

**THE MINUTES OF THE SPECIAL MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 27TH DAY OF MAY 2009**

CALL TO ORDER-Mayor Gerald W. Lindsey called the special meeting to order on Wednesday, May 27, 2009 at 5:00 p.m.

ROLL CALL-Mayor announced all council members are present except Councilwoman Cronberg who may join us a little later.

PRESENT

Mayor Gerald W. Lindsey
Vice Mayor Larry Schultz
Councilman Elwood Johnson
Councilman Jimmy Norris
Councilman Stephen Klump
Councilman Christopher Donahue

STAFF

City Manager Pat McCourt
City Clerk Cristina G. Whelan, CMC
Library Director Tom Miner
Finance Director Ruth Graham
Public Services & Works Director Dave Bonner
Building Inspector Jeff Stoddard

ABSENT

Councilwoman Monika Cronberg

PLEDGE OF ALLEGIANCE TO THE FLAG-Mayor Lindsey.

CALL TO THE PUBLIC-The Mayor asked if anyone wished to address the Council. There was no response from the public present.

DECLARATION ON CONFLICT OF INTEREST-There was no response from the Mayor and Council members or staff.

ADOPTION OF THE AGENDA

MOTION: Councilman Johnson moved to adopt the agenda as presented.

SECONDED: Vice Mayor Schultz seconded the motion. **CARRIED.**

DISCUSSION/DECISION REGARDING REQUEST TO CLOSE STEWART ST FROM ALLEY BETWEEN HASKELL AND RAILROAD AVE TO INTERSECTION OF RAILROAD AVE AND STEWART ST FOR CAR SHOW MAY 30, 2009.

MOTION: Councilman Johnson moved to approve the request to close from Stewart St from the alley between Haskell and Railroad Ave to the intersection of Railroad Ave and Stewart St for the Willcox Rod and Classic Car Show on May 30, 2009.

SECONDED: Councilman Donahue seconded the motion. **CARRIED.**

DISCUSSION/DECISION REGARDING PRIMARY PROPERTY TAX LEVY FOR FY2009-2010.

City Manager McCourt presented handout and staff has looked at Property Tax as revenue source. One is Primary Tax collected and goes to General Fund for over all operations are paid from. Second Property Tax is called the Secondary Property Tax (SPT) Levy for retire Debt issued approved by the citizens. We have 2-Debt issues and property tax collected and discussed at earlier meeting.

Primary Property Tax used in General Fund to take care of general operations of the City. The amount of Personal Primary Tax (PPT) does adjust each year on amount we can collect. It is \$67,566.79 we can levy without hearings. That is not the maximum we are allowed to levy under the PPT. We can increase if the Mayor and Council wish to do so and process is we have Truth and Taxation Hearings and can levy additional \$1,478.21. That would increase amount into General Fund from PPT to \$67,566.00. The Mayor and Council may recall that last year lawsuit at State level which was successfully won by Qwest in the amount of \$3,220.58. This caused roll back and City refunded entire amount to Qwest. Under State Law City is permitted if Mayor and Council wish we can collect that in a one time charge in PPT. Staff is asking Mayor and Council for direction on A. wish to go to Truth in Taxation Hearing and estimated cost for publication is \$370.00, and from that after hearing wish to go forward collecting the additional \$1,478.21; or B. levy one time \$3,220.58 charge. Without going to tax hearing increase General Fund to \$69,308.37 if do that and after hearing Mayor and Council decided to levy maximum General Fund receives \$70,786.58 next year. Impact on Property Tax from County broken down to how much is City on Owner –Occupied Property valued at \$69,104 Assessed Valuation, \$6,910 and total tax from all sources \$673.96 and City's portion both PPT and SPT it is \$70.17. This particular house is in the City limits for both PPT and SPT is \$70.17. Question is what is the impact on this person? The

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first break down is how much tax bill is PPT and SPT. PPT is \$20.68 that is going to General Fund and if go to tax hearings and if after hearings levy full amount decided it would be 46 cents. If decide to collect amount under lawsuit it would be \$1.01 therefore, impact is \$1.47. On a Commercial 2008 PPT if enacted both it would be \$13.35. If Mayor and Council wish to do these and include both into budget planning it can be done, although it does not have to happen it is Mayor and Council decision. Councilman Johnson asked if we don't increase this year are we able to increase next year at this rate. City Manager McCourt explained each year amount levy automatically increases but amount levy only increase on prior year actual levy. There would be a cap on that amount. Councilman Norris asked if both approved then \$1478 and City Manager McCourt added that the City would receive \$4,700.00. Councilman Norris stated if Property Tax increased we are going to get "stink" from property owners. He stated, "We can do it, but is it worth the stink." The City Manager explained these numbers do not affect property owners if there has been a reassessment on the base value on the house. Mayor Lindsey added if appeal was made this year it does not effect this year it is the next year as far as evaluation is concerned.

