

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 6th DAY OF AUGUST, 2015**

CALL TO ORDER - Mayor Bob Irvin called the meeting to order at 6:30 p.m.

ROLL CALL - City Clerk Virginia A. Mefford called the roll.

PRESENT

Mayor Robert A. Irvin
Vice Mayor Earl Goolsby
Councilman Elwood A. Johnson
Councilman Gerald W. Lindsey
Councilman William "Bill" Nigh
Councilman Timothy A. Bowlby
Councilman Michael J. Laws

STAFF

City Manager Ted Soltis
City Clerk Virginia Mefford
City Attorney Ann P. Roberts
Interim Police Chief Jose Rios
Finance Director Crystal Hadfield
Library Director Tom Miner
Public Works Director Kevin Hagerich
Development Services Jeff Stoddard

ABSENT

Councilman Michael J. Laws

PLEDGE OF ALLEGIANCE TO THE FLAG - Led by Mayor Irvin

CALL TO THE PUBLIC

Jeff Willey spoke to Council concerning the red paint on the curbs next to his restaurant, Big Tex. He would like an explanation why so many feet of curbing was painted taking away vital parking for his patrons. Councilmember Bowlby asked City Manager and staff to look into this matter.

Cindy Traylor gave an update on the Young Birders' club.

DECLARATION ON CONFLICT OF INTEREST - None

ADOPTION OF THE AGENDA

MOTION: Councilmember Johnson made a motion to adopt the agenda as presented.

SECONDED: Councilmember Bowlby seconded the motion.

MOTION CARRIED

APPROVAL OF MINUTES OF THE REGULAR MEETING OF JULY 16, 2015

MOTION: Councilmember Johnson made a motion to approve the minutes as presented.

SECONDED: Councilmember Bowlby seconded the motion.

MOTION CARRIED

WILLCOX FLYER BIKE RIDE STREET CLOSURE REQUEST FOR RAILROAD AVE. FROM STEWART ST. TO MALEY ST. FOR SEPTEMBER 5, 2015 FROM 6:00 A.M. TO 2:00 P.M.

MOTION: Councilmember Johnson made a motion to approve the Willcox Flyer Bike Ride street closure request for Railroad Ave. from Stewart St. to Maley St. for September 5, 2015 from 6:00 a.m. to 2:00 p.m.

SECONDED: Councilmember Bowlby seconded the motion.

MOTION CARRIED

ORDINANCE 322 - AN ORDINANCE OF THE CITY OF WILLCOX, ARIZONA, LEVYING A PRIMARY AND SECONDARY PROPERTY TAX UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY SUBJECT TO TAXATION, A SUM CERTAIN EACH ONE HUNDRED DOLLARS (\$100.00) OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE, FOR THE FISCAL YEAR ENDING JUNE 30, 2016

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
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MOTION: Councilmember Bowlby made a motion to approve Ordinance 322.

SECONDED: Councilmember Lindsey seconded the motion.

DISCUSSION: Councilmember Johnson asked how much it would go up for a \$100,000 home. City Manager Soltis stated approximately \$10 a month.

MOTION CARRIED (5-1) Ayes - Mayor Irvin, Vice Mayor Goolsby, and Councilmembers Lindsey, Nigh, Bowlby;
Nays – Councilmember Johnson.

MOTION CARRIED

RESOLUTION 2015-21 - A RESOLUTION ADOPTING THE FINAL BUDGET OF THE CITY OF WILLCOX FOR FISCAL YEAR 2015-2016

MOTION: Councilmember Johnson made a motion to approve Resolution 2015-21.

SECONDED: Councilmember Bowlby seconded the motion.

MOTION CARRIED

RESOLUTION 2015-22 - A RESOLUTION OF MAYOR AND COUNCIL OF THE CITY OF WILLCOX AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR GILA RIVER INDIAN COMMUNITY STATE-SHARED REVENUE PROGRAM FUNDS AND ACCEPTING SUCH GRANT FUNDS FOR A FIRE DEPARTMENT TOWER MOUNTED RADIO REPEATER

MOTION: Councilmember Johnson made a motion to approve Resolution 2015-22.

SECONDED: Councilmember Bowlby seconded the motion.

DISCUSSION: Chief Rios explained what area this booster would reach. Councilmember Bowlby asked if it is under a state contract. Chief Rios stated it is under state contract.

MOTION CARRIED

CITY MANAGER'S REPORT

- The Community Development Block Grant (CDBG) application for Slum and Blight mitigation was submitted. The next step is the environmental review.
- He attended the Arizona City Manager Association (ACMA) conference and learned about what other communities are doing.
- Paperwork for the Waste Water Treatment Plant (WWTP) will come before Council at the next meeting.
- Stotz will have a grand opening tomorrow from 10 a.m. to 2 p.m.
- He announced that the August 20th Council meeting is canceled due to the Arizona of Cities and Towns Annual League Conference.

COMMENTS NOT FOR DISCUSSION FROM MAYOR AND COUNCIL MEMBERS

- Councilmember Johnson stated he voted no on the property tax measure because he feels we need to shop local to bring in more tax revenue. He met with Jeff Willey a couple of times and noticed the trees were trimmed more than other areas, and the red curbing seemed to be painted longer in this area.

ADJOURN

With no further business before the Mayor and Council, the meeting was adjourned at 6:54 p.m. by Mayor Irvin.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of the City of Willcox held on the 6th day of August, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 6th day of August 2015

City Clerk Virginia Mefford, CMC

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 6th DAY OF AUGUST, 2015**

PASSED, APPROVED AND ADOPTED this 3rd day of September, 2015.

Mayor Robert A. Irvin

ATTEST:

City Clerk Virginia A. Mefford, CMC

SECTION 10

- Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
 Yes NO (If yes, attach explanation.)
- How many special event licenses have been issued to this location this year? 0
 (The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)
- Is the organization using the services of a promoter or other person to manage the event? Yes NO
 (If yes, attach a copy of the agreement.)
- List all people and organizations who will receive the proceeds. Account for 100% of the proceeds. The organization applying must receive 25% of the gross revenues of the special event liquor sales. Attach an additional page if necessary.

