CITY OF WILLCOX
MAYOR AND CITY COUNCIL MEETING
AGENDA
Monday, August 16, 2010
7:00 p.m.
City Council Chambers
300 W. Rex Allen Drive
Willcox, AZ 85643

(Mayor or Designee will read only **BOLD** print of each agenda item, except for Public Hearings, Petitions and Communications.)

Resolution No. 2010-90
Ordinance NS299

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE TO THE FLAG

4. CALL TO THE PUBLIC
Mayor and Council consideration of comments or complaints from the public. Those wishing to address the Council are required to register by completing an individual speaker's form and filing it with the Clerk before the meeting. The speaker must be recognized by the Mayor before speaking. Time permitting each presentation will be given approximately three (3) minutes. It is probable that each organization will be limited to one speaker. Action taken as a result of public comment will be limited to directing staff to study or reschedule the matter for further consideration at a later date.

5. DECLARATION ON CONFLICT OF INTEREST
Council members and staff have a right to declare a conflict of interest. The declaration of a conflict of interest must be made prior to discussion of any agenda item in which Council members or staff member determine they have a conflict of interest.

6. ADOPTION OF THE AGENDA
The Council will at this time either adopt the agenda as presented or may remove or table any of the listed agenda items. Tabled items, unless otherwise directed, will appear on the next regular agenda. Council may not add any items to the agenda at this time. Should staff have any recommendations concerning the exclusion or tabling of agenda items they will voice these recommendations at this time.

7. DISCUSSION/DECISION ENTER EXECUTIVE SESSION PURSUANT TO ARIZONA REVISED STATUTES § 38-431.03A(3) DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE PUBLIC BODY Tab 1
Consideration, discussion and/or decision to enter into an Executive Session pursuant to ARS § 38-431.03A(3), as stated, relating to consultation for legal advice with the attorney(s) of the public body.

8. RECESS TO EXECUTIVE SESSION, IF APPROVED

9. RECONVENE FROM EXECUTIVE SESSION

10. CONSENT AGENDA
Items that are considered to be routine by the City Council will be enacted by one motion without discussion. The consent agenda is a timesaving device and Council members have received documentation on these items for their review prior to the open meeting. Any Councilmember may remove any item from the consent agenda for discussion and a separate vote as deemed necessary. The public may view the documentation relating to the consent agenda 24 hours prior to the meeting at

the City Clerk's Office, 101 S. Railroad Avenue, Suite B, Willcox, AZ from 8:30 a.m. to 4:30 p.m. or at the Elsie S. Hogan Library, 100 N. Curtis Avenue during normal working hours Monday-Saturday.

10A. MINUTES OF THE REGULAR MEETING OF AUGUST 2, 2010, **Tab 2**

10B. RESOLUTION NO. 2010-86 RATIFYING, APPROVING AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE LIBRI FOUNDATION FOR THE PURPOSE OF APPLYING FOR FUNDS THROUGH THE BOOKS FOR CHILDREN PROGRAM TO BE USED FOR PUBLIC LIBRARY BOOKS AND DECLARING AN EMERGENCY TO EXIST. **Tab 3**

10C. RESOLUTION NO. 2010-87 APPROVING AND AUTHORIZING THE ACCEPTANCE AND EXECUTION OF A SETTLEMENT AGREEMENT BETWEEN THE CITY AND THE ARIZONA DEPARTMENT OF HEALTH SERVICES ("ADHS") RELATING TO THE LAB AT THE WASTEWATER TREATMENT PLANT ("WWTP"), AUTHORIZING AND DIRECTING CITY STAFF TO PAY THE SETTLEMENT AMOUNT AND DECLARING AN EMERGENCY TO EXIST. **Tab 4**

10D. RESOLUTION NO. 2010-88 APPROVING AND AUTHORIZING THE RENEWAL AND EXTENSION OF THE USE, MAINTENANCE AND STIPEND AGREEMENT BETWEEN THE CITY OF WILLCOX ["CITY"] AND THE WILLCOX CHAMBER OF COMMERCE AND AGRICULTURE, A NON-PROFIT CORPORATION, ["CHAMBER"] AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AND EMERGENCY TO EXIST **Tab 5**

10E. RESOLUTION NO. 2010-89 RATIFYING, APPROVING AND AUTHORIZING THE SUBMITTAL OF THE APPLICATION TO THE UNION PACIFIC FOUNDATION FOR THE PURPOSE OF APPLYING FOR $5,000.00 TO BE USED FOR THE RELOCATION OF THE HISTORIC MASCOT & WESTERN PASSENGER CAR TO RAILROAD PARK AND DECLARING AN EMERGENCY TO EXIST. **Tab 6**

11. PUBLIC HEARINGS, PETITIONS AND COMMUNICATIONS **Tab 7**

PUBLIC HEARING: The Mayor and Council will hold its second public hearing on Monday, August 16, 2010 regarding the Fiscal Year 2010-2011 Budget

All members of the public are invited to attend such meeting. For those persons unable to attend, written comments will be accepted until 4 p.m. the day of the public hearing in the Office of the City Clerk, 101 S. Railroad Avenue, Suite B, Willcox, AZ 85643.

12. DISCUSSION/DECISION REGARDING RESOLUTION NO. 2010-89 ADOPTING THE BUDGET OF THE CITY OF WILLCOX FOR FISCAL YEAR 2010-2011 **Tab 8**

Consideration, discussion regarding Resolution NO. 2010-89, as stated, relating to the FY 2010-11 Budget.

13. DISCUSSION/DECISION REGARDING THE APPOINTMENT TO FILL THE ONE (1) VACANCY ON THE LIBRARY ADVISORY COMMITTEE **Tab 9**

Consideration, discussion and/or decision regarding the appointment to fill the 1-vacancy on the Library Advisory Committee, terms to expire June 2014.

14. REPORTS BY THE CITY MANAGER PAT McCOURT **Tab 10**

Consideration, discussion and/or decision regarding the following topics by the City Manager:

- **Report on 2009 Police Officer of the Year and Firefighter of the Year-**Pat McCourt, City Manager, explained that in 2009 during the All Employee Meeting held in 2010 Chief Weaver presented these awards to Officer David Reno and VFF Gary Adams.
- **Report on Mayors & Manager Luncheon-**Pat McCourt, City Manager, will be hosted by City of Sierra Vista on Thursday, August 19, 2010. Please RSVP your meal selection if able to attend by Friday, August 13, 2010 to the City Clerk.
- **Report on Special Meeting Wastewater Treatment Plant-**Pat McCourt, City Manager, a Special Meeting on Monday, August 30, 2010 at 6:00 p.m. to discuss the presentation by the Bond Attorney and decision on the WWTP WIFA Bridge Loan.
- **Report on Historic Willcox Billboard-**Pat McCourt, City Manager, the first Historic Willcox billboard is up on I-10 and the west side of Benson.

- **Report on Mayor's/Manager's Luncheon-**Pat McCourt, City Manager, the City of Willcox will host on September 16, 2010 at 12 noon at the Brass Rail. Topic: Wine Growers.
- **Report on Schools are Open!-**Pat McCourt, City Manager, reports that the schools are open Drive Carefully!
- **Report on Exploring Possibility On Private Collection Company To Collect All City Sales Tax-**Pat McCourt, City Manager reports staff has been exploring the possibility on private collection company to collect all City Sales Tax instead of the State of Arizona.
- **Report on Hazel Johnson Park-**Pat McCourt, City Manager, reports on the Hazel Johnson Park irrigation system.
- **Report on Attendees to the 2010 League of Arizona Cities & Towns Annual Conference-**Pat McCourt, City Manager, reports that Mayor Lindsey, Public Works Director Bonner, City Manager are attending. Councilman Holloway is attending on Wednesday only.

15. COMMENTS NOT FOR DISCUSSION FROM MAYOR AND COUNCIL MEMBERS.

16. ADJOURN.

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Misc. Tab: ____.

NOTE: Documentation (if any) for items listed on the Agenda is available for public inspection, a minimum of 24 hours prior to the Council Meeting, at any time during regular business hours in the Office of the City Clerk, 101 S. Railroad Avenue, Suite B, Willcox, AZ or the Elsie S. Hogan Community Library during regular business hours Monday-Saturday and beginning July 2010 on the City's website www.cityofwillcox.org .

NOTE: People with disabilities may request reasonable accommodations. Requests must be made 48 hours prior to the meeting by contacting City Hall at 384-4271 during regular business hours 8:00 a.m. to 4:30 p.m., Monday through Friday.

TAB 1

NOTICE OF EXECUTIVE SESSION

CITY COUNCIL

In accordance with Resolution No. 370 of the City of Willcox, and Section 38-431.01 of the Arizona Revised Statutes **NOTICE IS HEREBY GIVEN** that the **MAYOR AND COUNCIL** of the City of Willcox, County of Cochise, Arizona, will hold an **EXECUTIVE SESSION**, if approved, during the **REGULAR** meeting on **MONDAY**, the **16TH** day of **AUGUST 2010** at **7:00 p.m.**, in the **CITY COUNCIL CHAMBERS, 300 W. REX ALLEN DRIVE, Willcox, AZ**

Item for Consideration and Discussion are:

A.R.S. §38.431.03A(3) DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE PUBLIC BODY
Consideration and/or discussion regarding consultation for legal advice with the Attorney or Attorney's of the public body.

DATED AND POSTED this 12TH day of AUGUST 2010 at 2:00 P.M.

CITY OF WILLCOX, ARIZONA
Cristina G. Whelan, CMC

/S/ CRISTINA G. WHELAN, CMC
CITY CLERK CRISTINA G. WHELAN, CMC

"Mine, Yours, Ours"

CITY OF WILLCOX
EXECUTIVE SESSION

AGENDA

MONDAY, AUGUST 16, 2010

7:00 p.m.

300 W. REX ALLEN DRIVE

Willcox, Arizona

1. CALL TO ORDER

2. ROLL CALL

3. CONSIDERATION OF ARIZONA REVISED STATUTES 38-431.03(A)(3) – DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE PUBLIC BODY
   Consideration and/or discussion pursuant to Arizona Revised Statutes §38-431.03(A)(3), as stated relating to consultation with the City Attorney(s) of the public body.

4. ADJOURN

"Mine, Yours, Ours"

THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ HELD ON THIS 2ND DAY OF AUGUST 2010

CALL TO ORDER- Mayor Gerald W. Lindsey called the regular meeting to order on Monday, August 2, 2010 at 7:00 p.m. and welcomed all to the Council meeting this evening. Good to see as many as we have here and appreciates them participating in City Government and taking a part in it.

TAB 2

ROLL CALL –City Clerk Cristina G. Whelan, CMC, called the roll:

PRESENT
Mayor Gerald W. Lindsey
Councilman Elwood A. Johnson
Councilman Stephen Klump
Councilman Christopher Donahue
Councilman William "Bill" Holloway
Councilman Robert "Bob" Irvin

ABSENT
Vice Mayor Monika Cronberg

STAFF
City Manager Pat McCourt
City Attorney Hector Figueroa
City Clerk Cristina G. Whelan, CMC
Library Director Tom Miner
Public Safety Director Jake Weaver
Public Services & Works Director Dave Bonner
Development Services Jeff Stoddard

PLEDGE OF ALLEGIANCE TO THE FLAG- Mayor Lindsey.

CALL TO THE PUBLIC- Ms. Lisa Glenn addressed the Mayor and Council and read a letter from the Northern Cochise County Democratic Club on the loss of a very active member Ms. Rose Allan. Ms. Allan was a committed community activist who cared deeply about the people of Willcox and about the issues that affected them.

Ms. Allan's goal for over 30 years was for the establishment of a permanent Senior Center for Willcox. Ms. Glenn read that Ms. Allan worked on that up to the end. Ms. Allan talked to Gabrielle Gifford many times about the need for a Senior Center and "was instrumental in getting the $96,000 grant" to build that long awaited Senior Center. Ms. Allan did not see the Senior Center built although she did know it was to be built.

The Club sincerely hopes the Mayor and Council will consider the suggestion to name the Willcox Senior Center the Rose C. Allan Senior Center and that it is an honor that she deserves. The letter was signed by Kathleen Day-Cain, President, The Northern Cochise County Democratic Club (Ms. Glenn handed out a copy to each Council member).

Mayor Lindsey thanked her and asked if anyone else wished to address the Mayor and Council. Hearing none the next agenda item was considered.

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: Councilman Holloway seconded the motion. **CARRIED.**

DISCUSSION/DECISION ENTER EXECUTIVE SESSION PURSUANT TO ARIZONA REVISED STATUTES § 38-431.03A(3) DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE PUBLIC BODY
MOTION: Mayor Lindsey moved to enter into Executive Session as stated, relating to consultation for legal advice with the Attorney of the public body.
SECONDED: Councilman Klump seconded the motion. **CARRIED.**

RECESS TO EXECUTIVE SESSION, IF APPROVED-Mayor Lindsey recessed the Executive Session at 7:06 p.m.

RECONVENE FROM EXECUTIVE SESSION-Mayor Lindsey reconvened the regular meeting at 7:24 p.m. The Mayor directed the City Manager and Counsel to proceed with preparing the matter to come back to Council.

CONSENT AGENDA-Mayor Lindsey read the items by title.
10A. MINUTES OF THE WORK SESSION MEETINGS OF MAY 10 & 17, 2010,

10B. RESOLUTION 2010-83 APPROVING AND ADOPTING THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF WILLCOX [CITY] AND THE WILLCOX UNIFIED SCHOOL DISTRICT #13 [SCHOOL] FOR THE PURPOSE OF IMPLEMENTING A SCHOOL SAFETY PROGRAM AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION, THE IGA AND DECLARING AN EMERGENCY TO EXIST
MOTION: Councilman Johnson moved to adopt the Consent Agenda items, as presented.
SECONDED: Councilman Donahue seconded the motion. **CARRIED.**

PUBLIC HEARINGS, PETITIONS AND COMMUNICATIONS
PUBLIC HEARING: Mayor Lindsey announced that the Mayor and Council will hold a public hearing on (1) Monday, August 2, 2010 regarding the Fiscal Year 2010-2011 Budget; and

(2) Public Hearing on Monday, August 16, 2010 regarding the Fiscal Year 2010-2011 Budget

All members of the public are invited to attend such meeting. For those persons unable to attend, written comments will be accepted until 4 p.m. the day of the public hearing in the Office of the City Clerk, 101 S. Railroad Avenue, Suite B, Willcox, AZ 85643.

Mayor Lindsey opened the Public Hearing regarding the Fiscal Year 2010-2011 Budget at 7:26 p.m. and asked if there was anyone that would like to comment on the City budget.

Mr. Paul Sheats said he has a question and asked how much is budgeted for the Public Parks & Recreation Department. The Mayor asked Ms. Graham to respond; Councilman Johnson asked Mr. Sheats if he is talking about public parks or line item for the Council which there is a portion of Community Programs. Mr. Sheats bottom line wants to know Community Programs what is in the proposed budget concerning Community Programs how much money? City Manager McCourt reported we have budgeted Community Programs at $14,000 basically Community Center; we have a contract with the Chamber of Commerce for $65,000 for half of the Bed Tax and contract to run the Visitor Center; Economic Development $20,000; and Tourist Agreement with Cochise County Tourism Council for $10,000; WASA Recreation Contract to provide City and WASA recreation programs more intensely during the summer months and throughout the year they run various recreation programs; and matching grant $23,700 for Senior Center; Community Program $3,500 for the Fire Works, $6,060 for the Chip Seal parking lot of the proposed Senior Center, $1,350 for Centennial figures. Others of interest is Swimming Pool $149,661 for running the Swimming Pool; Buildings and Grounds work for various Parks; the Parks & Recreation has $458,453 for operation of all the Parks systems in the City. Also money under Trust Funds or Fund 17 expenditures planned $4,500 for Fireworks; and this is fund people pay into for specific programs and this separate from the previous mentioned; also Golf Course that the people raise money for capital improvement $13,570; Railroad Park Funds received Grant $67970; and Skate Park expenditures listed at $12,000; Library $805; Police Contribution $2,000; Wildland Fire Expenditure money we receive when the firefighters fight Wildland Fires $21,300; and Stone Garden through Public Safety for specific use by Public Safety $130,051.

