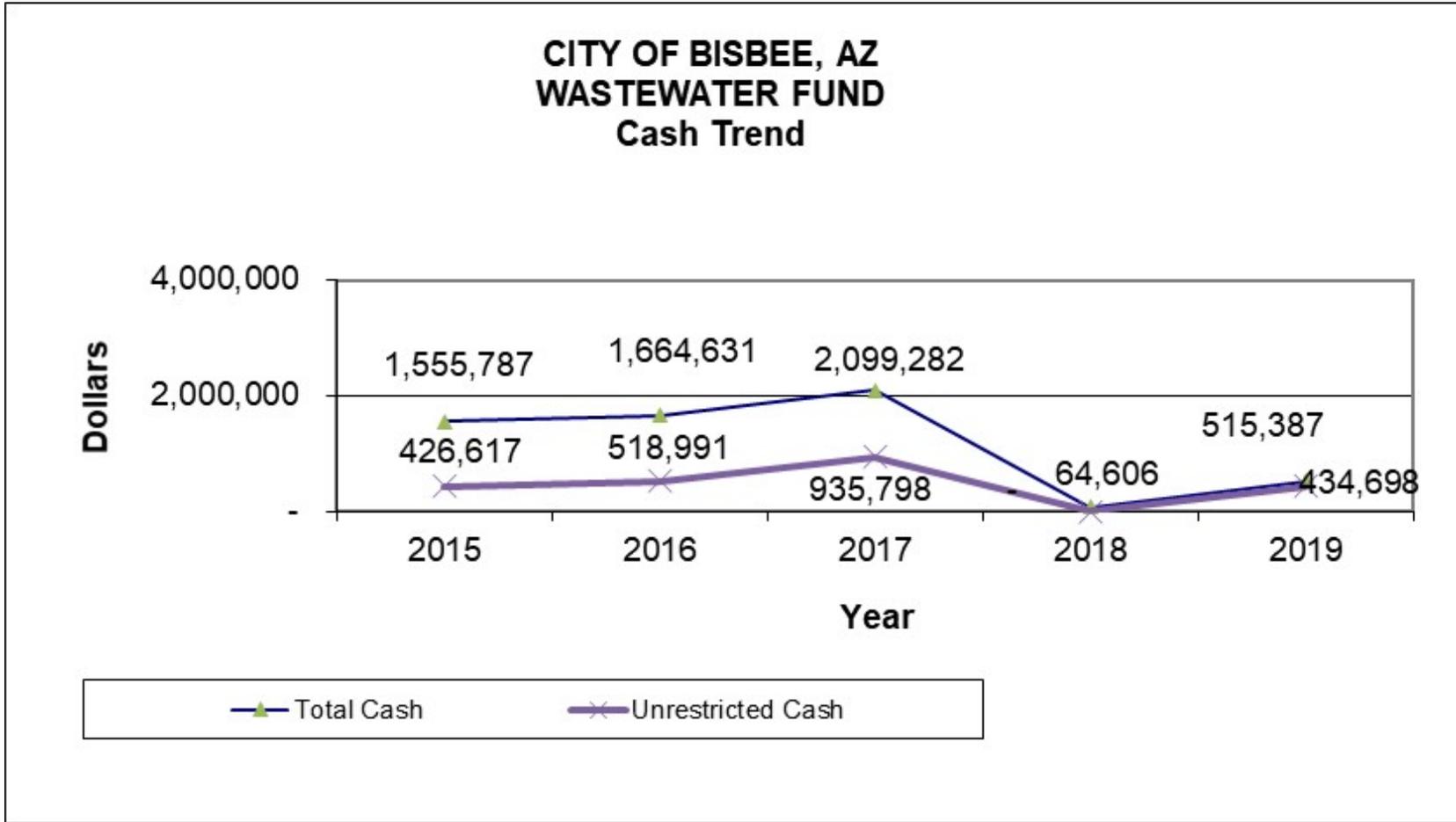
Enterprise Funds

- Enterprise Funds are reported on the full accrual basis of accounting.
 - This is to provide for depreciation and future capital requirements.
 - Enterprise Funds should report revenues in excess of expenditures.