Name Rex Allen Days, INC Percentage: 100%
 Address PO Box 429 Willcox AZ 85641
Street City State Zip

Name _____ Percentage: _____
 Address _____
Street City State Zip

5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.
Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.
"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

6. What type of security and control measures will you take to prevent violations of liquor laws at this event?
 (List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

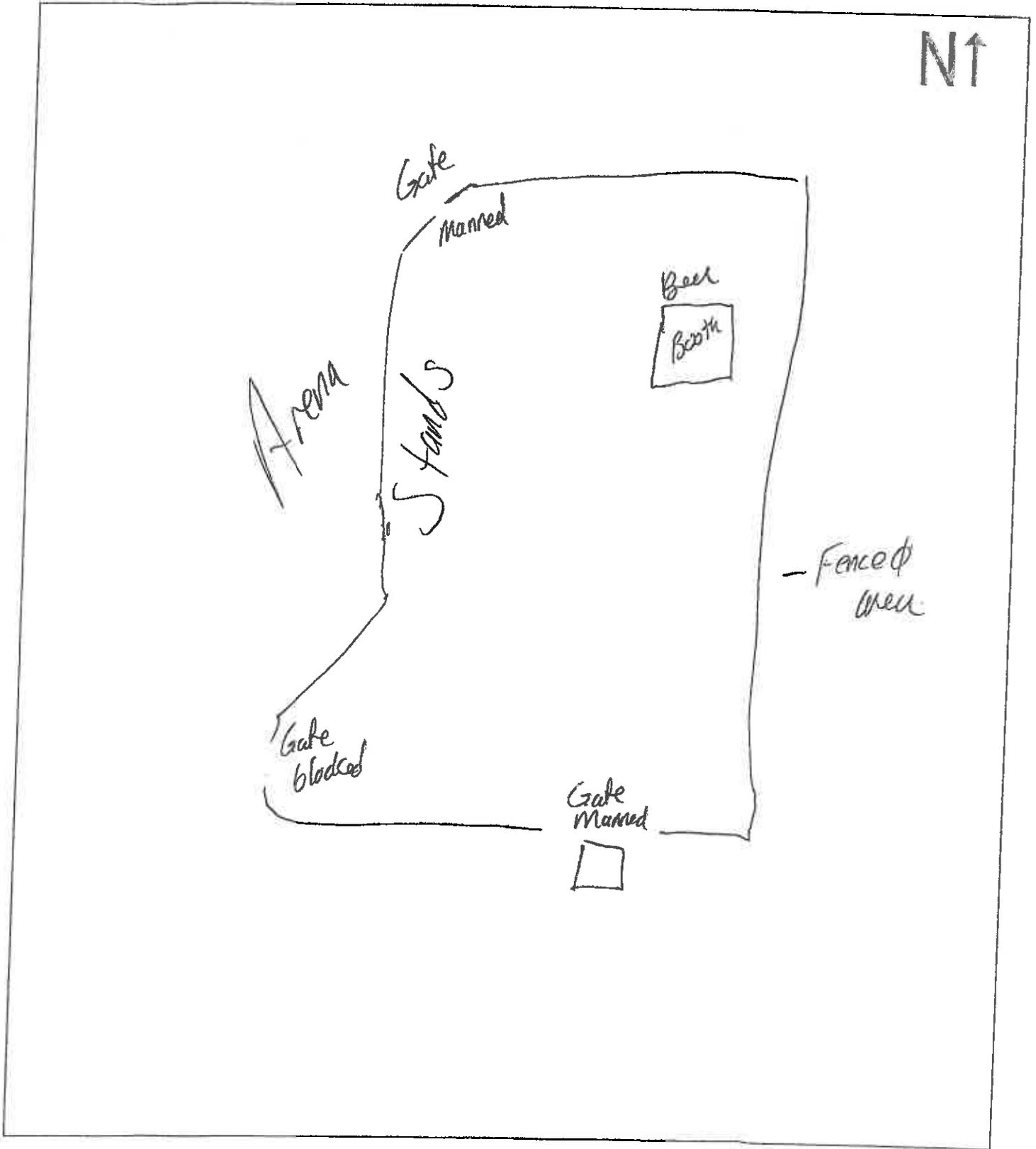
1 Number of Police _____ Number of Security Personnel Fencing Barriers

Explanation: enclosed arena, gates manned by volunteers, no outside alcohol, no alcohol allowed outside arena area, IDs required

SECTION 11 Date(s) and Hours of Event. May not exceed 10 consecutive days.
 See A.R.S. § 4-244(15) and (17) for legal hours of service.

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>2 Oct 2015</u>	<u>Friday</u>	<u>3:30 pm</u>	<u>6:30 pm</u>
DAY 2:	<u>3 Oct 2015</u>	<u>Saturday</u>	<u>1 pm</u>	<u>5:30 pm</u>
DAY 3:	<u>4 Oct 2015</u>	<u>Sunday</u>	<u>1 pm</u>	<u>5:30 pm</u>
DAY 4:	_____	_____	_____	_____
DAY 5:	_____	_____	_____	_____
DAY 6:	_____	_____	_____	_____
DAY 7:	_____	_____	_____	_____
DAY 8:	_____	_____	_____	_____
DAY 9:	_____	_____	_____	_____
DAY 10:	_____	_____	_____	_____

SECTION 12 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades, or other control measures and security position.



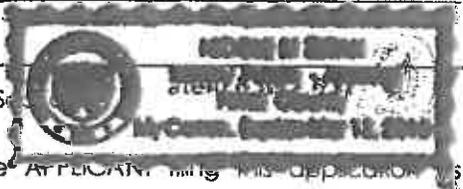
SECTION 13 To be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, Michael Clement declare that I am an OFFICER, DIRECTOR, or CHAIRPERSON
(Print Full Name)
appointing the applicant listed in Section 9, to apply on behalf of the foregoing organization for a Special Event
Liquor License.