Mr. Sheats heard 2-things of interest the $12,000 and something for the Skate Park and is interested where all that comes up because last time heard $16,000 and what happened to the $4,000. 00. The $400 that goes to all Parks and Recreation and asked each City Council members that ran for election or re-election everyone himself included said wanted to see for motion concerning the Skate Park. Each one said we want to see our young people to stay around and things develop. Now is their opportunity to do something and make sure it doesn't slip under the budget or not put in budget or plan. Asked for one of them to be very proactive and helping these kids get a Skate Park. It is a Park and its on City property and would think there is some way to find more money to help this. These kids have done due diligence in raising funds and personally has not heard from newly elected and re-elected Council members and called the other parties involved to see if they have heard anything since they took office and nothing. It was a campaign opportunity has not heard anything and neither has the kids that are interested. He asked for one or more to do something please to help these kids. He does not think he has to be the voice thinks the kids need to hear

from City Council members that it is important, that you will do something, press some bottoms somewhere, make sure it is in the budget, and make sure there is another way to get creative. It was a campaign promise from all seven (7) they all mentioned it individually. Councilman Holloway said he did not and Mr. Sheats apologized and it seemed to him everyone was on board to do something with the Skate Park. Mr. Sheats is asking for some help from each Council member. For five (5) years this has been on somewhere in the budget and yet they still are really not any closer to having a Skate Park than they were 5-years ago. He is pleased and glad to hear it is somewhere in there, in the budget somewhere so they can move forward with it and get some help and appreciates it.

Mayor Lindsey asked if anyone else wanted to comment. Councilman Johnson said times are tough and still in rough fiscal year. Tentative budget was approved and can not go over and need to stay under. Asked what is City's plan to raise additional revenues other than Tourism, what is the City's plan for raising revenues to help us with this fiscal time; what can we do to achieve forward momentum; the memorandum dated 6-28-2010 is a good start and would be added savings if it is followed and enforced. If it is not he is not going to micro manage the budget against forward movement. The status quo would be set and need to look to the budget this year and look at some type of activities or development that will help us increase our tax revenues. Councilman Johnson biggest concern it has been four (4) years since employees have gotten a raise and they are the infrastructure that makes the City move. Suggested "wants to see in this budget that instead of fixed budget is to freeze on all hiring with Council approval if there is any to be hired; freeze on all Travel & Training except for State & Federal requirements again with Council approval; a freeze on all Capital purchases again with Council approval; eliminate any position that is being held in the budget for numbers sake, position that hasn't been filled and that position would need to come back for Council approval; place all Travel & Training, Capital purchases and Insurance for each facility under the City Manager's budget section and then brought back for Council approval. Other possible ideas for the budget to maintain and cut: Go paperless as much as possible, example Council packets; I don't know how many trees we cut down for that. We brought up a 4-day work week and I am sure there are more ideas from the Council and members of staff and I could pick the budget apart and just one item in particular is in 2010 budgeted $50,000 for Magistrate Fees and this year budgeted $35,000 that's $16,000 less is there less crime rate, less fees or are we being very conservative. $31 Million budget is hard to swallow."

Mr. Sheats wants someone to find out if the $12,000 that was mentioned is that what the young people raised and it is being held and if that is the case is that matching $12,000 set aside so that if by some miracle they get the go ahead to build they now have the money and he does not have to go down that road saying it wasn't budgeted this year. Does not know how to read that budget it is not written in his language or something. Asked if someone would check on that and make sure it is all going to be there and ready to roll if this comes about and actually pour some cement.

Councilman Johnson asked if staff left the Airport out of the budget this year because he missed that. He asked specifically for the Airport and thought he missed that. City Manager McCourt replied it is on page 44, and line item 10-453. Councilman Johnson thanked him.

Mayor Lindsey asked are there any other comments. The Mayor said his one comment is on Councilman Johnson's on the list of things to do and most have been initiated already and some are further mandated than what he listed on his list. Most of those have been looked at. All in agree in areas that cuts have to be made, all in agreement we can't afford to hire new employees, thinks all in agreement our employees deserve a raise although do not have funds to give it to them, and if there are any ideas they can come forward with to increase our revenues that would be appropriate. We can talk about it all night and until we do have some action it isn't going to make any difference.

The Mayor asked for any other comments. Again he asked if there were any other comments. Hearing none the Mayor closed the public hearing at 7:43 p.m.

DISCUSSION/DIRECTION TO STAFF ON THE REPORT OF THE DEVELOPMENT OF FIREWORKS ORDINANCE.
City Manager McCourt stated this is not an action item and traditionally fireworks paid except for public displays. The State Legislature at the last session approved sale and use of Fire Works throughout the State of Arizona. Also the State agreed to allow local entities such as the City to place some restrictions on use of the Fireworks if wished. Staff has some concerns and

deal with fire safety we are dry state. Staff is asking the Council if they could draft a sample Ordinance for their consideration which would have some restrictions on the use of Fireworks within the City and go forward with it.

Chief Weaver explained that the House Bill that was passed has to do with eliminating the current prohibition of use of Fireworks in the State of Arizona. What it does allow is the sale of consumer fireworks within the State of Arizona, however, it does not let City's to pass Ordinances banning the sale of consumer fireworks and can be used in Cities and Towns unless the Council or governing bodies pass ordinance restricting that. Consumer fireworks are not the same type of fireworks that they use for 4th of July or the Display Fireworks. The consumer fireworks consist of sparklers, smoke dispensers, cones which put out la large volume of sparks. Also the House Bill does not prohibit the use for specifically put in place a time period during year that they can be used; they can be used year around if approved by the governing body. Staff concern with our dry environment that we have not just in July but all year around and if somebody purchased those and used those consumer fireworks in town and cause a lot of damage. Included in report was a draft Ordinance they will be submitting with Resolution and hopefully get it incorporated with clause for liability for response any emergency required due to fireworks. That is what they are currently working on right now. Councilman Holloway read complete prohibition and Chief Weaver explained the prohibition means they can still sell them in town and we can't completely ban the use but we can restrict the use but not the sale. Councilman Johnson asked if we discovered higher use this past 4th of July and Chief replied "not necessarily." Some officers made comments that they did not see a whole lot compared with past years. Councilman Johnson said the sparklers; glow worms, snaps those items bought at Alco those are legal. What we are looking at is making the public aware through Resolution of what is legal what is not; what is enforced and what is not. Chief stated they as governing body if they so choose is what can be used in the City limits and Mayor Lindsey added and on what days they could be used on. Councilman Johnson asked if we could raise revenues. Mayor Lindsey thought Skate Park Committee might want to sell fireworks. Councilman Johnson said "put it together and bring it forward." Mayor Lindsey said that would be the direction to proceed forward and bring it back to Council.

DISCUSSION/DIRECTION TO STAFF REGARDING THE VEHICLE USE POLICY

City Manager McCourt stated the City has number of vehicles that many employees drive in various departments. Staff has drafted for their review is the proposed Safety Vehicle Use Policy for the operation of City vehicles. Staff would like further direction and some departments have summarized and Public Safety could adopt more stringent policies. We currently do not have a policy and suggest incorporating one and have a draft for review and asking for permission to go forward working on it. Mayor Lindsey asked if appropriate to incorporate into this the policy as far as employees taking vehicles home or do we have present policy. Mr. McCourt reported in the past we have take home vehicles especially in Public Safety and have a take home vehicle from Public Works for Call Out. It is different persons and which appears everywhere in the City. Staff can bring that policy forward and attach it to this. Mayor Lindsey is asking the question do we have a present policy or do we need to develop one and incorporate some of these changes. The City Manager replied he is not aware of any policy.

Councilman Johnson said he does not see Cell Phone listed anywhere and thinks that is something had discussion on that several months ago. Mr. McCourt said he is correct because Cell Phone is in another place in the Employee Manual. Councilman Johnson asked if we would reiterate it in the Vehicle portion and Mr. McCourt said if they wished they could do that and refer to it to that Section. Councilman Johnson said he sees this put in place in case of accident and what to follow and again has problem who's driving behind them to make sure they are not tailgating or speeding and who enforces since we do not have staff or manpower to do so and asked what good would the policy be if do not have enforcement unless telling on someone else if using cell phone, speeding or driving erratically. Mr. McCourt responded fortunately we have a great number of employees that use common sense and don't have to worry about policing. Occasionally we do have some individuals that seem to lack in common sense and if have policies in place it is very useful. Councilman Johnson said "unless it's not broke why fix it unless we have had issues like we had with the Cell Phone." And stated unless this is something that we do need to address after 30-40 years. All of our employees do drive safely and with caution. It is not their vehicle and it is a privilege to drive City vehicle and will not abuse it. Mr. McCourt stated we do have a good group of employees and most of them are very responsible and have common sense and we not know who will be there in the future and common sense is not always common and that is why we have policies. Staff is asking for permission to go forward in preparing this. Mayor direction is to bring it back to M&C.

DISCUSSION/DECISION REGARDING THE APPOINTMENTS TO FILL THE THREE (3) VACANCIES ON THE LIBRARY ADVISORY COMMITTEE

Mayor Lindsey asked those present to address the Mayor and Council by alphabetical order.

Mr. Joseph L. T. Aiman stated it has been a pleasure to serve these past four (4) years on PLAC (Public Library Advisory Committee) and looks forward to serving four (4) more. Mayor Lindsey stated he appreciates his past service.

Ms. Kay Marie Boughton has not been on this board and thinks we have a great facility and would like to be a part of it. Thank You!

Ms. Suellen L. Chapin is new to the area and returned to Arizona from Texas. She is a mother of six (6) and happily married. They returned to Willcox to be closer to her father-in-law. Ms. Chapin has always included the Library as part of their family. They have spent a lot of time there since they have been here since April. She stated she has gotten to know Tom (Miner, Library Director) and some of the staff and was asked to consider being on the board. Because her family has already become attached to the Library she considered it and finds she can provide some volunteer time. Her children are very active and they are looking forward to being active in the Community. Ms. Chapin thinks that the Library is a great resource for the community especially in rural communities that do not have a lot of access to things. Appreciates being considered "for the County position" and looks forward to the commitment of four (4) years and thanked them for their time.

Ms. Terri DeWindt has been involved with the Library all her life and it's been her way of seeing the world. She doesn't get to travel much but with the Library she gets to. She has worked on several of their projects with the teens and looks forward to being on the PLAC.

The Mayor opened for nominations to fill the three (3) vacancies on the Library Advisory Committee.

Councilman Johnson nominated Terri DeWendt.
Councilman Irvin nominated "Joe" Aiman.
Councilman Johnson nominated Kay Marie Boughton.
Councilman Holloway nominated Mrs. Suellen Chapin.

Mayor Lindsey stated we have all four (4) candidates nominated and asked if someone liked to make motion to close nominations.

MOTION: Councilman Klump moved to close nominations.
SECONDED: Councilman Johnson seconded the motion. **DISCUSSION:** Mayor Lindsey explained that probably all are aware that the requirements for this is that 3 of the members of the Library Committee must be from within the City limits and two of the members can be from the County. In this particular case we only have 2-that are living in the County and there are 2-positions avaialbe from the County so we do not have any problem as far as exceeding the number from outside the County or any limits on those within the City. At this time go to vote by raise of hands and again do it by Alphabetical order and asked for them to vote for 3-persons. **ALPHA VOTE:** Mayor Lindsey said to raise your hand: Joe Aiman-Mayor stated that is all six (6) [6-0-1 Absent Vice Mayor Cronberg]; Kay Boughton–Mayor said 3-3 (1 Absent Vice Mayor Cronberg); Terri DeWendt-Mayor said all six (6) [1 Absent Vice Mayor Cronberg]; and (out of alpha order) Suellen Chapin-Mayor said 3-3 (1 Absent Vice Mayor Cronberg). Mayor Lindsey asked for revote and asked Counsel. City Attorney Figueroa said two (2) of the members have to be from outside and the Mayor said "two (2) of the members may be from outside." Mr. Figueroa asked if we have any members from outside. Mayor Lindsey replied in the affirmative and the Attorney asked currently and the Mayor replied "no, both outside positions are open. Three (3) of the members must be from within the City; two (2) of the members may be from outside the City." We have three (3) openings and we there are four (4) candidates. The City Attorney said two (2) of the candidates voted on both received "6-6." Now voted for one position between two (2) persons and both received 3-3 and City Attorney said need to revote. Councilman Klump suggested since one extra Council member is not present and if could postpone it until next meeting that would simplify it. City Attorney Figueroa stated that so long as the Committee has standing members and not one of the ones that are being reappointed they would have a quorum they need a quorum. The terms were up on June 30th and they need to take care of business. Now they would have a quorum with the other two (2) appointed tonight and could wait for the last position to be filled at the next meeting. Councilman Klump does not think they are going to change their minds in the next 10 minutes and thinks they should let Vice

Mayor make that decision. It was so much easier when no one showed up and only one person showed up and selected that person. We "love" to have candidates and lots of candidates and Mayor Lindsey added they are all good candidates too.

MOTION: Councilman Klump moved to table until the 2-weeks. Mayor Lindsey stated a motion has been made and is there a second to the table. Hearing no reply for a second the Mayor stated: **MOTION DIED FOR LACK OF SECOND.**

City Manager McCourt said to clarify for staff if they decide to revote on the remaining position they may want to make sure that the ones that have been appointed can go forward. Councilman Klump said the motion would be just on the final position. City Attorney Figueroa prefers they act on the two (2) positions that had 6 & 6 and get those people on board for the Library Committee to have a Quorum.