CITY OF BISBEE, AZ WASTEWATER FUND Revenues and Expenses

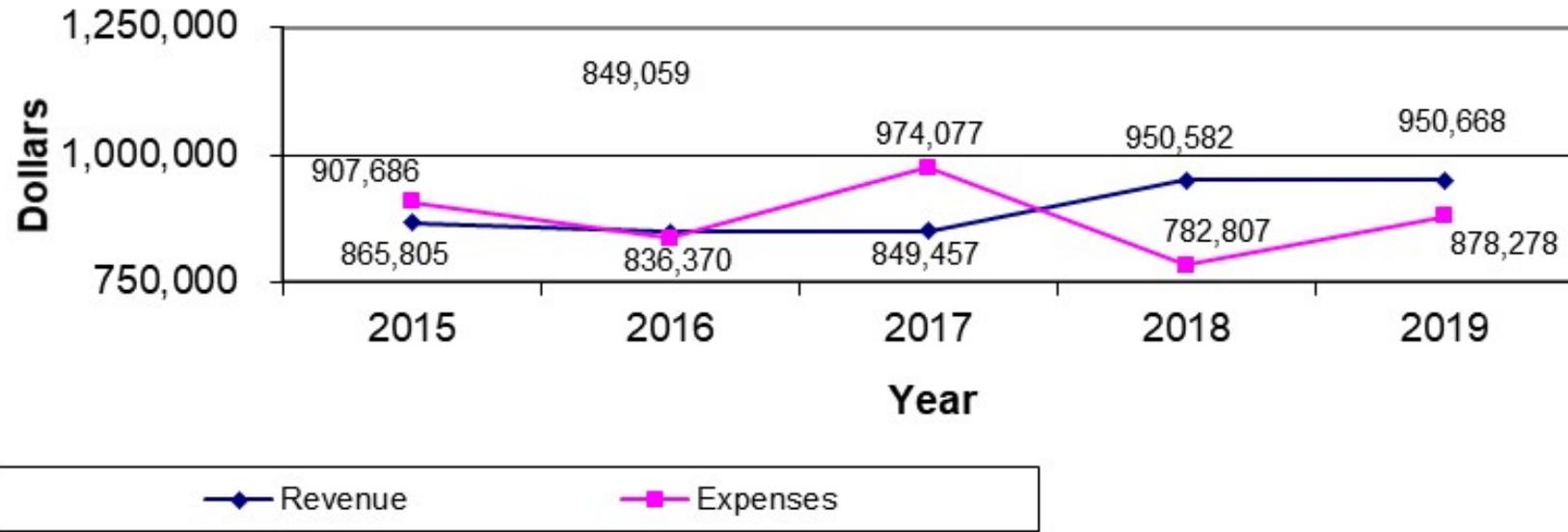


- Cumulatively, over the past five years, revenues have exceeded expenses by \$646,582.
- In fiscal year 2015, the Fund received \$1,985,584 in grant revenue.
- If the grant revenue is disregarded, the Fund would have cumulatively reported \$1,339,002 of expenses in excess of revenues.



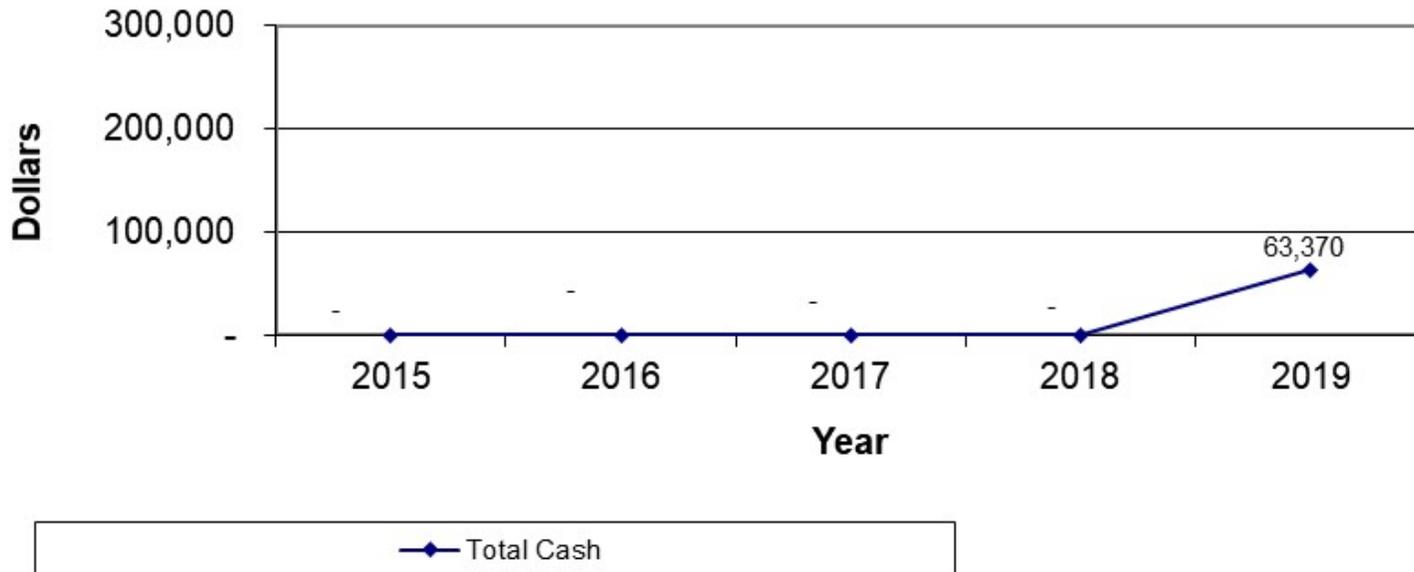
- The Wastewater Fund has reported relatively stable cash balances for four out the past five years.
- The large decrease in cash reported in 2018 is a result of retiring outstanding debt.
- At the beginning of 2018 year outstanding loans and bonds were \$11,086,034.
- At the end of 2018 outstanding loans and bonds were \$8,621,104.