X [Signature] Director 7/24/15 520 409 7123
(Signature) Title/ Position Date Phone #

The foregoing instrument was acknowledged before me this 24th July 2015
Day Month Year
State Arizona County of Pima

My Commission Expires on: March 13, 2016
Date [Signature]



SECTION 14 This section is to be completed only by the applicant named in Section 1.

I, Michael Clement declare that I am the APPLICANT with this application
(Print Full Name)
listed in Section 9. I have read the application and the contents and all statements are true, correct and
complete.

X [Signature] Director 7/24/15
(Signature) Title/ Position Date Phone #

The foregoing instrument was acknowledged before me this 24th July 2015
Day Month Year
State Arizona County of Pima

My Commission Expires on: March 13, 2016
Date [Signature]
Signature of Notary Public

Please contact the local governing board for additional application requirements and submission deadlines. Additional
licensing fees may also be required before approval may be granted. For more information, please contact your local
jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section

I, _____ recommend APPROVAL DISAPPROVAL
(Government Official) (Title)

on behalf of _____
(City, Town, County) Signature Date Phone

FOR DEPARTMENT OF LIQUOR LICENSES AND CONTROL USE ONLY

APPROVAL DISAPPROVAL BY: _____ DATE: _____

A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.

CITY OF WILLCOX
Request for Council Action

Agenda Item: 9
Tab Number: 3

Meeting Date:
September 03, 2015

Action:
 Resolution
 Ordinance
 Other

Subject: Street Closure for
the Rex Allen Day Parade.

To: Mayor and City Council

From: Kevin T. Hagerich, Public Works Director

Discussion: Rex Allen Days Inc. is requesting a street closure for the Rex Allen Day Parade. The parade will start at Maley and Austin then will proceed North to Fremont, from Fremont to Haskell, South on Haskell, East on Stewart, South on Railroad to Maley, West on Maley to Haskell then South on Haskell to end at McCourt Ave.

The parade is scheduled for October 3, 2015 from 6:00 am until 1:00 pm. RAD will obtain all barricades and signage. City crews will place the barricades the morning of the event and remove them after the parade.

Recommendation: Approve the street closure for the Rex Allen Day Parade.

Fiscal Impact: \$0.00

Submitted by: Kevin T. Hagerich

Approved by: [Signature]

Street Closure Request Form

Name of Applicant

REX Allen Group Inc

Date of Request

July 14, 2015

Address

PO BOX 429, Willcox

Phone Number

520-678-6540

Event or Event Sponsor for Street Closure

104th Rex Allen Days Parade

Date(s) Requested for Street Closure

10/3/15

Times for Street Closure

6:00 am - 1 pm

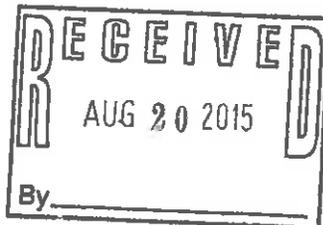
Street(s) to be closed - Beginning and ending points.

Start at Maley & Austin, proceed N. to Fremont, from Fremont to Haskell, S on Haskell, E on Stewart, S on Railroad to Maley, W on Maley to Haskell then S on Haskell to end on McCourt Ave.

The applicant understands that a certificate of liability insurance for \$1,000,000 naming the City of Willcox as additionally insured must be supplied with this application in order for the request to be fully executed and processed. Additionally, the City of Willcox requests that all adjacent property owners be notified of the intent to close the street and offered an opportunity to make comments to the Mayor and City Council. Comments may be submitted to the City Clerk prior to the council meeting or may be stated in the public meeting.

Melba Clark
Applicant Signature
Katie Scherer
Received By

July 14, 2015
Date
8/20/15
Date



PETITION TO CLOSE RAILROAD AVENUE

ON October 3rd, 2015
DATE

FROM 8:00 TO 1:00
START TIME END TIME

FOR THE PURPOSE OF Rex Allen Day's Parade
EVENT

REX ALLEN MUSEUM, OK TO CLOSE E. Pierre Brehm

WILLCOX HISTORIC THEATER, OK TO CLOSE Gayle Berry

RODNEY'S, OK TO CLOSE Body Center

FLYING LEAP, OK TO CLOSE Rebecca Surfan

OLD WEST MERCANTILE, OK TO CLOSE Closed

FRIENDS OF MARTY ROBBINS, OK TO CLOSE Juanita Buckley

KEELING SCHAEFER, OK TO CLOSE Arista Hale per Rick Keeling Jan 2015

GALLERY 94, OK TO CLOSE Closed

BIG TX, OK TO CLOSE [Signature]

CITY OF WILLCOX
Request for Council Action

Agenda Item: 10
Tab Number: 4

Meeting Date:
September 03, 2015

Action:
 Resolution
 Ordinance
 Other

Subject: Alley closure
for the Extended Hands
Ministries Farmers
Market.

To: Mayor and City Council

From: Kevin T. Hagerich, Public Works Director

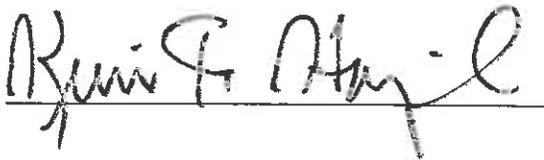
Discussion: Extended Hands Ministries is requesting an alley closure between Haskell and Curtis on 09/12/2015 from 5:00 am until 2:00 pm. for a farmers market.

This closure will not affect homeowners or businesses.

Recommendation: Approve the alley closure for the Farmers Market.

Fiscal Impact: \$0.00

Submitted by:



Approved by:



Street Closure Request Form

Name of Applicant

Larry D. Hoppe

Date of Request

8/13/15

Address

1107 W. GRANADA ST

Phone Number

928 580 2404

Event or Event Sponsor for Street Closure

Extended Hands Ministries Farmers Market

Date(s) Requested for Street Closure

9/12/15

Times for Street Closure

5AM - 2PM

Street(s) to be closed - Beginning and ending points.