MOTION: Councilman Klump moved to accept the two (2) positions that they unanimously supported.
SECONDED: Councilman Johnson seconded the motion. **CARRIED.**

MOTION: Councilman Klump moved to postpone the vote on the third member until the following (meeting) two (2) weeks from today.
SECONDED: Councilman Johnson seconded the motion. **DISCUSSION:** Councilman Johnson said if term expire on June 30 and if we know expire why doing this in July and August when they need to appoint a new Chair and new Vice Chair and asked we just missed it. City Manager McCourt replied we had a application come in and another application after the date and had delay because of the receipt of the applications. Councilman Johnson said if expire June 30 why not appointing in June why waiting until August? Mr. McCourt said we can not appoint until we receive application. Councilman Holloway asked we were advertising in May and June and Mr. McCourt replied in the affirmative. **CARRIED.**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2010-81 APPROVING AND ADOPTING THE APPROVING AND ADOPTING THE JOINT PARTNERSHIP AGREEMENT ("IGA/JPA 09-198-I") WITH THE STATE OF ARIZONA ("STATE") THROUGH THE ARIZONA DEPARTMENT OF TRANSPORTATION FOR THE FORT GRANT TRANSPORTATION ENHANCEMENT PROJECT, AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.
MOTION: Councilman Johnson moved to approve Resolution No. 2010-81, relating to Joint partnership Agreement with the State of Arizona Department of Transportation for the Ft. Grant Transportation Enhancement Project, as presented.
SECONDED: Councilman Donahue seconded the motion. **CARRIED.**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2010-84 APPROVING AND ADOPTING THE TITLE VI ASSURANCES RELATING TO FEDERAL CIVIL RIGHTS ASSURANCES UNDER THE INTERGOVERNMENTAL AGREEMENT ("IGA/JPA 09-198-I") FOR THE FORT GRANT TRANSPORTATION ENHANCEMENT PROJECT AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.
MOTION: Councilman Johnson moved to approve Resolution No. 2010-84, relating to the Title VI Assurances relating to the Federal Civil Rights Assurances under the IGA/JPA 09-198-1 for the Ft. Grant Transportation Enhancement Project.
SECONDED: Councilman Donahue seconded the motion. **DISCUSSION:** Mayor Lindsey asked if we had Resolution Numbers 82 and 83 before? City Attorney Figueroa replied looking at Consent Agenda we have Resolution NO. 83 and 82 was at the previous meeting and had to table #81 because staff did not have it ready. **CARRIED**

DISCUSSION/DECISION REGARDING RESOLUTION NO. 2010-85 APPROVING AND ADOPTING THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY AND THE STATE OF ARIZONA ("STATE") THROUGH THE ARIZONA DEPARTMENT OF TRANSPORTATION ("ADOT") UNDER THE HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP) FOR THE REPLACEMENT OF TRAFFIC SIGNS, AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AN EMERGENCY TO EXIST.
MOTION: Councilman Johnson moved to approve Resolution NO. 2010-85, relating to IGA between the City and the State through the ADOT under the HSIP for the replacement of Traffic Signs.
SECONDED: Councilman Donahue seconded the motion. **CARRIED.**

THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ HELD ON THIS 2ND DAY OF AUGUST 2010

REPORTS BY THE CITY MANAGER PAT McCOURT

Consideration, discussion and/or decision regarding the following topics by the City Manager:

- **Report on Joint Work Session with Planning & Zoning Commission-**Pat McCourt, City Manager, the Joint Work Session was postponed with Planning & Zoning Commission and has been rescheduled regarding Infill Incentives has been scheduled for Monday, August 16, 2010 at 6:00 p.m. 300 W. Rex Allen Drive.
- **Report on Special Meeting Wastewater Treatment Plant-**Pat McCourt, City Manager, asking to post a Special Meeting on Monday, August 30, 2010 at 6:00 p.m. to discuss the loan and loan documents from WIFA. Due to our existing Bond it has a couple of quirks in it.
- **Report on Dug Out-**Pat McCourt, City Manager, reported on the temporary Dug Out roof repair at Keiller Park has been replaced.
- **Report on Mayor's/Manager's Luncheon-**Pat McCourt, City Manager, the City of Willcox will host the Mayor's/Manager's Luncheon from throughout the County on September 16, 2010 at 12 noon at the Brass Rail. Speaker is Rod Keeling with the Wine Growers Association and attendance would be appreciated. .
- **Report on the 25% BP Gas Purchase-**Pat McCourt, City Manager reported for the City's Gas Utility Company the City purchases supplies of gas in advance and purchased in two (2) ways. Fixed dollar amount and on the Spot Market. We know what our average amount of gas that used is and varies specifically do forward purchase. We do 25% and purchasing another 25% and previously the Mayor and Council has given us permission to purchase another 25% BP Gas Purchase which extends our contract 3-months further than where we are now. Remainder looking at spot purchases and if we have warm winter we will probably be paying a little more, if normal winter we will be in good shape and clod winder we would be in great shape. Letting Mayor and Council know we are taking care of our supplies for the winter.

COMMENTS NOT FOR DISCUSSION FROM MAYOR AND COUNCIL MEMBERS.

Mayor Lindsey asked Councilman Donahue for update on the Senior Center. The Senior Center is coming along well right now and the Civil Engineers have begun working on the parking lot which will involve the City's Public Works to put in the chip sealing Also they are putting in fresh flooring in the building; finishing the interior work to it and hoping to have everything ready for Rex Allen Days.

Councilman Irvin commented on the job the Street Department is doing with as much rain as we had seen the crews out there working. Also reported they have Lake Soto again and the potholes are reappearing in the segment repaired and overall feels they are doing a very good job.

ADJOURN

There being no further business before the Mayor and Council, Mayor Lindsey adjourned the meeting at 8:15 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 2nd day of August 2010. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 6th day of August 2010

_____.
City Clerk Cristina G. Whelan, CMC

PASSED, APPROVED AND ADOPTED this ____ day of _____ 2010.

_____.
MAYOR GERALD W. LINDSEY
Signed: _____.

ATTEST:

_____.
City Clerk Cristina G. Whelan, CMC

CITY OF WILLCOX

REQUEST FOR ACTION
or
INFORMATION FOR COUNCIL

Agenda Item 10B
Tab Number 3
Date: 8/16/10

Date Requested: 8/6/10	X Resolution ___ Ordinance ___ Formal ___ Other	Subject: Council Approval to Submit Library Grant Proposal

TO: **Honorable Mayor and City Council**

FROM: **Tom Miner, Library Director**

RE: **Libri Foundation Books for Children Grant Application**

DISCUSSION: The Elsie S. Hogan Community Library would like to apply for the Libri Foundation **Books for Children** Grant.

If awarded, the librarian of each library participating in the **Books For Children** program selects the books his/her library will receive from a booklist provided by the Foundation. The 700-plus fiction and nonfiction titles on the list reflect the very best of children's literature published within the last three years, as well as a selection of classic favorites.

RECOMMENDATION: That the Mayor and Council approve the submission of the application for the Libri Foundation **Books for Children** grant, and if awarded, sign the necessary documents to receive, implement and administer said program.

FISCAL IMPACT: (If awarded) +$1,050 for the Library's programming and collection.

Prepared by:

Sylvia Stewart

Sylvia Stewart, Library Supervisor

Approved by:

Tom Miner

Tom Miner, Library Director

Pat McCourt, City Manager

RESOLUTION NO: 2010-86

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, RATIFYING, APPROVING AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE LIBRI FOUNDATION FOR THE PURPOSE OF APPLYING FOR FUNDS THROUGH THE BOOKS FOR CHILDREN PROGRAM TO BE USED FOR PUBLIC LIBRARY BOOKS AND DECLARING AN EMERGENCY TO EXIST.

WHEREAS, the CITY is authorized pursuant to A.R.S. §§ 9-413 and 9-419 to establish a Library fund and to authorize the use of land and structures for a public library; and

WHEREAS, the CITY is empowered pursuant to A.R.S. § 9-240 (A) and (B) to control the finances and property of the corporation; and

WHEREAS, the City of Willcox Mayor and Council, on behalf of the Elsie S. Hogan Community Library [the "LIBRARY"], desire to ratify the submittal of an application to the **Libri Foundation** for grant funds made possible through the **Books For Children Program**; and

WHEREAS, Grant funding is available to assist local communities and all public libraries for various projects pursuant to an application process open to the City of Willcox; and

WHEREAS, the City's application will serve to apply for funding to select books from a Foundation list that includes over 700 fiction and non-fiction titles; and

WHEREAS, the LIBRARY seeks Mayor and Council ratification and approval for the submitted application to the Libri Foundation; 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 citizens to ratify and approve the submitted application to the Libri Foundation; and

WHEREAS, the Mayor and Council desire to have this item presented at its August 16, 2010 Council Meeting; and

WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure approval and ratification of the submitted application, and that this Resolution be effective immediately upon its passage and adoption.

BE IT RESOLVED by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby formally ratifies and approves the submitted application to the Libri Foundation.

BE IT FURTHER RESOLVED by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Willcox, Cochise County, Arizona this _____ day of August 2010.

APPROVED/EXECUTED:

_____
MAYOR, GERALD W. LINDSEY

ATTEST:

_____
City Clerk, Cristina G. Whelan, CMC

APPROVED AS TO FORM:

_____
City Attorney, Hector M. Figueroa

RESOLUTION NO: 2010-86

The Libri Foundation
Books for Children Program
Grant Application Form

I. APPLICANT:

Name of Library: Elsie S. Hogan Community Library

Street Address: 100 N. Curtis Ave. PO Box:

City: Willcox State: AZ Zip: 85643

Shipping Address (if different):

City: State: Zip:

Contact Person: Sylvia Stewart Title: Library Supervisor

Library Phone: (520) 766-4250 and/or Contact Phone: ( )

Library Fax: (520) 384-0126 E-mail: sstewart@willcoxcity.org

Previous BOOKS FOR CHILDREN grant recipient? Yes ☐ No ☑
If yes, what year?

II. TYPE OF LIBRARY:

A. Please check the choice which BEST describes your library:

- ☑ City, town, township, or village library
- ☐ Branch of a city, town, township, or village library
  Name of main library?
- ☐ County library
- ☐ Branch of a county library
  Name of main library?
- ☐ Combination town & public school library
- ☐ Tribal library. Tribal affiliation?
- ☐ Other:

Please explain:

B. Does the library have any branches or bookmobiles? Yes ☐ No ☑
If yes, how many?

C. Is your library a member of a regional or cooperative system? Yes ☑ No ☐
If yes,

1. What is the name of the system?
   Cochise County Library District
2. Are the libraries in the system governed jointly or separately?
   Separately
3. How much funding does your library receive from the system?
   $12,000
4. What services does the system provide to your library?
   Automated Library System, Interlibrary Loan, Bookmobile, Training

III. AREA SERVED:

A. For what geographic area is your library the primary library?

Name of Area: Northern Cochise County

Population of Area: 12,000

Population of the town in which the library is located: 3,913

In what county/parish/borough is the library located? Cochise

B. What is the nearest city with a population of at least 40,000 people?
Sierra Vista, AZ

How many miles is the library from this city? 75

C. Is there an institution of higher education in the library's district? Yes ☑ No ☐

If yes, Name of the institution: Cochise College

D. What are the area's primary industries? (Agriculture, fishing, forestry, mining, tourism, etc.)

Agriculture, tourism, farming, ranching

IV. CIRCULATION/PROGRAMMING:

A. How many hours per week is your library open? 46

Please list the library's hours:
M-W 10-6; Th 10-7; F 9-5; S 9-2

B. How many hours per week are your branches open? n/a

C. Approximately how many patrons come into the library each week? 790

D. Approximately how many of these patrons are children age 12 and under? 360

E. What is the average number of books checked out each week? 721

F. Approximately how many of these books are children's books? 252

G. What type and how many hours of children's programming does the library offer? Programming can include storytelling, puppet shows, summer reading programs, service to day care centers, craft activities, etc. Please be as detailed as possible in the space allowed.

(You may enter up to 1280 characters.)

Storytime (ages 3-6): 4 times a year, 1 hr./wk for 8 weeks.

Summer Reading (ages 3-5; 6-12; 13-18): Summer 1 hr./wk per age group for 8 weeks. 6 speakers/presentations. Craft activities - cutouts, clay modeling, coloring; 2 puppet shows.

Outreach to daycare centers and elementary schools: 4-30 mins./wk for 9 mos.

Outreach to Headstart: 1-30 mins./wk for 9 mos.
Reading/Outreach: 3-1 hr. per year.

Workshop/Presentations (Every Child Ready to Read): 2-2hr./yr to expecting parents and parents of newborn to age 5.

750 characters left

V. BUDGET INFORMATION: Please provide the following information for the applicant's most recently completed fiscal year. If your library is a branch library and receives its

funding from the parent institution: 1) answer the questions first with your library's budget and 2) in parentheses, include the parent institution's budget. Any funds listed in Part II, Section C, question 3 must be included as part of your total annual budget.

A. Total annual budget (ALL expenditures, inc. salaries): $281,961 + ($12,000)

B. Total annual book budget (reference, adult, YA, children): $13,000 + ($12,000)

C. How many paid employees does the library have?
4

D. How many paid employees have an MLS, MLIS, or equivalent? 0

E. How is the library funded?

(You may enter up to 500 characters.)

The Elsie S. Hogan Community Library is funded through the local municipal government (City of Willcox) general fund.

383 characters left

F. Has the library suffered any budget cuts in the last three years? Please explain.

(You may enter up to 500 characters.)

Yes - this is due to poor economic conditions, reduced revenue to the general fund, and reduced state-shared revenues to our local government.

358 characters left

VI. LOCAL FUND RAISING: The library's local sponsor(s) may raise between $50 and $350, which will be matched 2-to-1 by The Libri Foundation. The Foundation will only

match funds raised by a local sponsor. It will not match funds taken from the existing library budget.

A. Who will be the library's local sponsor(s)? Note: The local sponsor may be a formal group such as the Friends of the Library or a service organization, or it may be an informal group of library supporters. Friends of Elsie S. Hogan Community Library Association

B. How much money does the sponsor(s) plan to raise? (Must be between $50-$350) $350

Important Note: The Foundation will not match more than $350.

C. How does the sponsor(s) plan to raise the matching funds? Please be as specific as possible in the space allowed.

(You may enter up to 640 characters.)

Our sponsor, the Friends of Elsie S. Hogan Community Library Association, voted to provide matching funds of $350 through book sales.

507 characters left

VII. NEEDS ASSESSMENT: Please explain why the library needs the Foundation's assistance to acquire new children's books.

(You may enter up to 640 characters.)

Although the Library has a strong children's program, with the current economic situation, and reduced city tax revenues, ESH library is not able to meet all the demands of our younger community. The library serves a population in the rural city of Willcox and its surrounding ranches and farms that is 42 Hispanic, and whose family poverty level is more than double that of the state average (US Census, 2000). With the assistance of the Libri foundation, we can enhance the school readiness of all young children, especially those from economically disadvantaged backgrounds and those with special needs.

33 characters left

VIII. PUBLICIZING THE NEW BOOKS: *Describe how the library plans to publicize and promote its new children's books.* Note: Libraries are strongly encouraged to celebrate their new books by hosting a special event, such as an open house or a special story

hour.

(You may enter up to 640 characters.)

Our library plans to publicize and promote its new children's books through a special story hour, and through the newspaper and press releases.

497 *characters left*

IX. BOOK SELECTION: Please list the book reviewing sources the staff consults when selecting children's books.

(You may enter up to 640 characters.)

We consult the following companies:
Penworthy
New York Times Bestsellers
Baker & Taylor
Ingram's Online
Amazon
and a variety of other sources, publishing companies, brochures, etc.

454 characters left

X. REPORT: All grant recipients are required to write a one-page report, in the form of a letter, within eight weeks of receiving the new books. The letter should include general information about the library and the community it serves as well as specific information relating to the BOOKS FOR CHILDREN grant on topics such as how the local funds were raised, how the books will be used, and the impact the new books had on the library (ex: new patrons, increased community awareness, increased circulation). Copies of newspaper articles and other publicity items about the grant should be attached to the report.

Do you agree to provide this report within eight weeks of receiving the new books? Yes ☒ No ☐

The following information must be handwritten. Use your computer to fill in the answers to all of the questions above this line, then print this form, complete the handwritten information below and mail it to The Libri Foundation.

Signature of Authorizing Official:

Tom Miner

Gerald W Lindsey

Print Name:

Tom Miner

Gerald W Lindsey

Title: Library Director

Mayor

Date: Aug. 9, 2010

Questions should be directed to:

Barbara J. McKillip, President
The Libri Foundation
PO Box 10246
Eugene, OR 97440
Hours: Mon.-Fri: 10-4 PACIFIC TIME

Phone: 541-747-9655
Fax: 541-747-4348
Email: libri@librifoundation.org
Web site: http://www.librifoundation.org

Completed application forms must be mailed to The Libri Foundation. Faxed or emailed applications will not be considered for a grant.