**CITY OF BISBEE, AZ
SANITATION FUND
Revenues and Expenses**

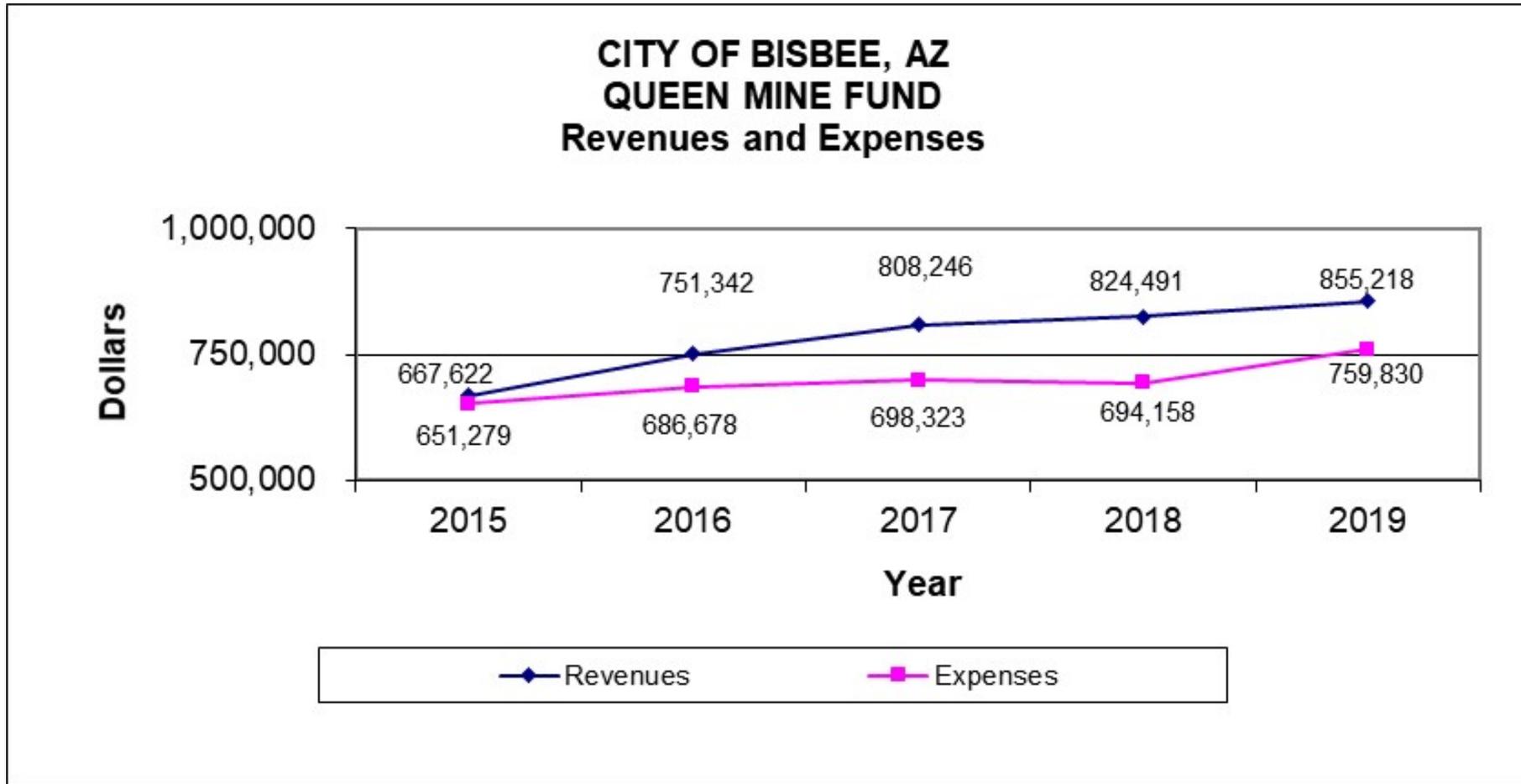


- Cumulatively, over the past five years, revenues have exceeded expenses by \$86,353.
- In fiscal year 2019, revenues exceeded expenses by \$72,390.

CITY OF BISBEE, AZ SANITATION FUND - Cash Trend

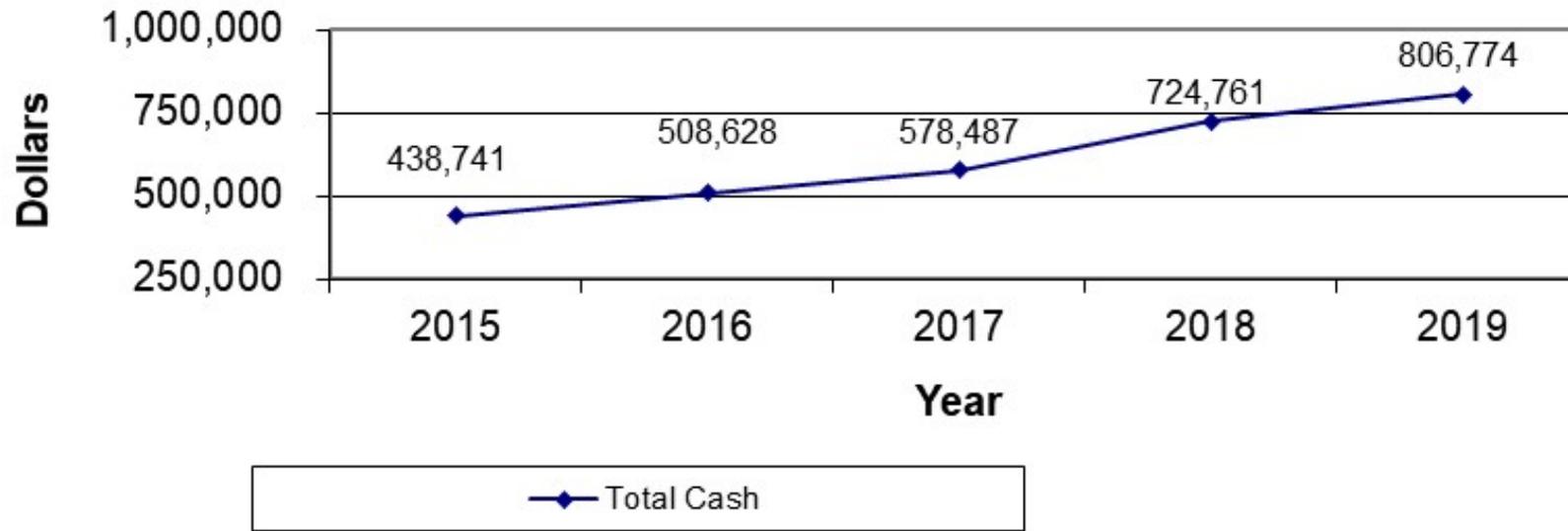


- The Sanitation Fund has not reported any cash balances for four of the past five years.



- Cumulatively, over the past five years, revenues have exceeded expenses by \$416,651.

CITY OF BISBEE, AZ QUEEN MINE - Cash Trend



- The cash balance in the Queen Mine fund has increased \$368,033 over the past five years.

Thank You!

- Thank you for the opportunity to work with the City.
- Thanks to all City employees that assisted with the audit.

Questions?



HINTON BURDICK
CPAs & ADVISORS ▶

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