The portion of Alley that is to the side of Extended Hands Church property. The Alley is between Haskel and Curtis and will NOT block homeowners and businesses

The applicant understands that a certificate of liability insurance for \$1,000,000 naming the City of Willcox as additionally insured must be supplied with this application in order for the request to be fully executed and processed. Additionally, the City of Willcox requests that all adjacent property owners be notified of the intent to close the street and offered an opportunity to make comments to the Mayor and City Council. Comments may be submitted to the City Clerk prior to the council meeting or may be stated in the public meeting.


Applicant Signature

8/12/15
Date


Received By

17 AUG 15
Date

Curtis

Bank

← only this section →

Alley

PT

Gym

Business
closed

Hasken

Left

CITY OF WILLCOX
Request for Council Action

Agenda Item: 11
Tab Number: 5

Meeting Date:

September 3, 2015

Action:

Resolution
 Ordinance
 Other

Subject: Resolution 2015-23
MVD Parking Test Space

To: Mayor and City Council

From: Tom Miner, Library Director

Discussion: On or about 10 July, 2015, this office was contacted by Ms. Jan Kortsen, owner/operator of the Motor Vehicle Processing center here in Willcox. ADOT has directed that they conduct vehicle operator "parking tests" as part of their driver licensing program, however, there is no space available at their present location. Ms. Kortsen asked if there was a way perhaps that they could utilize approximately 20% of the Free Library and Municipal Parking Lot directly across the street, in front of the Library. Ms. Kortsen and I met that afternoon and walked off the ADOT space requirements together and determined that it would have minimal effect on the Library patrons, who generally park near the West end, closer to the Library.

The proposed MVP-use space would be at the East end, adjacent to the alley. That area would be coned off in a pattern to represent what ADOT refers to as a "three point turn". The three point turn is basically a person pulling into a parking place and then backing out of the space and moving forward. The space would measure 72' x 56', or a total of 4,032 sf, per ADOT test specifications. The entire parking lot measures 150' x 150', or 22,500 sf. This would represent 18% of the total space. It is in the best interests of the City, on behalf of its resident drivers, to accommodate this request in order to maintain a motor vehicle licensing and testing outlet here in Willcox. MVP agrees to clean and maintain the space, so it is a win-win for all.

Recommendation: The City Council approve the Resolution allowing MVP to utilize the space.

Fiscal Impact: \$0

Submitted by:

Tom Miner

Approved by:

[Signature]

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2015-23

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA (“LESSOR”) APPROVING AND AUTHORIZING A LAND LEASE WITH JAN KORTSEN INS., LLC D.B.A. MVP (“LESSEE”)

WHEREAS, LESSEE has entered into an agreement with the State of Arizona to be a third party provider for the delivery of authorized ADOT-MVD services pursuant to A.R.S. § 28-408; and

WHEREAS, LESSEE is in need of property to perform driver testing; and

WHEREAS, the Mayor and Council recognize the needs of the community within and without the City limits to have access to MVD services and have strongly supported the continuance of said services; and

WHEREAS, the Mayor and Council have determined that action on this Resolution is in the best interest of the City of Willcox and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, AS FOLLOWS:

Section 1: The City of Willcox approves and authorizes the LEASE as presented herewith as Exhibit “A”.

Section 2: The Mayor is authorized and empowered to execute this Resolution and the LEASE.

Section 3: The City Manager is authorized to execute and implement the provisions of the Lease on behalf of the CITY.

PASSED AND ADOPTED BY MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, this 3rd day of September 2015.

APPROVED/EXECUTED:

ROBERT A. IRVIN, Mayor

APPROVED AS TO FORM:

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

ANN P. ROBERTS, City Attorney

Exhibit "A"

**PUBLIC PARKING LEASE AGREEMENT
BETWEEN
JAN KORTSEN INS., LLC D.B.A. MVP
AND
THE CITY OF WILLCOX**

This Public Parking Lease Agreement hereinafter referred to as "LEASE", between the **CITY OF WILLCOX**, hereinafter referred to as "LESSOR" and **JAN KORTSEN INS., LLC d.b.a. MVP** "LESSEE" is for the nonexclusive right to use public parking space subject to the following terms and conditions:

1. PURPOSE

The purpose of this LEASE is to enter into a contractual leasing arrangement for the nonexclusive use of public parking space owned by the City to be used by the LESSEE for the purpose of conducting driver license parking tests to the public related to ADOT-MVD authorized activities pursuant to the agreement between the State of Arizona and the third party provider, LESSEE.

2. AUTHORITY

The LESSOR is authorized and empowered to have control of the finances and property of the corporation and to lease and convey property, real or personal, necessary or proper to carry out the purposes of the corporation, within and without its limits pursuant to A.R.S. §§ 9-240 (A) and 9-241 (A).

The Arizona State ADOT director is authorized and empowered pursuant to A.R.S. § 28-408 to enter into agreements by direct contract with nonpublic entities for services or shall jointly exercise any powers common to the contracting parties that the director deems necessary and in the best interests of the department subject to the limitations of A.R.S. § 41-2544. LESSEE is authorized to enter into an agreement with the State of Arizona to be a third party provider for the delivery of authorized ADOT-MVD services pursuant to A.R.S. § 28-408.

3. TERM

The term of this LEASE shall be from September 1, 2015 through August 31, 2016. This LEASE may be extended for additional one-year terms unless either party provides the other with thirty (30) day written notice of its intent to terminate the LEASE. LESSOR'S written notice to LESSEE of determination that property is not being used in accordance with the permitted uses herein shall be cause for immediate termination.

4. DUTIES OF THE LESSOR

- The LESSOR shall permit LESSEE to utilize the public parking space described herein for the purpose of conducting driver's license parking tests.
- The LESSOR shall receive and credit the LESSEE with the annual Lease payments.

5. DUTIES OF THE LESSEE

- The LESSEE shall provide annual Lease payments to the City in the amount of \$1.00.

- The LESSEE shall make annual Lease payments on the 1st of September of each year.
- The LESSEE shall only utilize the public parking space for the purpose of conducting parking tests associated with applicants testing for their Arizona Driver's License.
- LESSEE understands that such permission for use shall be nonexclusive and the general public shall be entitled to utilize such public parking space.