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Print this document

CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION

Agenda Item: 10C
Tab Number: 4
Date: 08-16-2010

Date Submitted: 8-9-10 Date Requested: 8-16-10	Action: _____ Resolution _____ Ordinance _____ Formal __X__ Other	Subject: Approval of a settlement agreement between the AZ Dept of Health Services and City on Lab at WWTP

TO: **MAYOR AND COUNCIL**

FROM: City Manager

DISCUSSION: The City receives an annual inspection of the Lab at the Waste Water Treatment Plant by the Arizona Department of Health Services (ADHS). As a result of the inspection in 2009 there were many violations listed, some dating back to 2003, which had not been corrected. Staff has corrected all the violations and the Lab has been reinspected and is in compliance at this time.
ADHS has the ability to fine on a daily basis for violations. Staff discussed the situation and ADHS has indicated they will accept a $5,000 fine as per the Settlement agreement sent to the City dated July 29, 2010. A complete copy of the settlement agreement is available in the City Clerk's Office.

RECOMMENDATION: Staff recommends acceptance of the Settlement agreement.

FISCAL IMPACT: $5,000.00 charged to Fund 52 (Sewer)

Prepared by: Pat McCourt

Approved by: _____
Pat McCourt, City Manager

RESOLUTION NO: 2010-87

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, APPROVING AND AUTHORIZING THE ACCEPTANCE AND EXECUTION OF A SETTLEMENT AGREEMENT BETWEEN THE CITY AND THE ARIZONA DEPARTMENT OF HEALTH SERVICES ("ADHS") RELATING TO THE LAB AT THE WASTEWATER TREATMENT PLANT ("WWTP"), AUTHORIZING AND DIRECTING CITY STAFF TO PAY THE SETTLEMENT AMOUNT AND DECLARING AN EMERGENCY TO EXIST.

WHEREAS, the CITY is empowered pursuant to A.R.S. § 9-240 (A) and (B) to control the finances and property of the corporation; and

WHEREAS, the CITY is authorized pursuant to A.R.S. § 9-240 (B) to construct and maintain sewers and drains; and

WHEREAS, the CITY is authorized pursuant to A.R.S. § 9-276 (A) to build, construct, maintain and repair sewers, tunnels and drains; and

WHEREAS, pursuant to A.R.S. § 9-499.01, the CITY is vested with all the powers of incorporated towns as set forth in Title 9; and

WHEREAS, the City of Willcox and ADHS have reached a settlement relating to the Lab at the WWTP and desire to enter into a formal settlement agreement to resolve pending matters; 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 citizens to approve, adopt and enter into the Settlement Agreement as presented; and

WHEREAS, the Mayor and Council desire to have this item presented at its August 16, 2010 Council Meeting; and

WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure timely execution of the Settlement Agreement, and that this Resolution be effective immediately upon its passage and adoption.

BE IT RESOLVED by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby gives formal approval and authorization to enter into the Settlement Agreement, the Mayor is authorize to execute the Agreement and City Staff are authorized to carry out the terms of the Agreement as presented.

BE IT FURTHER RESOLVED by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Willcox, Cochise County, Arizona this _____ day of August 2010.

APPROVED/EXECUTED:

_____
MAYOR, GERALD W. LINDSEY

ATTEST:

_____
City Clerk, Cristina G. Whelan, CMC

APPROVED AS TO FORM:

_____
City Attorney, Hector M. Figueroa

RESOLUTION NO: 2010-87

CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION

Agenda Item: 10D
Tab Number: 5
Date: 08-16-2010

Date Submitted: 8-9-10 Date Requested: 8-16-10	Action: __X__ Resolution ____ Ordinance ____ Formal ____ Other	Subject: Renewal of Agreement with the Chamber on Use, Maintenance and Stipend Agreement on Cochise Visitor's Center

TO: **MAYOR AND COUNCIL**

FROM: City Manager

DISCUSSION: The City has an agreement with the Willcox Chamber of Commerce & Agriculture to operate the City's Visitor Center. The last renewal was in July of 2008. The agreement was by Resolution No. 2008-51. The agreement expires August 31, 2010. Under the original agreement entered August 21, 2006 the City pays the Chamber half (½) of the Lodging receipts for the Chamber to operate the Visitor Center seven days a week. Chamber pays all operating expenses. City owns the building and parking lot and maintains them.

RECOMMENDATION: Assuming that the City wishes to continue to provide the operation of the Visitor Center; Staff feels the current Agreement is the most economic manner to accomplish this goal. Therefore Staff recommends renewing the Agreement for an additional two (2) years.

FISCAL IMPACT: The amount varies as it is based upon half (½) of the Lodgers Tax; the amount budgeted for FY 2011 is $65,000 from the General Fund in the Community Programs Department.

Prepared by: Pat McCourt

Approved by: _____
Pat McCourt, City Manager

RESOLUTION NO. 2010-88

A RESOLUTION OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, APPROVING AND AUTHORIZING THE RENEWAL AND EXTENSION OF THE USE, MAINTENANCE AND STIPEND AGREEMENT BETWEEN THE CITY OF WILLCOX ["CITY"] AND THE WILLCOX CHAMBER OF COMMERCE AND AGRICULTURE, A NON-PROFIT CORPORATION, ["CHAMBER"] AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DECLARING AND EMERGENCY TO EXIST

WHEREAS, the CITY and the CHAMBER entered into the original Agreement between the parties for the period of September 12, 1978 to September 11, 2003 and entered into Agreement Extensions thereto up to and including August 30, 2006 which were formally approved by the CITY; and

WHEREAS, the CITY and the CHAMBER entered into a Two (2) year Agreement for the period of September 1, 2006 to August 30, 2008 pursuant to City Council approval; and

WHEREAS, the CITY and the CHAMBER entered into a Two (2) year Agreement Extension for the period of September 1, 2008 to August 30, 2010 pursuant to City Council Resolution No. 2008-51; and

WHEREAS, the CITY and the CHAMBER desire to enter Renew/Extend the Agreement between the Parties for an additional Two (2) year period of September 1, 2010 to August 30, 2012 pursuant to Resolution 2010-88; and

WHEREAS, the City of Willcox, Cochise County, Arizona desires to have this Resolution presented at the August 16, 2010 Council meeting and has determined that approval of the CHAMBER Agreements Renewal/Extension as noted above is in the best interest of the CITY and its residents; and

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

Section 1: The approval of the CHAMBER Agreement Renewal/Extension, as described above, is in the best interests of the residents of the City of Willcox.

Section 2: The CITY formally approves the Agreement Extension with the CHAMBER for the period of September 1, 2010 to August 30, 2012, by reference, as if set forth herein in full.

Section 3: The Mayor is authorized and empowered to execute this Resolution for the purpose of approving the CHAMBER Agreement Extension as authorized therein.

PASSED AND ADOPTED by the Council of the City of Willcox, Cochise County, Arizona, this ____ day of August 2010.

APPROVED/EXECUTED:

_____
MAYOR, GERALD W. LINDSEY

ATTEST:

_____
City Clerk, Cristina G. Whelan, CMC

APPROVED AS TO FORM:

_____
City Attorney, Hector M. Figueroa, Esq.

RESOLUTION NO. 2010-88

#827

USE, MAINTENANCE AND STIPEND AGREEMENT
COCHISE VISITOR'S CENTER

This Use, Maintenance and Stipend Agreement Extension is made and entered into this 21st day of July, 2008 between the City of Willcox, Cochise County, Arizona, a municipal corporation of the State of Arizona [hereinafter "CITY"], and the Willcox Chamber of Commerce and Agriculture, a non-profit corporation [hereinafter "CHAMBER"].

The **CITY** and the **CHAMBER** agree that Section 2 of the Use, Maintenance and Stipend Agreement entered into on the 21st day of August, 2006, regarding the Cochise Visitor's Center located at 1500 N. Circle I Road, Willcox, Arizona is hereby amended to Extend the Agreement terms and conditions for an additional Two (2) year term.

The **CITY** and the **CHAMBER** agree to extend and renew the Use, Maintenance and Stipend Agreement beginning September 1, 2008 and ending August 30, 2010.

The **CITY** and the **CHAMBER** agree that the language of Section 3[c] of the Agreement entitled **"Duties and Requirements of Chamber"** is hereby amended to require the **CHAMBER** to update its operation plan for the Visitor's Center concept and report to the Mayor and Council prior to the City's 2008/2009 fiscal year. The report will be presented to the Mayor and Council at a regular meeting in May of 2009 and the **CHAMBER** shall report to the Mayor and Council prior to each fiscal year at the same time and in approximately the same manner.

The **CITY** and the **CHAMBER** agree that all other terms of the Use, Maintenance and Stipend Agreement shall remain in full force and effect as is stated in the Agreement dated August 21, 2006.

CITY OF WILLCOX:

Gerald W. Lindsey 07/21/2008

Mayor, Gerald W. Lindsey Date

WILLCOX CHAMBER OF COMMERCE & AGRICULTURE:

7/28/08

Chamber President, Justin Allred Date

ATTEST:

Cristina G. Whelan, CMC

City Clerk, Cristina G. Whelan, CMC

APPROVED AS TO FORM:

City Attorney, Hector M. Figueroa

#821

USE, MAINTENANCE AND STIPEND AGREEMENT
COCHISE VISITORS CENTER

This Rental, Maintenance and Stipend Agreement is made and entered into at Willcox, Arizona, this 21 day of _August, 2006 by the City of Willcox, Arizona, a municipal corporation of the State of Arizona, hereinafter referred to as "City", and the Willcox Chamber of Commerce and Agriculture, a non-profit corporation, hereinafter referred to as "Chamber".

WITNESSETH

WHEREAS, the City owns a facility known as the Cochise Visitors Center; and

WHEREAS, the Chamber desires to utilize this facility for the purpose of operating a regional visitor center for the City of Willcox, as well as operating the Willcox Chamber of Commerce and Agriculture organization; and

WHEREAS, the City is willing to allow the Chamber the use of the facility as set forth herein in consideration for mutual covenants, promises and agreements as set forth herein;

WHEREAS, the City agrees to provide certain bed-tax monies to the Chamber to support the Chamber's efforts in improving the economy of the City.

THEREFORE, IT IS AGREED by the parties as follows:

1. General Provisions

The City hereby grants the Chamber, as an independent contractor, accepts from the City the right to utilize the Visitor Center facility for the purpose of operating a regional visitor center, as well as the Willcox Area Chamber of Commerce and Agriculture in a manner satisfactory to the City and at all times conform to all reasonable rules and regulations of the City, its ordinances and the laws of the State of Arizona.

2. Duration

The term of this Agreement shall be for the term of two (2) years, beginning the

1st day of September, 2006 and ending the 30th day of August 2008. Either party may terminate this agreement prior to term with thirty (30) days written notice to the other party. At the end of each term the parties will review the contract. If it is determined that either or both of the parties desires to terminate the contract then in that event the following shall take place.

a. The Chamber shall vacate the premises of the Visitor's Center within thirty (30) days of contract termination.

b. The Chamber shall remove only those tangible items that belong to the Chamber with the exception of personal property that would generally be classified as a fixture. Fixtures must be left on the property unless otherwise agreed to by both parties.

c. All utilities accounts, with regard to the Visitor's Center, shall revert to the City.

d. The City shall suspend stipend payments to the Chamber upon termination of the Agreement unless otherwise agreed to by both parties.

3. **Duties and Requirements of Chamber**

Chamber agrees as follows:

a. To devote sufficient time and resources to the duties of this Agreement to insure proper economic development services and promotion of tourism in and around the City of Willcox.

b. To unite all of the industrial, commercial and governmental interests for the purpose of concerted action in supporting these activities beyond the scope of any single business or industry which promotes the welfare of the Willcox community and the surrounding area as a whole.

c. To develop and strive for a self-sustaining regional visitor center that will allow for marketing of communities and local businesses on a cost basis to those entities. The Chamber will update its operation plan for the Visitor's Center concept and report to the Mayor and Council prior to the City's 2007/2008 fiscal year. The report will be presented to the Mayor and Council at a regular Council meeting in May of 2007 and it shall report to the Mayor and Council prior to each fiscal year at the same time and in approximately the same manner.

d. To provide sufficient Worker's Compensation insurance, public liability insurance, liability insurances and other insurances coverage necessary to protect and hold the City harmless from all potential liability connected with the Chamber and the operations of any of the Chamber facilities, services and grounds and to

e. To hold the City harmless from liability from all losses or damages of any and all items on consignment or loan at the Visitor's Center.

f. To provide all necessary supplies and personnel to carry out the operation and function of the Visitor's Center.

g. To specifically reserve space to be designated for use by the City or its designees for displays to encourage economic development..

h. To allow the City the right to inspect the premises and buildings, to allow the City to host visitors and conduct official business and functions on the premises of the Visitor's Center.

i. To present a verbal quarterly report to the Mayor and Council updating that body about Chamber and Visitor Center activities.

j. To participate in and develop a tourism marketing plan for the Community of Willcox during the first twelve (12) months of this contract.

k. To provide the City with documentation sufficient to insure that all of the above requirements are complied with and that said documentation shall be furnished at a time designated by both parties and shall include but not necessarily limited to 1) calendar of events; 2) proof of insurance coverage; 3) an outline of the planning session and program of work submitted annually; 4) any other documentation as may be required from time to time by the City.

l. To actively seek grant funds and other funding to offset costs.

4. **Duties and Requirements of the City**

a. The City shall pay to the Chamber a stipend equaling fifty per cent (50%) of the bed tax revenue collected by the City. Payments shall be made in monthly installments.

b. The City shall be responsible for any and all maintenance issues related to the building and grounds of a serious nature, i.e. roof, HVAC, sidewalk, parking lot, Plumbing, electrical.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first written above.

Mayor, Elwood Johnson

Willcox Chamber
of Commerce and Agriculture

Gladys Olsen
Chamber President

ATTEST:

Christina G. Whelan, CMC
Christina G. Whelan, City Clerk

APPROVED AS TO FORM:

James E. Holland, City Attorney

CITY OF WILLCOX
Request for Council Action

Agenda Item: 10E
Tab Number: 6
Date: 8/16/10

Date Submitted:	Action:	Subject:
August 11, 2010	X Resolution ___ Ordinance ___ Formal ___ Other	Union Pacific Foundation Grant in the Amount of $5,000

To: Honorable Mayor and City Council

From: Ruth Graham, Finance Director

Discussion: On August 11, 2010 the City of Willcox submitted an application to the Union Pacific Foundation for a grant in the amount of $5,000. If the application is approved and the grant awarded, these funds will enable staff to relocate the wheels and axles of the historic Mascot & Western Railroad passenger car, the railway signal light, and a recently donated railway phone booth to Railroad Park.

A handicapped accessible sidewalk and decorative rock to the south end of the park, all the way around the area of the relocated items, are planned as well. A bronze dedication plaque will be placed on the railcar wheels to identify the Union Pacific Foundation's contribution to the city. No matching funds or in-kind contribution will be required.

Recommendation: Motion to ratify the City's application to the Union Pacific Foundation for a Grant in the amount of $5,000 to construct improvements in Railroad Park.

Fiscal Impact: Grant fund revenue of $5,000.