City Manager McCourt stated the questions to the Mayor and Council are: 1. Do you want us to do necessary steps to collect lawsuit; or 2. Do you want us to go through hearings to bring Primary to maximum allowable by law. Councilman Johnson asked who pays lawsuits and City Manager replied it was our portion or every taxpayer. Mayor Lindsey thinks we can recapture without hearings and the City Manager said that is his understanding and following steps required. Finance Director said that was statewide tax levy on Qwest.

Council Norris said he is not for it.

Councilman Klump asked if citizens have received services for that amount we taxed Qwest have they paid to us and reimbursed. Recovering that amount he would be okay with that, although he is not in favor in raising the Tax on the rest of it. Mayor asked for vote on 1) raising PPT rates and asked any more discussion on that portion. City Manager McCourt said if do not wish to do that it would be motion to raise rates currently allowed with taxation or no increase.

MOTION: Mayor Lindsey moved we do not proceed with increase in PPT and no tax hearing.

SECONDED: Councilman Norris seconded the motion. **DISCUSSION:** Councilman Donahue asked Finance Director Graham where we are at and asked how often last 10 years has PPT been raised. Ms. Graham replied during the past 10 years PPT was \$100,000 then \$50,000 maintained and could have gone up to \$125,000. In 2006 Legislature passed law only go last year assessment and at that time plus 10%. We have maintained PPT at lower level and the maximum allowable is plus 2%. The \$65,000 is spread across all property owners. Our current budget includes the \$70,786.58. **VOTE: Ayes-** Mayor Lindsey, Vice Mayor Schultz, Councilmen Johnson, Klump and Donahue. **Nays-** Councilman Norris. **CARRIED 5-1-1 ABSENT:** Councilwoman Cronberg. .

Mayor Lindsey asked do we want to recapture the lawsuit amount from Qwest?

MOTION: Councilman Klump moved to go forward to try to recover the \$3,220.58 from the Qwest lawsuit.

SECONDED: Vice Mayor Schultz seconded the motion. **DISCUSSION:** Councilman Norris asked if each citizen already taxed for this. Mayor Lindsey replied they were taxed incorrectly. If it had been done correctly there assessment would have been higher. This is Qwest property tax and because they went to court and challenged their evaluation and successful to get it reduced by certain amount everyone's amount went higher. Councilman Johnson stated that the County also has to pay back. City Manager McCourt said many entities did that in 2009 year and City did not do it and now asking for it in 2010 year.

VOTE: Ayes- Mayor Lindsey, Vice Mayor Schultz, Councilmen Johnson, Klump and Donahue. **Nays-** Councilman Norris.

CARRIED 5-1-1 ABSENT: Councilwoman Cronberg.

DISCUSSION AND/OR DIRECTION TO STAFF REGARDING THE BUDGET FOR FY 2009-2010

City Manager McCourt stated if acceptable presented corrected pages of the budget from the previous discussion. Finance Director Graham explained the corrections to the first page reduce by \$1400; added \$15,000 in anticipated expenditures for Capital items requested by the Fire Department; corrected error on page 2 and took out now (\$717,655) and change ending balance (\$727,423) anticipated. Page 3 Revenues \$717,655 included. Also the Development Services Narrative for 2009-2010 has been included. On Page 46 added line 10-427-9901 \$15,000 Capital needs, and on Page 79 added \$15,000, therefore, all pages added \$15,000 and added Firemen's Pension.

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ADJOURN

There being no further business before the Mayor and Council, Mayor Lindsey adjourned the meeting at 5:47 p.m.

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 27th day of May 2009. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 30th day of June 2009

/s/ Cristina G. Whelan, CMC
City Clerk Cristina G. Whelan, CMC

PASSED, APPROVED AND ADOPTED this 6th day of JULY 2009.

/S/ GERALD W. LINDSEY
MAYOR GERALD W. LINDSEY

ATTEST:

/s/ Cristina G. Whelan, CMC
City Clerk Cristina G. Whelan, CMC