6. LOCATION OF PUBLIC PARKING SPACE

The real property associated with this Lease shall be the public parking space located at 151 W. Maley Street, Willcox, Arizona, more particularly described as the East 1/3 of Lots 7 and 8, Block 24, Willcox Townsite, also known as Parcel No. 203-28-208.

7. PARTYS' CONTINUING OBLIGATION

The continuation of this LEASE beyond the initial lease period is dependent on and subject to the Third Party Provider Agreement between the LESSEE and the State of Arizona ADOT/MVD. If such Third Party Provider arrangement is terminated and circumstances do not allow LESSEE to continue meeting its contractual obligations, LESSEE shall so notify the LESSOR and either party may cancel/terminate this LEASE and shall have no further obligation to the other party.

8. INDEMNIFICATION AND INSURANCE

Each party agrees to be responsible for the conduct of its operations and performance of contractual obligations and for any accidents or injuries to persons or property arising out of acts or omissions by its officers, agents, employees or applicants acting in the course or scope of their employment while performing duties undertaken pursuant to this LEASE.

The LESSEE agrees, to the extent allowed by law, to hold harmless the City, its officers, employees and agents from all losses, suits, damages or costs of any kind, including reasonable attorney's fees, defense costs and expenses arising from the LESSEE's performance pursuant to this LEASE.

The LESSOR agrees, to the extent allowed by law, to hold harmless the LESSEE its officers, employees and agents from all losses, suits, damages or costs of any kind, including reasonable attorney's fees, defense costs and expense arising from the LESSOR's performance pursuant to this LEASE.

At all times during the Term, Lessee will carry and maintain, at Lessee's expense, the following insurance: Bodily Injury and property damage liability insurance with a single occurrence limit of \$1,000,000 and an aggregate limit of \$2,000,000. All such insurance will be equivalent to coverage offered by a Commercial General Liability form. The City of Willcox will be named as an additional insured on the policy.

9. NONASSIGNABILITY

Neither party may assign a duty or responsibility under this LEASE without the prior written consent of the other party.

10. RIGHTS/OBLIGATIONS OF PARTIES ONLY

The terms of this LEASE are intended only to define the respective rights and obligations of the parties. Nothing expressed herein shall create any rights or duties in favor of any potential third party beneficiary or other person, agency or organization.

11. ENTIRE LEASE

This LEASE contains the entire understanding of the parties hereto. There are no representations or other provisions other than those contained herein, and any amendment or modification of this LEASE shall be made in writing and signed by the parties.

12. INVALIDITY OF PART OF THE LEASE

The parties agree that should any part of this LEASE be held to be invalid or void, the remainder of the LEASE shall remain in full force and effect with those offending portions omitted.

13. GOVERNING LAW

This LEASE shall be construed under the laws of the State of Arizona and shall incorporate by reference all laws governing the intergovernmental agency agreements and mandatory contract provisions of state agencies required by statute or executive order.

14. NOTICE

All notices, requests for payment, or other correspondence between the parties regarding this LEASE shall be mailed or delivered personally to the respective parties to the following addresses:

If to the LESSOR:

City Manager, City of Willcox
101 S. Railroad Ave., Suite B
Willcox Arizona 85643

If to the LESSEE:

Jan Kortsen
P. O. Box 910
Willcox, AZ 85644

IN WITNESS WHEREOF, the LESSOR has formally approved this LEASE and has authorized its execution pursuant to Resolution No. 2015-23.

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

By: **ROBERT A. IRVIN**, Mayor

Date

IN WITNESS WHEREOF, the LESSEE has formally approved this LEASE and has authorized its execution.

JAN KORTSEN INS., D.B.A MVP

By: **JAN KORTSEN**

Date

CITY OF WILLCOX
Request for Council Action

Agenda Item: 12
Tab Number: 10

Meeting Date:

September 3, 2015

Action:

Resolution
 Ordinance
 Other

Subject: Resolution 2015-24
Utilities Accounts Receivable
Write-off of Uncollectible
Accounts

To: Mayor and City Council

From: Finance Director: Crystal Hadfield

Discussion: When a customer account is delinquent, we work with customers to make reasonable payment arrangements. If those arrangements are not honored and services are disconnected, full payment is required to reconnect services. When an account is closed, a termination billing is sent. Follow up letters are sent at 30 and 40 days. We maintain a record of unpaid accounts; if a previous customer comes in to open new services we collect the past balance due. Either payment must be made in full before new services are connected, or an arrangement made not to exceed 90 days to satisfy the past due balance.

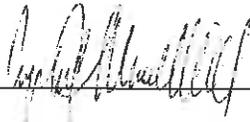
Per Resolution 2013-61, we have sent closed accounts with balances to the State Debt Set-Off Program. If a person files a tax return with the State and is due a refund or has State lottery winnings, their debt with us is paid directly to us minus a \$9.00 service fee. The State Debt Set-Off Program has been very successful and we have recovered over 17% of what has been submitted. This percentage is much higher than any Collection Agency ever recovered for us. We anticipate recovering more as tax season approaches.

The current request for a write-off is for accounts that are under \$50.00 (the threshold of what can be sent to the State) from 2013 and 2014. This also includes a few accounts with insufficient information to send to the State. Council approval is requested to write off terminated utility accounts closed with unpaid outstanding balances totaling \$4,104.22.

Recommendation: Motion to approve the write-off of uncollectible utility accounts in the amount of \$4,104.22.

Fiscal Impact: Reduce Utilities accounts receivable balances through June 30, 2015 by \$4,104.22.