Prepared By:

Ruth Graham

Ruth Graham, Finance Director

Approved by:

Pat McCourt, City Manager

RESOLUTION NO: 2010-90

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, RATIFYING, APPROVING AND AUTHORIZING THE SUBMITTAL OF THE APPLICATION TO THE UNION PACIFIC FOUNDATION FOR THE PURPOSE OF APPLYING FOR $5,000.00 TO BE USED FOR THE RELOCATION OF THE HISTORIC MASCOT & WESTERN PASSENGER CAR TO RAILROAD PARK AND DECLARING AN EMERGENCY TO EXIST.

WHEREAS, the CITY is empowered pursuant to A.R.S. § 9-240 (A) and (B) to control the finances and property of the corporation; and

WHEREAS, the City of Willcox Mayor and Council desire to ratify the submittal of an application to the **Union Pacific Foundation** for grant funds to relocate the Historic Mascot & Western passenger car together with the railway signal light and a railway phone booth to Railroad Park; and

WHEREAS, CITY staff seek Mayor and Council ratification and approval for the submitted application to the Union Pacific Foundation; 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 citizens to ratify and approve the submitted application to the Union Pacific Foundation for funds in the amount of $5,000; and

WHEREAS, the Mayor and Council is dedicated to restoring and maintaining the history of our historic community; and

WHEREAS, the Mayor and Council desire to have this item presented at its August 16, 2010 Council Meeting; and

WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Willcox, Cochise County, Arizona, that an emergency be declared to exist to assure approval and ratification of the submitted application, and that this Resolution be effective immediately upon its passage and adoption.

BE IT RESOLVED by the Mayor and Council of the City of Willcox, Cochise County, Arizona, that the City hereby formally ratifies and approves the submitted application to the Union Pacific Foundation.

BE IT FURTHER RESOLVED by the Mayor and Council that, due to an existing emergency declared herein, the immediate effectiveness of this Resolution is necessary to preserve the peace, health, and safety of the City of Willcox, Cochise County, Arizona, and this Resolution shall therefore be effective upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Willcox, Cochise County, Arizona this _____ day of August 2010.

APPROVED/EXECUTED:

_____
MAYOR, GERALD W. LINDSEY

ATTEST:

_____
City Clerk, Cristina G. Whelan, CMC

APPROVED AS TO FORM:

_____
City Attorney, Hector M. Figueroa

RESOLUTION NO: 2010-90

Hector, following is the application per Crystal.
Thankx,
Christy

-----Original Message-----
From: Pat McCourt
Sent: Wednesday, August 11, 2010 11:09 AM
To: Cristina Whelan
Cc: Crystal Hadfield; Dave Bonner
Subject: FW: Your Application Submission

We need to put on council agenda for ratification.

-----Original Message-----
From: Crystal Hadfield
Sent: Wednesday, August 11, 2010 10:41 AM
To: Dave Bonner; Jeff Stoddard; Pat McCourt; Ruth Graham
Subject: FW: Your Application Submission

The application is submitted. I had to condense my narrative to 150 words.

Crystal

-----Original Message-----
From: Union Pacific Foundation [mailto:upf@up.com]
Sent: Wednesday, August 11, 2010 10:39 AM
To: Crystal Hadfield
Subject: Your Application Submission

Thank you for your submission. Your application has been submitted successfully, and the tracking number is 55088. The Foundation review process will not be completed until January 2011 and you will be notified in February 2011 of your application status. No information regarding your application status will be available prior to this time.

ORGANIZATION

INFORMATION PROVIDED IN THE STAGE ONE APPLICATION WILL NOT BE INCLUDED OR REQUESTED HERE. THE TWO APPLICATIONS WILL BE LINKED TOGETHER BY THE FOUNDATION WHEN PROCESSED FOR FINAL REVIEW.

USE THE "TAB" BUTTON TO NAVIGATE BETWEEN FIELDS.

USE APPROPRIATE CAPITALIZATION AND PUNCTUATION.

ORGANIZATION NAME

City of Willcox

ORGANIZATION PRIMARY CONTACT, PRESIDENT, CEO, EXECUTIVE DIRECTOR, ETC.

PREFIX

Mr.

FIRST NAME

Patrick

LAST NAME

McCourt

TITLE

City Manager

E-MAIL

pmccourt@willcoxcity.org

OFFICE PHONE

520-766-4201

PROPOSAL INFORMATION

PROJECT TITLE

To support the preservation of historic railroad artifacts.

REQUEST AMOUNT Amount of funds you are requesting from Union Pacific Foundation.

$5,000

PROGRAM/PROJECT BUDGET The total amount of funds needed to provide the program/implement the project for which you are seeking funds.

$5,000

PROVIDE A CONCISE NARRATIVE ABOUT THE PROGRAM/PROJECT FOR WHICH YOU ARE REQUESTING FUNDS.

Historic Railroad Avenue is the heart and soul of Willcox, Arizona. Rex Allen, the last of the Silver Screen Cowboys, was born in 1920 and raised in Willcox. Rex Allen never forgetting his roots built a park, now known as Historic Railroad Park, across from the historic buildings on Railroad Avenue.
The City of Willcox is dedicated to restoring and maintaining the history of our great town. It is estimated that $5,000 is needed to relocate the wheels and axles of the historic Mascot & Western passenger car and railway signal light to Railroad Park. A railway phone booth that was recently donated to the city will also be relocated. Modifications to the park include a handicap accessible sidewalk and decorative rock to the south end all the way around the area of the relocated items. These modifications are certain to enhance the viewing of these historic items.

IF UNION PACIFIC FOUNDATION DOES NOT PROVIDE THE TOTAL AMOUNT OF FUNDS REQUESTED, WILL YOU STILL OFFER THE PROGRAM/IMPLEMENT THE PROJECT?

Yes

PLEASE PROVIDE A LIST OF THE BUSINESSES/FOUNDATIONS WHO PROVIDED SUPPORT FOR THIS ORGANIZATION LAST YEAR ALONG WITH THE AMOUNT OF FUNDS GIVEN. WE DO NOT NEED INFORMATION ON INDIVIDUAL DONORS. IF YOU HAVE NOT RECEIVED FUNDS FROM BUSINESSES, PLEASE STATE THAT IN THIS FIELD.

In 2008 Union Pacific Railroad granted the City of Willcox $75,000 for the promotion of the railroad. In fiscal year 2009/2010 the City expended $7,827.67 for the purchase of fencing, electrical work, and fountains for Railroad Park. The remaining funds will be utilized for restoration work on the railcar.

PROVIDE A BRIEF DESCRIPTION OF HOW UNION PACIFIC WOULD BE RECOGNIZED.

Union Pacific would be recognized by placing a dedication plaque on the railcar wheels honoring the contribution to our park.

PLEASE LIST THE NAMES AND BUSINESS AFFILIATIONS OF YOUR CURRENT ACTIVE BOARD/COUNCIL MEMBERS.

Mayor Sam Lindsey - Willcox Real Estate
Vice Mayor Monica Cronberg - Willcox Unified School District
Councilman Chris Donahue - Northern Cochise Community Hospital
Councilman Elwood Johnson - Kempton Auto Sales
Councilman Steven Klump - Mascot Homes & Construction
Councilman Robert Irvin - Willcox Rock & Sand
Councilman William Holloway - Willcox Unified School District

PROGRAM AREA Please select the one category type which best describes the PROGRAM/PROJECT for which you are requesting funds.

30 - Community/Civic-Historical Preservation

TYPE OF SUPPORT Please select the one category type which best describes the purpose for the program/project.

Renovation/Restoration

ETHNICITY Please select the one category which best describes the majority of the clients served by this program/project.

All Ethnic Groups

GEOGRAPHICAL AREA SERVED State in which the ORGANIZATION is LOCATED, not where the program/project will be offered.

Arizona

POPULATION SERVED Please select the one category which best describes the population served by the program/project for which you are seeking funds.

No Specific Population Served

AGE GROUP Please select the one category which best describes the age group served by this program/project.

All Age Groups

FUND Please select Foundation.

Foundation

IF NEEDED, DO YOU HAVE AUDITED FINANCIAL STATEMENTS AVAILABLE?

Yes

SELECT THE "PRINTER FRIENDLY VERSION" LINK TO PRINT A HARD COPY OF THIS APPLICATION FOR YOUR FILE.

DO NOT SEND A HARD COPY OF THIS FORM TO THE UNION PACIFIC FOUNDATION OFFICE.

DO NOT SEND ADDITIONAL MATERIAL REGARDING THIS APPLICATION TO THE UNION PACIFIC FOUNDATION OFFICE.

SELECT THE "REVIEW & SUBMIT" BUTTON TO REVIEW THE APPLICATION FOR ACCURACY BEFORE SUBMITTAL.

THEN SELECT THE "SUBMIT" BUTTON TO SEND YOUR APPLICATION TO THE FOUNDATION.

A SYSTEM GENERATED CONFIRMATION E-MAIL WILL BE SENT TO THE ACCOUNT E-MAIL ADDRESS PROVIDED WHEN YOU LOGGED IN.

IF YOU DO NOT RECEIVE THIS CONFIRMATION WITH-IN 24 HRS. YOUR APPLICATION MAY NOT HAVE BEEN RECEIVED BY THE FOUNDATION.

GO BACK TO YOUR ACCOUNT TO ACCESS YOUR APPLICATION INFORMATION. CHECK UNDER "SUBMITTED" TO CONFIRM YOUR APPLICATION WAS SENT.

IF YOU DO NOT HAVE AN APPLICATION LISTED UNDER "SUBMITTED" CHECK THE "OPEN" APPLICATIONS. YOU MAY NEED TO RESUBMIT YOUR APPLICATION.

PLEASE NOTE: ONCE YOU HAVE "SUBMITTED" THIS APPLICATION, YOU WILL NOT BE ABLE TO ACCESS IT AGAIN TO COMPLETE OR REVISE.

TAB 7

Memorandum

To: Mayor & Council

CC: Budget files FY 11

From: City Manager

Date: 8-5-10

Re: Budget hearing 8-2-10 – Revenues

The City of Willcox is a "General Law" City. This means the City is permitted to be created and act under the Arizona Revised Statutes (ARS), and the City only has those powers permitted under the ARS.

Attached you will find a section from the Arizona League of Cities & Towns Budget and Finance Book for FY 09 (it is a little dated but essentially remains accurate), concerning "Revenue Sources". Pages 1-4 describe various revenue sources over which the City has no control (although the City does pursue various grants). Pages 5-9 describe "Local Revenue Sources". The bottom of page 9 starts the discussion on borrowing money and Debt which does not address the question of operating income.

Property Tax – The City receives $68,917 primary property tax (used for operations). The City is slightly below the maximum amount that may be levied. The amount which may be levied is adjusted annually by 2% plus any new assessed value (new construction or newly annexed areas). The additional income possible from this source is $4,077.00.

Local Transaction Privilege Tax (Sales Tax) - The City is at the maximum rate allowed by ARS. Any changes in this source come from: increase level of sales or increased collections.

Use Tax – This is a tax on purchases made outside the City but used within the City. The enforcement is extremely difficult and the revenue received is usually negligible.

Bed Tax – The City is at the maximum allowable rate. Increases occur from rental of rooms in the City and increased collections.

Business License Tax – The City currently receives approximately $5000 per year from this source. The City charges $15.00 for each one year period. The City is permitted to charge up to $5000 for each one year period. The amount of revenue may be increased

by increasing the rate charged or increasing the number of businesses taking out a license.

Franchise Tax – This is a charge to private businesses which use public property (normally Right of Ways) to conduct their business. (Telephone companies, Electric companies Cable television companies are the most common sources). The Franchises tend to be long term and can only be changed when they come up for renewal. Changes in the receipt are effected annually by the prices charged by the Franchisee and the level of business done; for example a rate increase at SSVEC results in more franchise fee; increased use of a TV dish versus cable results in a decrease in franchise fees.

Magistrate Court Fines – This source of funds, after July 1, 2008, is all dedicated to paying for the cost of operation of the Magistrate Court through our IGA with Cochise County. There is some revenue being received for cases filed prior to June 30, 2008, which is declining as the cases are resolved.

User Fees – The City has a variety of user fees. The City General Fund receives approximately $40,000 per year from this general area. (The City also has an IGA with the County on the Animal Control, Interest, and Misc receipts which are in addition to the $40,000 and will be discussed separately.) The City has almost unlimited legal discretion in setting these fees. There is not normally a legal "cap"; although the political "cap" is very real, as evidenced by the number of times the Council has waived the fees for use of various City facilities (approximately $5000 in General Fund in FY 10). The largest source of these fees is from the "Enterprise Funds" (Water, Sewer, Gas, Solid Waste/Garbage). There are some minimum requirements on the level that must be set within the Enterprise Funds; due to the borrowing requirements under various Bonds the City has entered into. In theory the City could increase the rates charged to users of the various Enterprise Funds and transfer the additional revenue to the General Fund to pay for operations.

Permit Fees – This is a fee usually associated with Building permits; the City received $37,607 from this source in FY 10. The Council may adjust the fees in this area. The amount of fees is dependent upon the level of construction activity and the fees established.

Interest Income – This is interest earned on City money between the time it is received by the City and the time it is spent. Think of it as the balance in your checking account or saving account. The amount of income is determined by the balances carried and the rates which may be earned in the market. The City earned $6,607 in FY 10 in the General Fund.

The IGA with the County on Animal Control- This is a contract between the City and Cochise County where the City is reimbursed for maintaining the Animal Control Facility. This is a two year contract. The contract was renegotiated and renewed in

2010. The amount received last year FY10 was $23,882; the amount for FY 11 is $26,042.

Miscellaneous Revenue – These are various minor incomes, the largest source is the rebate from the self insured pool the City belongs to (In FY 10 it was $42,690).

Development Impact Fees – the City has not developed this area. The cost to establish these fees is significant and the level of construction has been low in the City meaning recapture of the cost to develop is unlikely in the short term. Secondly, these fees are usually tied to specific capital improvements and do not assist the City is paying operating costs. This is an area under continual erosion by the State Legislature.

Government Property Lease Excise Tax – The only property that might be affected by this is Stout's Cider Mill, after the City has possession of the building.

CHAPTER ONE

BUDGET PREPARATION

The first section of this chapter will list and explain the main revenue sources available to city and town governments in Arizona. Secondly, the chapter will provide some suggestions about the preliminary groundwork necessary to prepare a municipal budget.

REVENUE SOURCES

There are a variety of funding sources available to units of local government. This section is divided into the revenue sources available from the Federal and State governments as well as the revenues, which can be raised by the local government itself.

Shared Revenues

Cities and towns in Arizona are fortunate to be involved in a fairly progressive shared revenue program which passes through funds to Arizona municipalities from five State revenue sources. As a rule, municipalities in other States do not receive as great a share of revenues. The following are sources of shared revenue.

State Transaction Privilege Tax (Sales Tax). The current rate of the State sales tax is five and six-tenths percent (5.6%). Cities and towns share in a portion of the collection total. A municipality receives its share of the State shared sales tax based on the relation of its population to the total population of all incorporated cities and towns in the State according to the decennial census.[1] This money may be expended for any municipal public purpose; outside of this stipulation, there is no restriction on the expenditure of these revenues. The State sales tax revenues are distributed on a monthly basis.

State Income Tax. A 1972 citizen's initiative gave the cities and towns a 15% share of the state income tax. This source of money is officially called urban revenue sharing. This money is distributed to a city or town based on its population in relation to the total population of all incorporated cities and towns according to the decennial census.[2] The annual amount of urban revenue sharing money distributed is based on income tax collections from two years prior to the fiscal year in which the city or town receives these funds. There is no restriction on the expenditure of urban revenue sharing funds, except that they must be expended for a municipal public purpose. Revenues from this source are distributed on a monthly basis.

Highway User Revenues. This revenue source is commonly referred to as the gasoline tax; however, there are a number of additional transportation related fees including a portion of vehicle license taxes which are placed in the highway user revenue fund. Cities and towns receive 27.5 % of the highway user revenues.[3] One-half of the monies which a city or town receives under this formula is distributed on the basis of the municipality's population in relation to the population of all incorporated cities and towns in the State according to the decennial census.[4] The remaining half of the highway user revenue monies is allocated on the basis of "county of origin" of gasoline sales and the relation of a municipality's population to the population of all incorporated cities and towns in the county. (The "county of origin" factor used in the formula is determined on the basis of the gasoline and other fuel sales in a county in relation to the

[1] A.R.S.§ 42-5029 D (1), § 42-5033 and § 42-5033.01
[2] A.R.S.§ 43-206, § 42-5033 and § 42-5033.01
[3] A.R.S.§ 28-6538 A (3)
[4] A.R.S.§ 28-6532, § 28-6540 and § 42-5033.01

sale of gasoline and other fuels in other counties in the State). The intent of the distribution formula is to spread a portion of the money across the State solely on the basis of population while the remaining money flows to those areas with the highest gasoline and other fuel sales. 3% of the State portion of this fund is directed to cities with a population of over 300,000.[5] Also, 7.67% of the State portion is allocated to certain projects in Maricopa and Pima Counties.[6] These monies are distributed on a monthly basis.

There is a State constitutional restriction on the use of the highway user revenues, which requires that these funds be used solely for street and highway purposes. Eligible expenditures would include the cost of right-of-way acquisition, construction, reconstruction, maintenance, repair, roadside development of city and town roads, streets and bridges and payment of the interest and principal on highway and street bonds.

> It is the opinion of the League General Counsel that the use of these funds for street and highway purposes would include any construction or reconstruction occurring in the entire area defined as the public right-of-way.[7] This would include specific activities such as the paving of streets, construction of sidewalks, curbs, gutters, street lighting and placement of traffic signs. In 1999 a new law was passed that specifically prohibits the use of highway user revenues for the enforcement of traffic laws or the administration of traffic safety programs.

At the same time a provision was added that gives the Auditor General the authority, if requested by the joint legislative audit committee, to conduct performance audits of a city, town or county receiving highway user revenue fund monies to determine if the monies are being spent according to the constitutional and statutory provisions explained above.

There is a statutory requirement on the expenditure of highway user revenue by cities with a population over 30,000 in Maricopa and Pima Counties. The affected cities are required to maintain expenditures of local revenue for streets at a level to be computed as an average of local funds expended for any four of the fiscal years 1981-1982 through 1985-1986.[8] This average expenditure of local revenues does not include distributions from the highway user revenue fund and the local transportation assistance fund. For the purposes of this calculation, the term "local revenues" is defined by reference to the definition contained in the Constitution for the expenditure limit on cities and towns.[9] Thus, for example, bond funds expended for streets would not be included, while general fund expenditures would be included.

For those cities affected, your chief financial officer must certify that you have met the local effort requirement. A copy of your chief financial officer's certification must be sent to the Chief Financial Officer of the State Department of Transportation at 206 S. 17th Avenue, Mail Drop 200B, Phoenix, AZ 85007 and filed before December 31, following the completion of each fiscal year. Failure to file will be considered noncompliance.

The penalty for noncompliance with this requirement will be computed by subtracting the amount a city received in 1969-70 from the city's annual HURF distribution for the year of the violation. The resulting difference is the total amount to be deducted from future distributions. The penalty is applied to the monthly distributions for the fiscal year following the violation. A reduction of 1/12 of the penalty is applied to each of the city's monthly distributions.

Some jurisdictions have experienced serious fluctuations in HURF distributions. These happen for various reasons; many times they are due to amended reports filed by gasoline distributors. The Arizona Department of Transportation (ADOT), as the collection and distribution agency, has the authority to adjust distributions as amended reports are filed. However, they can only take up to 25 percent of a jurisdiction's normal monthly allocation in a given month to make up the adjustment. For further

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[5] A.R.S.§ 28-6538 A (4)
[6] A.R.S.§ 28-6538 B (1)(2)
[7] General Counsel Opinion 4-20-1987
[8] A.R.S.§ 28-6543
[9] Article IX, Section 20, Arizona State Constitution

information contact Robert Carlisle, Revenue Accounting Manager, Department of Transportation, Motor Vehicle Division, 1801 W. Jefferson St., Mail Drop 519M, Phoenix, AZ 85007. Phone: 602.712.8975. Fax: 602.712.3230. E-mail: rcarlisle@dot.state.az.us.

Local Transportation Assistance Fund. This source of State shared revenue is the State lottery. Distribution of the fund is based on population, with all cities and towns receiving at least $10,000. A minimum total distribution is guaranteed to cities and towns in the amount of $20.5 million for each fiscal year. This minimum distribution was established as a guaranteed appropriation from the State general fund. In addition, a maximum distribution of $23 million will be distributed to cities and towns if this amount is generated by the lottery. Eligible expenditures of these funds would include street and highway projects for any construction or reconstruction in the public right-of-way as well as transit programs such as the purchase of buses. These funds however could not be used for the purchase of police cars and other law enforcement equipment. Communities with a population of more than 300,000 must use this revenue for public transportation (mass transit) purposes, except for 10% which may be used as specified below.

If the fund does reach the $23 million amount, then 10% of the local transportation assistance fund monies received by each community may be used for cultural, educational, historical, recreational or scientific facilities or programs. This portion of the lottery monies may also be used for programs or services for non-residential outpatients who are developmentally disabled. However, before this percentage may be spent, an equal match must be obtained from non-public monies.

The Attorney General has issued an opinion, which states that these 10% monies may be spent in subsequent years if you authorize the expenditure in the year the monies are received.[10] Of course, distributions from the fund must reach $23 million and you must obtain a non-public match. Also, in regard to the non-public match, the Attorney General states in the opinion that the match may not be in-kind. The match must be made in cash.

It is no longer necessary for cities and towns to apply each year to the Arizona Department of Transportation in order to receive local transportation assistance fund monies. The State Treasurer's office distributes the city and town share of these monies as they receive them.

Secondary LTAF (LTAF II) has been established that is eligible to receive revenue from the Powerball lottery. After the state lottery director determines that deposits to the state general fund from multistate lottery game (Powerball) revenues have reached $21 million, a maximum of $18 million is to be paid to the secondary LTAF from this source. **In the 2008 Legislative Session, the threshold language in state law concerning LTAF II changed to add a minimum threshold of $9 million. It also stipulates that whatever total amount is distributed in 2008-2009 can only increase each fiscal year thereafter by 10%.**[11]

The monies in this secondary LTAF are distributed differently than the original LTAF. From this fund ADOT will award grants to cities, towns and counties according to the following matching requirements: Maricopa County, Pima County and cities with a population of 50,000 or more persons must provide a one to one match; for the other 13 counties and cities and towns with a population of less than 50,000 persons - a one to four match must be provided. All monies awarded from the secondary LTAF can only be used for public transit services, including operating and capital purposes except for cities or towns that receive less than $2,500, which can use it for any transportation purpose. Contact your local Council of Governments (COG) for more information regarding this fund.

Vehicle License Tax. Approximately twenty percent of the revenues collected for the licensing of motor vehicles are distributed to incorporated cities and towns. (Thirty-eight percent of the total revenues from this source are distributed to the highway user revenue fund and four percent to the state highway fund.) A city or town receives its share of the vehicle license tax collections based on its population in relation to the total incorporated population of the county. These monies are distributed on a monthly basis. The only stipulation on the use of this revenue is that it must be expended for a public purpose.

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[10] Attorney General Opinion R83-116

[11] Chapter 278, 2008 Legislative Session

Population Reporting for State Shared Revenue Purposes (Annexations)

The census bureau has restarted its program of geographically updated population certification. The program will involve a fee and an application process. The application and detailed information is available at the following website: www.census.gov/mso/www/certification/. These procedures affect the updating of populations for distribution of all types of State shared revenue except for LTAF which is explained below.

Mid-Decade Populations

2003 legislative changes make it possible to use an alternative population for distribution of most types of state shared revenues.[12] There are three alternative options available. Jurisdictions can have a full mid-decade census, a census survey or use the estimate discussed below that is produced by the Department of Economic Security (POPTAC).

The LTAF distribution uses a different population number. Instead of the U.S. Census Bureau number, an annually adjusted Department of Commerce population estimate is used. These estimates are available at www.azcommerce.com/EconInfo/Demographics/. A city or town needs to make sure that the Council of Governments, which represents the cities and towns in their region on the population estimates committee, is fully aware of the annexation and gets it reflected in the population for both the LTAF monies and expenditure limitation purposes. Since the calculation of LTAF money is done annually, the additional amount to reflect the annexation would not begin to be distributed until the first full fiscal year following annexation.

Federal Revenues

The Federal government has curtailed a number of programs, which had revenues available for cities and towns. The amount of Federal assistance, type of programs and the projects for which the money can be expended from other sources are constantly changing. Summarized below are the two general categories of Federal revenue sources which remain.

Block Grant Programs. A block grant program, in theory, is designed to fund various Federal programs within a broadly defined area. An example of a block grant program is the Community Development Block Grant program (CDBG). This particular block grant program is designed to fund a variety of housing, public works and physical construction projects.

> A portion of the CDBG program is directed to smaller cities and towns. Under this portion of the program, the State allocates community development monies to cities and towns with populations of less than 50,000 persons. This is not an entitlement program, cities and towns must apply to receive these grants. In most areas, the council of governments receives the applications and determines the allocation from this program.

Categorical Grants. Categorical grants are special Federal appropriations of money to fund specific projects of a definite limitation and scope. For example, a Federal grant to fund the construction of a wastewater treatment facility would be a categorical grant, since the construction of this facility would have the limited use and scope of "wastewater treatment." Categorical grants are usually awarded within a strict framework of Federal guidelines governing this single purpose program. Cities and towns must meet specific guideline requirements to receive Federal money. Securing a Federal categorical grant also involves competition between various levels of government. At one point in time, categorical grants were more prevalent; however, this source of funding has become very limited in recent years.

[12] A.R.S.§ 42-5033.01

Local Revenue Sources

Arizona's cities and towns under State law have the authority to establish certain taxes for revenue purposes. In addition to this power of taxation, there are a number of other fees and finance mechanisms available to cities and towns to support local service programs.

Property Tax. The property tax has been a traditional means of financing city and town services. While the importance of the property tax has been decreasing in recent years due to the increased revenues from sales taxes, it still is an important source of local revenue for many of Arizona cities and towns. The property tax has also been one of the most stable sources of revenue, because it is not subject to the same fluctuations sometimes experienced with excise taxes.

Beginning with the 1980 tax year, property tax levies were divided into a primary property tax levy and a secondary property tax levy. A secondary property tax may only be levied to pay the principal and interest charges on bonds. The primary property tax levy is for all other purposes. There are no limits on the amount of secondary property taxes, while there are strict limits placed on the primary property tax. [13] These limitations are discussed in detail in Chapter Two of this manual.

Any city or town which wants to initiate a primary property tax must submit the proposed amount to be raised from the tax to the voters at an election to be held on the third Tuesday in May.[14] The amount approved by the voters will constitute the base on which future limitations on levies will be determined. If the voters approve the levy, the city or town council may levy the tax in the fiscal year immediately following the election. The city or town, however, is not required to levy the entire amount approved by the voters in the first year. Caution should be exercised in establishing this base levy because not only will it be used as the base for future limitations but also cities currently have no authority to override the limit once it is established. Procedures for establishing a primary property tax are discussed in greater detail in Chapter Two.

The Property Tax Oversight Commission was formed in 1988 to review the primary property tax levy limitations of each city, town, county and community college district in the State.[15] The county assessor is required to transmit and certify to the Property Tax Oversight Commission and the city or town council the values necessary to calculate the levy limit. Those values are to be transmitted on or before the tenth day of February (These values are to be used in calculating the property tax levy limit and the Truth in Taxation requirements).[16] Each city or town is required to notify the Property Tax Oversight Commission in writing within ten days of its agreement or disagreement with the final levy limit. If a city receives notification of a violation of the levy limit, the city has until October 1 to appeal to the Commission. If the city continues to dispute the findings of the Commission after the hearing, it may appeal the decision to Superior Court within thirty days after the decision.

A city or town that incorporates or annexes land must give proper notice before levying a property tax in the next fiscal year. State law requires that notice must be given to the Department of Revenue and the appropriate county assessor. A map showing the boundaries of the newly incorporated or annexed area should be included along with the report. This notice must be given by November 1 of the year prior to the fiscal year when the tax will be levied.[17]

Local Transaction Privilege Tax (Sales Tax). In recent years, the local sales tax, as a means of financing municipal services, has been increasing in importance. All incorporated cities and towns presently have a local sales tax. As the name implies, this is a tax on retail sales and other activities such as contracting. The statewide average local sales tax rate is two and one-quarter percent (2.25%). Rates range from one percent to three and one-half percent. The State law authority for a local sales tax is contained in state statutes.[18] A city or town may establish a local sales tax through adoption of an ordinance. The initiation of this tax does not have to be submitted to a vote of the people in the

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[13] Article IX, Section 19, subsection 1, Arizona State Constitution
[14] A.R.S.§ 42-17056
[15] A.R.S.§ 42-17002
[16] A.R.S.§ 42-17052
[17] A.R.S.§ 42-17257
[18] A.R.S. § 9-240 (B)(18)

community. However, there are a number of charter cities with charter provisions requiring voter approval to increase the sales tax above a specified limit. Cities and towns adopting a local sales tax may join the sales tax collection system administered by the State by entering into an intergovernmental agreement with the Department of Revenue. Under the system, the local sales tax is collected by the State Department of Revenue at the same time the State sales tax is collected. The local sales tax collections are then returned to the city or town. Approximately eighty-four percent of the municipalities are in the State collection system.

All of the cities and towns in the state that impose a local sales tax have adopted the model city tax code with various options. In order to keep taxpayers up to date on what a particular city either taxes or exempts, we have prepared a document which consists of a master version of the model city tax code with both model options and local options displayed within the code, a chart displaying which options each particular city or town has chosen and a section showing other specific information pertaining to each city and town. The model city tax code is also available on the internet at www.modelcitytaxcode.org.

The Municipal Tax Code Commission was created by the State Legislature during the 1988 legislative session to act as a forum for discussion of all changes to the model city tax code.[19] All changes to the model city tax code must be submitted to the commission at least 60 days prior to any city taking action to change their code. The commission can hold hearings and must approve any changes before any city/town may make changes to its code and any changes approved by the commission must be adopted by each city/town council.[20] Changes in sales tax rates or adoption of model city tax code local or model options do not have to be reviewed, but such changes must be filed with the commission within ten days after council action. All correspondence with the commission should be sent to: Cities Program Liaison, Arizona Department of Revenue, 1600 West Monroe, Phoenix, Arizona 85007.

A Guide for Amending Your Tax Code has been prepared and appears in the appendix as Exhibit K.