Submitted by: _____



Approved by: _____



CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2015-24

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, APPROVING AND AUTHORIZING THE WRITE-OFF OF TERMINATED UTILITY ACCOUNTS THAT HAVE BECOME NON-COLLECTIBLE

WHEREAS, the City is empowered pursuant to A.R.S. §9-511 to engage in the business of operating public utility systems; and

WHEREAS, the City through the State Debt Set-Off Program, has undertaken collection actions to try to collect unpaid balances on terminated public utility accounts; and

WHEREAS, the City has determined that certain uncollectable utility account balances under \$50.00 exist for accounts for the calendar years 2013 and 2014, and other accounts from 2013 and 2014 have insufficient information to send to the State; said accounts being deemed uncollectible and/or not economically feasible to pursue collection actions; and

WHEREAS, the Mayor and Council of the City of Willcox have determined that it is in the best interest of the City and its residents to approve and authorize the write-off of the uncollectable account balances.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, as follows:

SECTION 1: The Mayor and City Council hereby authorize and approve the write-off of existing uncollectable utility accounts with balances under \$50.00 for the calendar years 2013 and 2014, and those other accounts from 2013 and 2014 that have insufficient information to send to the State, said accounts totaling \$4,104.22, comprised of \$935.15 for gas, \$638.03 for water, \$1,189.29 for sewer, \$776.51 for refuse, and associated taxes and fees in the amount of \$1.46 for superfund taxes, \$360.00 for shut-off fees, \$146.51 for sales taxes, and \$57.27 for penalties.

SECTION 2: The City Manager is authorized and directed to take all action necessary and required to write-off the uncollectable utility accounts with balances existing under \$50.00 for 2013 and 2014, and those other accounts from 2013 and 2014 that have insufficient information to send to the State.

SECTION 3: The Mayor is authorized and empowered to execute the Resolution as presented.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 3rd day of September, 2015.

APPROVED/EXECUTED:

ROBERT A. IRVIN, Mayor

APPROVED AS TO FORM:

ANN P. ROBERTS, City Attorney

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

RESOLUTION 2015-24

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2015-25

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, ARIZONA, AMENDING RESOLUTION NO. 01-01, ADOPTED ON JANUARY 23, 2001, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE AND A CITY LEASE, APPROVING THE EXECUTION AND DELIVERY BY WILLCOX MUNICIPAL PROPERTY CORPORATION OF SUCH GROUND LEASE AND CITY LEASE AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE GOVERNMENT DOCUMENTS (AS SUCH TERM IS DEFINED HEREIN), THE NEGOTIATION OF A NOTE TO THE UNITED STATES GOVERNMENT, ACTING THROUGH RURAL UTILITIES SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, PROVIDING FOR THE TRANSFER OF CERTAIN MONEYS FOR THE PAYMENT THEREOF AND MAKING CERTAIN COVENANTS AND AGREEMENTS WITH RESPECT THERETO; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH GROUND LEASE, CITY LEASE AND GOVERNMENT DOCUMENTS AND THIS RESOLUTION AND DECLARING AN EMERGENCY

WHEREAS, the Mayor and Council of the City of Willcox, Arizona (the "City"), have heretofore, pursuant to Resolution No. 01-01, adopted on January 23, 2001 (the "Prior Resolution"), authorized and ordered the issuance of and sale to the United States of America, Rural Utilities Service, United States Department of Agriculture (the "Purchaser" or "Government") of City of Willcox, Arizona, Sewer Revenue Bonds, Project of 2001A, in the form of a single bond in the principal amount of \$688,500 and City of Willcox, Arizona, Sewer Revenue Bonds, Project of 2001B, in the form of a single bond in the principal amount of \$463,200;

WHEREAS, Section 18 of the Prior Resolution provides (i) that the owner of two-thirds (2/3) in principal amount of the Bonds (as such term and all other undefined terms used in these Recitals are defined in the Prior Resolution) at any time Outstanding shall have the right from time to time to consent to and approve the adoption by the Council of a resolution or resolutions modifying or amending any of the terms or provisions contained in the Prior Resolution, provided, however, that the Prior Resolution may not be so modified or amended in such manner, among other things, as to, while any Bond remains owned by the Purchaser, make any change without the consent of the Purchaser or which is contrary to the regulations of the United States Department of Agriculture, and (ii) further that certain notices are required and specific consent requirements to be followed in connection with any such modification or amendment (the "Modification Process");

WHEREAS, the Mayor and Council of the City have now determined that it will be beneficial to the citizens of the City and in furtherance of the purposes of the City and the public interest to borrow not to exceed \$2,005,000 to provide funds to make improvements (the "Project") to the complete sewer system of the City and all sewer properties of every nature hereafter owned by the City, including all improvements and extensions made by the City and including all real

and personal property of every nature comprising part of or used or useful in connection with the City's sewer system, and including all appurtenances, contracts, leases, franchises, and other intangibles;

WHEREAS, Willcox Municipal Property Corporation, a nonprofit corporation incorporated and existing pursuant to the laws of the State of Arizona (the "Corporation"), was formed to assist the City in acquiring land and constructing improvements thereon and in constructing and acquiring improvements upon any land, buildings, improvements or facilities for any civic, municipal or governmental purpose, as may be desired by the City, and to pay all legal, financial, architectural or incidental expenses incurred with respect thereto;

WHEREAS, the financing of certain costs of the Project will be provided through negotiation of the hereinafter described Note;

WHEREAS, the Board of Directors of the Corporation has determined to assist the City in funding such portion of the costs of the Project;

WHEREAS, the Government has agreed, if all of its requirements are satisfied, to loan to the Corporation such portion of the funds for the costs of the Project, such loan to take the form of a promissory note (the "Note");

WHEREAS, in connection with the negotiation of the Note, the Corporation and the City shall enter into (i) a Wastewater Facilities Site Master Ground Lease, to be dated the date delivered (the "Ground Lease"), pursuant to which the City will lease the real property described on the Exhibit attached thereto (the "Real Property") to the Corporation, and (ii) a Series 2015 City Lease, to be dated the date delivered (the "City Lease"), pursuant to which (A) the Corporation shall lease the Real Property and the improvements which are part of the Project (the "Improvements") to the City, and (B) the City shall (I) lease from the Corporation the Real Property and the Improvements and (II) as agent for the Corporation, shall agree to provide for the Project;

WHEREAS, the Corporation has not made and does not intend to make any profit by reason of any business or venture in which it may engage or by reason of the assistance it renders the City in financing the Project, and no part of the net earnings of the Corporation, if any, shall ever inure to the benefit of any person, firm or corporation except the City;