Use Tax. Another revenue source which is being used more in recent years is the use tax. Essentially, a use tax is an excise tax on the use or consumption of tangible personal property that is purchased without payment of a municipal tax to any city or town. In other words, it is a mechanism for taxing property which cannot be taxed using a local sales tax since the purchase was made outside the boundaries of the municipality where the personal property is used. The use tax, if enacted, is part of the model tax code discussed above.

Bed Tax. Most cities and towns have adopted a bed tax in addition to their local sales tax. A bed tax is a special excise tax on hotel and motel room rentals. Increases in the bed tax rate by cities which had a population of more than 100,000 by the most recent decennial census are governed by state statute which specifies how the proceeds from such increases must be used.[21] The imposition of this tax in most cities and towns comes under the model city tax code discussed above.

Business License Tax. The general law authority for a city or town to initiate a local sales tax is the same authority which allows a municipality to place a license tax on professions, occupations or businesses within the community. The State law stipulates that a business license tax can only be issued for the period of one year and may not be less than ten dollars nor more than five thousand dollars.[22] However, charter cities are not necessarily subject to this stipulation. Most cities and towns in Arizona have a business license tax structure of some type. There have been, traditionally, two means of levying these taxes on local businesses - a flat rate charge on a quarterly or annual basis or a flat rate charge based on the gross proceeds of sales. While most cities and towns have this type of tax, it has not been an important source of revenue. The tax has been used primarily as a means of regulating businesses within the community.

A city or town which had a population in excess of 100,000 by the most recent decennial census cannot increase business license taxes or fees on "hospitality industry businesses" without a corresponding equal dollar increase in the business license tax or fees imposed on all other businesses in the city or town.

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[19] A.R.S. § 42-6052
[20] A.R.S. § 42-6053
[21] A.R.S. § 9-500.06
[22] A.R.S. § 9-240 (B)(19)

"Hospitality industry businesses" means a restaurant, bar, hotel, motel, liquor store, grocery store, convenience store or recreational vehicle park. This definition was amended to include rental car companies located within a county stadium district which has imposed a car rental surcharge.[23]

Franchise Tax. Cities and towns in Arizona are given exclusive control over all rights-of-way dedicated to the municipality. This exclusive control enables the municipality to grant franchise agreements to utilities using the city or town's streets in the distribution of utility services. As an example, many cities and towns in Arizona have granted franchises to natural gas companies to place gas lines underground within the public right-of-way. In conjunction with this franchise, a franchise tax can be charged by the municipality. While there is no specific amount or limitation in State law, the traditional amount for a franchise tax has been two percent of the gross proceeds from the sale of utility services within the city or town. To grant a franchise, the municipality must place the question before the voters of the community for approval. State law also limits the term of a franchise agreement to a maximum of twenty-five years.

Magistrate Court Fines. Another revenue source for Arizona cities and towns is the money from fines paid to the municipal magistrate court. Specifically, this revenue would come from traffic violations and other fines paid for the violation of municipal ordinances. The courts, counties, cities and towns have the authority to contract with the Motor Vehicle Division to require payment of traffic fines, sanctions and penalties that total in excess of $200 prior to the renewal of automobile registrations.

User Fees. User fees are collected from municipal residents for the use of certain city and town facilities or services. Examples of user fees would include the amounts charged to use lighting in city or town parks or fees charged for the use of the sewer system. NOTE: Cities and towns considering a rate increase for water and sewer service are required to prepare a written report or supply data supporting the rate increase, to give at least 30 days notice of a rate increase and hold a public hearing on the proposal. A copy of the written report or data must be available to the public and must be filed in the clerk's office at least 30 days before the public hearing. Also, a copy of the notice of intention must be published one time in a newspaper of general circulation within the city or town at least 20 days before the public hearing date. A rate increase may be adopted by ordinance or resolution and becomes effective thirty days after adoption. [24] Beginning in September 2006, there is a vague new requirement that all rates and charges for water and wastewater service shall be "just and reasonable." [25] Because "just and reasonable" are not defined in the statute it is difficult to say what this new statute requires.

Permit Fees. Revenues from this source include the fees collected from building permits, zoning permits and a variety of other programs.

Development (Impact) Fees. Cities and towns have the authority to impose fees that provide a direct benefit to the newly developed area such as infrastructure, improvements, real property, engineering and architectural services, financing, other capital costs, equipment, vehicles, furnishings and other personal property. There are specific requirements behind the development of these fees and special attention should be paid to state statute. [26] Each city and town imposing impact fees must develop an annual report to account for the collection and use of development fees. The report is due within 90 days of the end of each fiscal year and is required to be maintained in the clerk's office. Copies of the report are required to be made available to the public upon request. The law allows the report to contain financial information that has not been audited.

In 2007, significant legislation passed amending the development fee statutes. The new legislation requires that an Infrastructure Improvement Plan (IIP) be adopted before assessment of a new or modified fee. An IIP is one or more written plans that individually or collectively identify each public service that is proposed to be the subject of a development fee and otherwise complies with the requirements of this section, and may be the municipality's capital improvements plan.

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[23] A.R.S. § 48-4234 & § 9-500.06
[24] A.R.S. § 9-511.01
[25] A.R.S. § 9-511.01
[26] A.R.S. § 9-463.05

The IIP must estimate:

- Any items for which development fees will be required
- The costs of those improvements
- The time required to finance and provide the service

Before impact fees may be adopted or amended, a city or town must develop an initial impact fee report that: identifies the methodology for calculating the amount of the fee, explains the relationship between the fee and the IIP, includes documentation that supports the assessment of a new or modified fee, and any index or indices to be used for automatic adjustment and the timing of those adjustments. However, the legislation also allows a city or town to automatically adjust a development fee on an annual basis without a public hearing if the adjustment is based on a nationally recognized index applicable to the cost of the service and the adjustment mechanism is identified in the Report.

The legislation also makes significant changes to the timeline establishing or amending impact fees. A graphical representation of this timeline is located in appendix as Exhibit M.

There are six specific areas that the Development (Impact) Fee report is required to address:

1. The amount of each type of development fee assessed by a city or town.

2. The balance of each fund, at the beginning and end of the fiscal year, maintained for each type of development fee.

3. The amount of interest or other earnings on monies in each fund as of the end of the fiscal year.

4. The amount of development fees used to repay either (a) bonds issued by the municipality to pay the cost of a capital improvement project for which the development fee was assessed or (b) monies advanced by the city or town from funds other than development fee funds to pay for a capital improvement project for which a development fee was assessed.

5. The amount of development fees spent on each capital improvement project for which a development fee was assessed and the physical location of each capital improvement project.

6. The amount of development fees spent for each purpose other than a capital improvement project for which a development fee was assessed.

Failing to comply with these reporting requirements will prohibit the municipality from collecting development fees until the report is filed.

Government Property Lease Excise Tax. The State Legislature passed a law during the 1996 legislative session which establishes an excise tax as the successor to the tax on possessory interests which was repealed in 1995.[27] The law imposes a tax on buildings which are owned by a city or town, leased by a private party and occupied and used for commercial, residential rental or industrial purposes. There are a number of exemptions including property used for airports, public housing, utility easements, convention and recreational facilities. It requires that a city or town collect this tax on a per square foot basis with different rates for different uses, act as the collection agent for the tax and distribute the revenues to the county, school district and community college district in which the property is located. However, the city or town is allowed to abate the tax for a period of eight years, from the date that the certificate of occupancy was issued, for both existing and new projects within redevelopment areas that are part of a single central business district.

[27] A.R.S. § 42-6202

Therefore, a city or town must collect the tax and distribute it if the following conditions exist:

- The building is owned of record by the city or town.
- The building is leased in whole or part by a private party.
- The leased space is occupied for commercial, residential rental or industrial purposes.
- The duration of the lease is at least thirty days.
- The age of the building is less than fifty years.
- The abatement provisions in the law do not apply.
- The exemption provisions in the law do not apply.

Bonding

While bonding is definitely a source of revenue for Arizona cities and towns, this finance mechanism differs from the above mentioned revenues because once bonds are issued and revenue secured, a commitment is required from the municipality to repay the debt on the bonds. Revenues generated from bond sales must be spent only for the purposes specified in the call for the bond election. Also, after satisfying the purposes of a bond issue, unexpended monies can only be used to retire the bonded indebtedness. There are a number of different types of bonds that are discussed below.

General Obligation Bonds. General obligation bonds are perhaps the most common method used to raise revenues for large scale municipal projects. The bonds are referred to as general obligation or full faith and credit bonds because they are guaranteed by the full taxing power of the city or town. These bonds are usually retired from secondary property tax funds. The amount of indebtedness which a city or town can incur through the issuance of general obligation bonds is limited in the State constitution. The constitution states that for general municipal purposes a municipality cannot incur a debt exceeding six percent of the assessed valuation of taxable property in the city or town. Additional bonds amounting to twenty percent of the assessed valuation of taxable property can be issued for supplying such specific city and town services as water, artificial light, sewers, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities. In November 2006, the voters elected to allow projects concerning public safety, law enforcement, fire and emergency service facilities and streets and transportation facilities to be included in this twenty percent category.[28] In other words, a total of twenty-six percent of the assessed valuation can be bonded for these latter projects. Because the full taxing power of a municipality is pledged, general obligation bonds are considered more secure than other bonds. This tends to give them lower interest rates in comparison to other bonds. The issuance of general obligation bonds must be submitted to the voters for approval.

Revenue Bonds. This type of bond is used to finance a revenue producing facility such as a public utility or airport. The bonds are usually secured from revenues produced by the facility for which they were issued. Thus, if these revenues are insufficient to cover the repayment of the bonds, the city or town is not obligated to provide tax funds for repayment. Because these bonds are not secured by taxing authority, they represent a somewhat greater risk for the investor; therefore, revenue bonds usually have a higher interest rate than do general obligation securities. Revenue bonds may be issued for such utility undertakings as electric light or power, water, sewer, gas, common carrier of passengers, garbage or rubbish plant or system, buildings, incinerators, dams and reservoirs, airport buildings or other airport facilities or buildings or structures to provide off-street parking of motor vehicles and such recreational facilities as swimming pools, parks, playgrounds, municipal golf courses and ballparks. Revenue bonds are not subject to the debt limitation in the State constitution; however, they must still be submitted to the voters of the community for approval.

[28] Article IX, Section 8, paragraph 1, Arizona State Constitution

Memorandum

To: Mayor & Council

CC: FY 11 Budget File

From: City Manager

Date: 8-4-10

Re: Discussion on Skate Park and Fund 17

At the Budget hearing on 8-2-10 there was a question asked concerning the possible construction of the Skate Board Park, the local money (non-City) that has been raised for that purpose, and the City's match.

On page 127 of the budget book there is listed the income page for Fund 17 "Special Revenues". This Fund is established to segregate monies received from various sources which are restricted and cannot be used for other purposes.

Line 17-33-40939 lists the monies that have actually been received during FY 08 ($5,500), FY 09 ($2,500), and FY 10 ($1,500). There is also listed an amount for FY 11 ($2,500) this money has NOT been received; it is an estimate of what MIGHT be received. It is unknown if ANY money will be received during FY 11.

On page 128 of the Budget book is listed a combination of the estimated expenses (budget) and actual expenses from Fund 17. The first two columns show the Actual expenses for FY 08 and FY 09. Line 17-439-1939 is the line which deals with expenses for the proposed skate park. There was BUDGETED in FY 10 $8,000 (the third column. There was actually SPENT in FY 10 $273 (the fourth column). There is BUDGETED in FY 11 $12,000 (the fifth column).

There were NO expenses paid for the Skate Park during FY 08 or FY 09. There was actual money received ($5,500 + $2,500 = $8,000). The BUDGETED expenditure in FY 10 of $8,000 in Fund 17 is matched by a BUDGETED $8,000 expenditure in Fund 10 (General Fund) specifically from line item 10-462-9901 (Parks Capital). The total of these two BUDGETED expenditures is **$16,000**. This is the dollar amount staff was working with during FY 10 to build a Skate Park.

AS noted in the third paragraph above additional money ($1,500) was received, for the Skate Park, during FY 10 and deposited in Fund 17. At the close of FY 10 (June 30, 2010) there had been received actual cash in the amount of ($5,500 +$2,500 + $1,500 =)

$9,500. As also noted in the third paragraph above there is BUDGETED INCOME (NOT RECEIVED) of $2,500 in FY 11 (starts July 1, 2010 ends June 30 2011).

The City can not spend money which is not budgeted. In order to allow the City to spend the money for the Skate Park (if it is received) it is necessary for the City to BUDGET the expenditure. IN Fund 17 the line 17-439-1939 is made up from 4 amounts; three actual receipts which total $9,500 and one BUDGETED INCOME (which has not been received) of $2,500. Together these total to ($9,500 + $2,500 =) $12,000: this is the amount shown as a BUDGETED expenditure from Fund 17 in FY 11 for the Skate Board Park on line 17-439-1939 - IF THE AMOUNT OF $2,500 INCOME IS ACTUALLY RECEIVED. If the $2,500 of income is not received, the actual money available to spend is $9,500.

As mentioned in the fifth paragraph of page 1 above: this BUDGETED amount will be matched with an expenditure from the General Fund (Fund 10): specifically from line items 10-462-9202 ($4,000) and 10-462-9901 ($8,000). These two line total to $12,000.

IF all the BUDGETED monies are received in Fund 17, there is money to match available in the General Fund; for a total of ($12,000 + $12,000 =) $24,000 for the proposed Skate Board Park in FY 11.

IF NO additional monies are received in Fund 17; there is money to match in the General Fund, for a total of ($9,500 + $9,500=) $19,000 in FY 11.

Memorandum

To: Mayor & Council

CC: Budget File FY 11

From: City Manager

Date: 8-6-10

Re: Comments at the 8-2-10 Budget hearing

Concerning the comment on the 6-28-10 memo (this appears to be the memo from the City Manager to the Council reference: "Energy savings item": Thank you, for the acknowledgement, the comment seems to imply that these items are good "if it is followed" and will need to be "enforced". This memo was written to summarize some of the actions already voluntarily taken by the City staff, it was not looking forward; it was a reflection of actions already taken and actions voluntarily taken by staff to reduce cost. Actions such as these by the staff are the reason that the actual expenditures for FY 10 in the General Fund were $396,093, below the original budgeted amounts and were $269,516 below the Budget after staff initialed reductions in December of 2009 (made to offset projected revenue shortfalls).

I thank the Council for recognizing the role of the staff; to perform and deliver the services that the Council has indicated should be delivered; and accepting the Policy role of the Council to tell the Staff what services should be delivered and not how to deliver those services. Staff is in the best position to work on the day to day delivery of services and micro managing tends to create a much more inefficient delivery of services.

There was a great deal of time spent during the budget hearings to discuss the services being delivered by the various departments of the City. The Budget document also provides a great deal of information on the cost to provide those services to the citizens of our community. The City exists for the purpose of delivery of services to the Public. These are very difficult times, the future is unclear, when income levels will return is unclear, demand for services has not decreased- it has increased as can be seen by the requests for new services (taking care of the ball fields during tournaments by city staff vs. volunteers, the request for new services for senior and the skateboard park, the interest in the City taking over the airport, upgrades of roads from dirt/gravel to chip sealed, waiver of fees for use of facilities – and these are just the obvious requests, there are many more subtle requests). Staff will continue to deliver the services that have been

approved by the Council, Staff will continue to look for ways to reduce the cost of the service delivery, Staff will continue to stretch the available equipment by delaying capital purchase when possible. If the Council wishes to eliminate or reduce the services provided and listed in the budget please inform Staff and we will comply.