WHEREAS, the Note shall be issued pursuant to a Loan Resolution Security Agreement, to be dated the date delivered, by and between the Corporation and the Government and secured by a Real Estate Deed of Trust for Arizona with Assignment of Rents, to be dated the date delivered (the "Deed of Trust"), from the Corporation and a Security Agreement (Chattel and Crops), to be dated the date delivered (the "Security Agreement"), from the Corporation;

WHEREAS, the Note shall be repaid before or on forty (40) years from the date of the execution and delivery thereof, shall bear interest at rates not to exceed five percent (5%) per annum and shall be secured by the City Lease pursuant to which the City shall pledge the Net Revenues;

WHEREAS, in order to provide for such pledge, certain amendments must be made to the Prior Resolution, to which the Purchaser, as the owner of all the 2001 Bonds, may consent pursuant to the Prior Resolution; and

WHEREAS, there have been placed on file with the Clerk of the City and presented to the meeting at which this Resolution was adopted (1) the proposed form of the Ground Lease, (2) the proposed form of the City Lease and (3) the proposed form of the Note and the agreements required by the Government in connection with the negotiation of the Note, being the Deed of Trust and the Security Agreement as well as the "Water and Waste System Grant Agreement", the "Assurance Agreement" and the "Equal Opportunity Agreement" (collectively, with the Note, the Deed of Trust and the Security Agreement, the "Government Documents");

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, ARIZONA, THAT:

Section 1.

(a) The following defined terms are added in appropriate alphabetical order to the Prior Resolution:

"Government" means the United States of America Department of Agriculture, Rural Utilities Service.

"Ground Lease" means the Wastewater Site Master Ground Lease approved on September 3, 2015.

"Parity Obligation" means the Series 2015 City Lease approved on September 3, 2015.

(b) The following definitions as used in the Prior Resolution are hereby amended as follows (added language in **bold** face):

"Annual Debt Service Requirement" shall mean for any Fiscal Year the amount to be paid in such Fiscal Year with respect to any series of Bonds **and to the Parity Obligation** for payment of principal and interest on the series of Bonds (whether at maturity or because of mandatory redemption) and **the Parity Obligation**.

"Deficiency" shall mean the difference between (i) the total amount due on a principal or interest payment date for the Bonds **or for the Parity Obligation** and (ii) the amount which has been deposited in the Bond Fund from money paid by the City or from other funds legally available to the Paying Agent for payment to the Owners **or to the Government**.

"Maximum Annual Debt Service" shall mean, at the time of computation, the greatest **combined** scheduled principal and interest requirements of the Bonds **and of the Parity Obligation** occurring in the then-current, or any subsequent, Fiscal Year. When computing Maximum Annual Debt Service, Bonds subject to mandatory redemption shall be treated as maturing on the date of such mandatory redemption.

"Parity Bonds" shall mean any additional bonds issued after the 2001 Bonds on a parity with the 2001 Bonds **and the Parity Obligation** pursuant to the provisions of Section 15 of this resolution.

(c) Section 8 of the Prior Resolution is hereby amended as follows (added language in **bold** face):

Section 8. Source of Payment and Pledge of Revenues. The Bonds **and the Parity Obligation** shall be payable solely from Net Revenues. The Bonds **and the Parity Obligation** shall be equally and ratably secured by a pledge thereof and a lien thereon without priority one over the other.

(d) Section 10 of the Prior Resolution is hereby amended as follows (added language in **bold** face):

Section 10. Coverage. The City covenants and agrees with the Owners **and the Government** that it will establish and maintain rates, fees and other charges for all services supplied by the System to provide Revenues fully sufficient at all times, after making reasonable allowance for contingencies and errors in estimates, to pay the Operating Expenses and to produce an aggregate amount of Net Revenues in each Fiscal Year equal to one hundred twenty-five percent (125%) of the Annual Debt Service Requirements of all of the Outstanding Bonds **and of the Parity Obligation.**

(e) Section 10(B)(2) of the Prior Resolution is hereby amended as follows (added language in **bold** face):

(2) Bond Fund. Second. On or before the tenth (10th) day of each month, to the Bond Fund the following amounts in the following manner:

(a) Commencing March 10, 2001, through June 10, 2001, one-fourth (1/4) of the amount which, when added to accrued interest received from the Bonds, will be sufficient to pay all interest coming due July 1, 2001, and thereafter, one-sixth (1/6) of the interest becoming due on the next interest payment date on all of the Bonds then Outstanding **and commencing the first date required by the Parity Obligation, the amount treated as interest becoming due on the next payment date on the Parity Obligation;** and

(b) Commencing March 10, 2001, through June 10, 2001, one-fourth (1/4) of the principal becoming due on July 1, 2001, and thereafter, one-twelfth (1/12) of the principal becoming due on the next succeeding principal or mandatory redemption payment date on the Bonds then Outstanding **and commencing the first date required by the**

Parity Obligation, the amount treated as the principal becoming due on the next payment date on the Parity Obligation.

The Bond Fund shall be a trust fund and shall be used solely for the purpose of paying the principal of and interest on the Bonds **and on the Parity Obligation.** Moneys in the Bond Fund shall be transferred to the Paying Agent as needed to punctually pay all principal and interest as it matures or comes due.

(f) Section 13(E) of the Prior Resolution is hereby amended as follows (added language in **bold** face):

Other than the Wastewater Site Master Ground Lease approved on September 3, 2015, the City will not sell, lease as lessor, mortgage or in any manner dispose of the System or any part thereof, including any and all extensions and additions that may be made thereto, until all of the Bonds shall have been paid in full; provided, however, that this covenant shall not be construed to prevent the disposal by the City or property which in its judgment has become inexpedient for use in connection with the System; and provided further that the foregoing shall not prohibit the City from leasing from any entity any portion of the System in connection with the financing of any extension or addition thereto.

(g) Section 14 of the Prior Resolution is hereby amended as follows (added language in **bold** face):

Section 14. Remedies of Owners. Any Owner **and the Government** may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction protect the lien on the Net Revenues created by this resolution, **as amended,** and enforce and compel performance of all duties imposed upon the City by the provisions of this resolution, **as amended,** including the setting and collecting of sufficient rates and revenues, and the segregation of the income and Revenues of the System and the proper application thereof.

If any default be made in the payment of principal or of interest on any of the Bonds **or the Parity Obligation,** then upon the filing of suit by any Owner **or the Government,** any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the City with power to charge and collect fees sufficient to provide for the payment of all Bonds and obligations Outstanding **and the Parity Obligation** against the System and for payment of Operating Expenses, and to apply Revenues in conformity herewith.

(h) The lead in to Section 15 and Section 15(B) of the Prior Resolution is hereby amended as follows (added language in **bold** face):

Section 15. Equality of Lien: Prohibition of Future Lien. The 2001A Bond, the 2001B Bond and all Parity Bonds shall each enjoy complete parity of lien on the Net Revenues despite the fact that the 2001 Bonds may be delivered at an earlier date than any other of the Bonds. The City will issue no other bonds or obligations of any kind

or nature payable from or enjoying a lien on the Net Revenues of the System having priority over the 2001 Bonds herein authorized; provided, however, that additional Parity Bonds may hereafter be issued on a parity with the 2001 Bonds herein authorized under the following conditions, but not otherwise:

B. Additional bonds may also be issued on a parity with the 2001 Bonds **and the Parity Obligation** herein authorized if all of the following conditions are met:

(1) The Net Revenues for the completed Fiscal Year immediately preceding the issuance of the Parity Bonds must have been at least equal to one hundred twenty-five percent (125%) of Maximum Annual Debt Service on all outstanding Bonds **and the Parity Obligation** immediately after issuance of such Parity Bonds as shown by a certificate signed by the City Finance Officer.

(i) Section 19(L) of the Prior Resolution is hereby amended as follows (added language in **bold** face):

L. Liens and Encumbrances. The City represents that, **other than the Ground Lease**, there will be, after acquisition and improvement of the System is complete, no liens or encumbrances of any nature whatsoever on or against the System or the revenues derived or to be derived from the operation thereof other than as heretofore disclosed to the Government.

(j) Section 19(M) of the Prior Resolution is hereby amended as follows (added language in **bold** face):

M. Retention of Title. So long as the Government holds the 2001 Bonds, the City shall not dispose of its title to the System or to any useful part thereof, including any facility necessary to the operation and use of the System and the lands and interest in land comprising the site of the System **other than as result of the Ground Lease.**

(k) Except as provided by this Section, the Prior Resolution is hereby ratified and confirmed in all respects.

Section 2. The forms, terms and provisions of the Ground Lease and the City Lease, in the forms of such documents (including the exhibits thereto) presented at the meeting at which this Resolution was adopted, are hereby approved, with such insertions, omissions and changes, not inconsistent with the City's application to the Authority or the requirements of the federal government or the Authority, as limited by the Recitals hereto, as shall be approved by the Mayor or, in the absence thereof, Vice Mayor of the City, the execution of such documents being conclusive evidence of such approval, and the Mayor or, in the absence thereof, Vice Mayor of the City and Clerk of the City are hereby authorized and directed, for and on behalf of the City, to execute and attest and deliver, respectively, the Ground Lease and the City Lease.

Section 3. The forms, terms and provisions of the Government Documents in the forms of such documents (including exhibits thereto) presented at the meeting at which this Resolution was adopted, are hereby approved, with such insertions, omissions and changes as shall be approved by the President or, in the absence thereof, the Vice President of the Corporation, the execution of such documents being conclusive evidence of such approval.

Section 4. The Board of Directors and officers of the Corporation are hereby requested to take any and all action necessary in connection with the negotiation of the Note (which are hereby approved) pursuant to the terms and requirements of the Government Documents. The application of the proceeds thereof to the costs of the Project is also hereby approved.

Section 5. The obligation of the City to repay the Note as well as to make the other payments provided for in the City Lease is limited to payment from the pledge of the Net Revenues, and the obligations of the City under the City Lease shall not constitute nor give rise to a general obligation of the City or any claim against its ad valorem taxing powers, or constitute an indebtedness within the meaning of any statutory or constitutional debt limitation applicable to the City.

Section 6. The appropriate officials and officers of the City are hereby authorized and directed to take all action necessary or reasonably required by the parties to the City Lease, to carry out, give effect to and to consummate the transactions contemplated by the City Lease and by this Resolution, including, without limitation, the execution and delivery of any closing and other documents reasonably required to be delivered in connection therewith and shall do all things necessary to assist the Corporation in the negotiation of the Note.

Section 7. This Resolution shall be and remain irrevocable until the Note and the interest thereon shall have been fully paid, cancelled and discharged.

Section 8. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 9. All resolutions or parts thereof, inconsistent herewith, are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order or resolution or any part thereof.

Section 10. The immediate operation of this Resolution is necessary for the financing on the most attractive terms available to the City of the Project and the preservation of the public health and welfare; an emergency is hereby declared to exist; this Resolution shall be in full force and effect from and after its passage and

approval by the Mayor and Council of the City, as required by law and this Resolution is hereby exempt from the referendum provisions of the constitution and laws of the State of Arizona.

PASSED, ADOPTED AND APPROVED BY THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, ARIZONA, on September 3, 2015.

ROBERT A. IRVIN, Mayor

ATTEST:

APPROVED AS TO FORM:

VIRGINIA A. MEFFORD, City Clerk

ANN P. ROBERTS, City Attorney

THE UNITED STATES OF AMERICA
DEPARTMENT OF AGRICULTURE, RURAL
UTILITIES SERVICE HEREBY
CONSENTS TO THE AMENDMENTS
PROVIDED IN THE RESOLUTION TO
WHICH THIS IS APPENDED WITH
WAIVER OF COMPLIANCE WITH THE
MODIFICATION PROCESS FOR ALL
PURPOSES OF RESOLUTION NO. 01-
01, ADOPTED BY THE MAYOR AND
COUNCIL OF THE CITY OF WILLCOX,
ARIZONA, JANUARY 23, 2001

By: _____
Printed Name: _____
Title: _____