I do not subscribe to the management practice of the "fickled finger of fate". Which is selecting which services should be reduced due to random vacancies which may or may not occur; or a piece of equipment that may or may not break down. This does a disservice to the Public by not evaluating the services and deciding what is most important to the Public.

I also do not subscribe to the management theory of hiding the cost of service delivery by lumping all of the expenses in one area or department. The current system allows the public to look at the cost of providing services: for example, travel and training expenses can be easily seen by department by looking at the last four line item numbers ending in "2700". The Public can then clearly see which service area is spending how much money for travel and training.

Staff does support the "paperless" as much as possible. On May 17, 2010, I reported during my reports, that the staff was placing the agenda package on the web site by July 1, 2010. On June 7th, 2010 I reported we were doing a trial run. On June 21, 2010 we instituted the practice and eliminated the production of seven (7) paper agenda packages. We have not eliminated the paper agenda packages for the Council members; since we would have to purchase laptops/equipment for use by the Council; and we can purchase a lot of paper for the cost of one laptop, much less the new maintenance contracts and software licensing. We have put the Business Permit application on the web site.

I think Councilman Johnson's idea to give all city employees a raise is very nice. The City is struggling to maintain delivery of service to the citizens. If the Council wishes to grant some type of raise, then it is only necessary for the Council to make the motion of how much and what type, approve it, and Staff will implement. Our City employees are very dedicated and knowledgeable. They understand that everybody is suffering during this economic downturn. They understand that raises mean that utility rates have to go up or services have to be cut to the citizens. Do the employees want a raise? – Yes. They also understand the importance of their jobs to serve the public. The Staff has brought to the Council – and the Council approved – changes to the medical insurance program so that our employees could maintain medical coverage without increased costs. Staff recognizes that we have to share the burden of getting through this difficult time.

I am unsure what is intended with the discussion of the 4-day work week. If this is suggesting furloughs, which would reduce the cost of employees; it would also reduce the employee's income, which is counter to the suggestion above to give a raise. If it is intended to suggest four ten hour days; then there is no saving in pay and benefits, there may be some slight saving in utilities in very limited areas, (Public Safety is a 24 hour

seven day a week operation therefore no savings), there would be a major reduction in availability of services to the public, (paying bills, responding to citizen requests for service, maintenance of parks and grounds). Staff understanding is that Council would like to try and maintain the current level of service.

The reason the income item in the General Fund (10-39-20100) for Court Fines and in Fund 61 (Trust Fund) (61-39-20100), declines is that the City of Willcox has entered an Intergovernmental Agreement (IGA) with Cochise County to handle the Court system. All monies received AFTER the IGA began (July 1, 2008) are received by the County and are an offset to the City's share of operating the Court. In addition to the offsets from income the remaining City cost of operating the Courts under the IGA are shown on page 44 of the Budget book in General Fund Department 10-443. The Justice system moves slowly. There are cases from prior to the IGA which are still being resolved. The revenue from those cases does return to the City. The City's portion is reflected in the General Fund. The amounts shown in Fund 61 are State monies, which are handled and transmitted to the State of Arizona. The number of these cases is dwindling and income will continue to decline.

In the Trust Fund (61) we do show a projected income from the Courts, this is because we have to show an income and expense, if we do not show an expense we are not allowed to make the expenditure and the City is legally required to make the expenditure. We are also not allowed to operate at a deficit; therefore the fund balance plus the income must at least equal the expense. If the income is not received the expense is not paid.

No income is estimated in the General Fund for Court Fines because we have no idea of how many cases remain outstanding or what the resolution of those cases may be. In the General Fund the revenue is not "matched" to an expense; as it is in Fund 61. If we do receive any revenue in the General Fund; the revenue is used to either build Fund Balance, offset other General Fund revenue estimates which come in below estimates, or reduce the use of reserves.

The 31 Million dollar budget for FY 11 is "hard to swallow". The FY 10 budget was 35 million. As you consider the FY 11 budget I think the discussion below may help to bring the dollar amount and the deficit problem into focus.

The FY 11 budget includes 20 million in capital expenses in the Enterprise Funds (Gas (50), Water (51), and Sewer (52)), which at this time do not have a secure income source. The FY 11 Budget also includes $2,096,050 in Grants. If the income is not received for the capital expenses or grants, the service will not be delivered and the expenditures will not be made. If the Council does not wish to approve these Capital/Grant Budget expenditures; they may be removed from the budget: this action would then prevent the City from moving forward on those projects during FY11. Staff does not recommend reducing these areas of the Budget, as it will unnecessarily delay the delivery of services to the Public with no benefit to addressing the deficit concern.

In addition to the capital expenses mentioned above, the Enterprise Funds (including Refuse Fund 53) have $3,070,956 in operating costs; these operating costs directly result in receiving income. Some of the costs, such as the cost to purchase natural gas, vary significantly. If the City does not budget sufficient costs and income the City will not be able to purchase the necessary supplies and materials to deliver these services to the Public. Staff does not believe it is prudent business practice to reduce these expenditure or income estimates; as that will potentially cause the City to violate the Arizona Constitution or result in an inability to deliver these services to the Public. This would also not address the deficit concern.

Special Revenue Funds (17), Debt Service (20), and Capital Improvement Fund (21) account for $540,152 of the Budget. These are all dedicated revenue sources which can not be used to pay for other services. If the Council wishes to reduce these expenditures the City will not be able to fulfill the contractual requirements of our loans or to deliver the services for which the Public has specifically provided the funding. Staff does not recommend reducing these areas of the Budget. This will also not address the deficit concern.

The Budget includes $1,087,600 in expenditures for the Highway User Fund (15). This money by law, or Council action, is specifically dedicated to addressing the transportation needs of the Community. There is a short term deficit within this fund. In the long term (5-year plan), as was presented to the Council, this fund will be balanced within the 5-year period without a deficit. The Council could remove some or portions of the 1% sales tax the Council has dedicated to this fund and direct it to the General Fund. If Council chose to "shift "at least a portion of the 1% it would shift at least a portion of the deficit concern from the General Fund to the Highway User Fund. Staff does not recommend this since it would "break faith" with the promise made at the time the increased Sales Tax was approved by the voters. The action would also not address the deficit concern only shift it to a different Fund.

The Magistrate Court Fund (61) and Fireman's Pension Trust Fund (72) make up $42,000 of the Budget. Both of these funds consist of money that the City is holding in Trust. While the City is required to make payments and receive income into these areas it can not use the monies for other purposes. The Council could reduce the expenditures but then the City would be in violation of the trust and if the City does not have the income and expense budget, the City can not expend the monies. If the City does expend the monies then the City would violate the State Constitution. Staff does not recommend reducing neither income nor expenditures in these funds. Additionally, reducing these incomes and expenditures does not address the deficit concern.

Of more importance is to look at the area of the Budget where there are difficulties in balancing ongoing services and income (the General Fund 10). For FY 11, the proposed expenditures in the General Fund are $4,303,788. While the General Fund Budget has been declining, the cost of supplies, power, and materials has been increasing. While increased efficiencies by staff have allowed the continuation of service levels, the ability

to continue locating efficiencies is declining; "the low hanging fruit has already been picked". In addition to reduced General Fund Budgets (the plan for spending) over the last four years; Staff has consistency spent less than the budgets for delivery of services. Staff has been and remains committed to addressing the long term concern of the General Fund: as we have already done in the Streets Fund, which was in the same situation in FY10. Staff worked on, developed a five year plan, presented it to Council and it was accepted. There will continue to be challenges in the Streets Fund and there will continue to be challenges in all areas of the City budget including the General Fund. The Challenges have been addressed, will continue to be addressed, and recommendations presented for the Council consideration. The solutions are likely to be difficult.

FY 08 Budget = $5,135,293

FY 09 Budget = $4,417,351

FY10 Budget = $4,334,378

FY 11 Budget = $4,303,778

CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION

Agenda Item 12
Tab Number 8.
Date: 08/16/10

Date Submitted:	Action:	Subject:
August 10, 2010	X Resolution ___ Ordinance ___ Formal	Adoption of the Fiscal Year 2010-2011 Budget In the amount of $31,781,144

TO: MAYOR AND COUNCIL
FROM: Finance Director Ruth Graham

DISCUSSION:
The City Council carefully reviewed the City's operations to create a financial plan that creates a policy statement for Willcox, and that fairly represents the City's plan to meet the needs of its citizens within the means available. The budgeting process considers the City's resources as well as its needs. The Arizona League of Cities and Towns describes the budgeting process as follows:

> A city or town budget should be more than a simple accounting mechanism. It is actually a policy statement outlining priorities for expenditure, needs of the citizens, proposed capital improvements, problem areas within the municipality, programs which will be initiated or abandoned and most importantly, the basic level of public services which the citizens will receive from their government. The budget can and does express all of the characteristics of a city or town, but in Arizona the State constitution and State law govern, to a large degree, the contents of the municipal budget and the methods for financing city operations.

On June 22, 2010, by Resolution No. 2010-66, the Mayor and Council of the City of Willcox passed a Tentative Budget for the Fiscal Year 2010-2011 in the amount of $32,091,512. Subsequent to the adoption of the tentative budget, due to adjustments in the Grants Fund 16 and Special Revenue Fund 17, it was reduced by $340,368 to a total of $31,781,144. The budget summary schedules were published in the Arizona Range News on 07/21/10 and 07/28/10, and copies of the budget are available for public review at all City offices.

The proposed budget meets the requirements for municipal budgeting as established by the State of Arizona. The FY09/10 primary tax rate was 0.2890 and secondary tax rate was 0.6556 for a combined rate of 0.9446. For FY10-11, the proposed primary tax rate is 0.3020 and the proposed secondary tax rate is 0.6700 for a combined rate of 0.9720. On a home valued at $100,000, the combined FY11 primary and secondary property tax will total $97.20, an increase of $2.74 from the FY10 rates.

RECOMMENDATION:
Motion to approve the City of Willcox Fiscal Year 2010-2011 budget in the amount of $31,781,144.

Submitted by:

Ruth E Graham
Ruth Graham

Pat McCourt, City Manager

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION NO. 2010-89

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, ADOPTING THE BUDGET OF THE CITY OF WILLCOX FOR FISCAL YEAR 2010-2011

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the City Council did, on June 21, 2010, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the City of Willcox; and

WHEREAS, in accordance with said Chapter of said Title and following due public notice, the City Council would meet on August 16, 2010, at which meeting any taxpayer would be privileged to appear and be heard in favor or against any of the proposed expenditures/expenses or tax levies; and

WHEREAS, it appears that publication, as required by law, has been duly made of said estimates together with a notice that the City Council would meet on August 16, 2010 at the City Council Chambers for the purpose of hearing taxpayers and making tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation do not, as specified therein, in the aggregate exceed that amount as computed in A.R.S. § 42-17051.(A).

RESOLVED, that the said estimates of revenues and public expenditures/expenses shown on the accompanying schedules, as now increased, reduced, or changed, are hereby adopted as the budget of the City of Willcox, Cochise County, Arizona for the Fiscal Year 2010-2011.

PASSED AND ADOPTED by the City Council of Willcox, Cochise County, Arizona, this ____ day of August, 2010.

APPROVED/EXECUTED

_____

Mayor, Gerald W. Lindsey

ATTEST:

_____

City Clerk, Cristina G. Whelan, CMC

APPROVED AS TO FORM:

_____

City Attorney, Hector M. Figueroa, Esq.

RESOLUTION NO. 2010-89

CITY OF WILLCOX, ARIZONA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2011

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES* 2010	ACTUAL EXPENDITURES/ EXPENSES ** 2010	FUND BALANCE/ NET ASSETS*** July 1, 2010**	PROPERTY TAX REVENUES 2011	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2011	OTHER FINANCING 2011		INTERFUND TRANSFERS 2011		TOTAL FINANCIAL RESOURCES AVAILABLE 2011	BUDGETED EXPENDITURES/ EXPENSES 2011
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	$ 4,231,551	$ 3,771,501	$	Primary: $ 68,917	$ 2,897,119	$	$	$ 465,300	$ 24,884	$ 3,406,452	$ 4,328,672
2. Special Revenue Funds	2,275,807	1,617,113		Secondary:	3,181,193			88,266	63,382	3,206,077	3,498,428
3. Debt Service Funds Available	158,196	154,024						6,000		6,000	162,639
4. Less: Designation for Future Debt Retirement											
5. Total Debt Service Funds	158,196	154,024						6,000		6,000	162,639
6. Capital Projects Funds	186,500	226,658			90,000					90,000	207,149
7. Permanent Funds	7,075	51,026			42,000					42,000	42,000
8. Enterprise Funds Available	28,128,190	2,845,029			3,233,000	20,125,116			471,300	22,886,816	23,542,256
9. Less: Designation for Future Debt Retirement											
10. Total Enterprise Funds	28,128,190	2,845,029			3,233,000	20,125,116			471,300	22,886,816	23,542,256
11. Internal Service Funds											
12. TOTAL ALL FUNDS	$ 34,987,319	$ 8,665,351	$	$ 68,917	$ 9,443,312	$ 20,125,116	$	$ 559,566	$ 559,566	$ 29,637,345	$ 31,781,144

EXPENDITURE LIMITATION COMPARISON	2010	2011
1. Budgeted expenditures/expenses	$ 34,987,319	$ 31,781,144
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	34,987,319	31,781,144
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	$ 34,987,319	$ 31,781,144
6. EEC or voter-approved alternative expenditure limitation	$ 36,727,251	$ 37,495,994

☐ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.
** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
*** Amounts in this column represent Fund Balance/Net Asset amounts except for amounts invested in capital assets, net of related debt, and reserved/restricted amounts established as offsets to assets presented for informational purposes (i.e., prepaids, inve

CITY OF WILLCOX, ARIZONA
Summary of Tax Levy and Tax Rate Information
Fiscal Year 2011

	2010	2011
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	$ 66,080	$ 68,917
2. Amount received from primary property taxation in the **current year** in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	$	
3. Property tax levy amounts		
A. Primary property taxes	$ 66,080	$ 68,917
B. Secondary property taxes	153,046	156,639
C. Total property tax levy amounts	$ 219,126	$ 225,556
4. Property taxes collected*		
A. Primary property taxes		
(1) **Current** year's levy	$ 60,692	
(2) Prior years' levies	3,535	
(3) Total primary property taxes	$ 64,227	
B. Secondary property taxes		
(1) **Current** year's levy	$ 140,550	
(2) Prior years' levies	9,057	
(3) Total secondary property taxes	$ 149,607	
C. Total property taxes collected	$ 213,834	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.2890	0.3020
(2) Secondary property tax rate	0.6556	0.6700
(3) Total city/town tax rate	0.9446	0.9720

B. Special assessment district tax rates

Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating no special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

CITY OF WILLCOX, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2011

SOURCE OF REVENUES	ESTIMATED REVENUES 2010	ACTUAL REVENUES* 2010	ESTIMATED REVENUES 2011
GENERAL FUND			
Local taxes			
City Sales Tax	$ 1,524,420	$ 1,347,839	$ 1,463,443
Occupancy Tax	150,000	127,458	130,000
Law Agency Tax	75	868	250
Licenses and permits			
Franchise Fees	270,000	280,057	310,500
Licenses and Permits	41,900	48,573	52,300
Intergovernmental			
State - Sales and income tax	800,260	762,318	651,184
County - Auto in lieu	167,000	166,701	175,000
County Contribution - Humane	23,882	23,882	26,042
Charges for services			
Services	35,150	48,193	36,000
Fines and forfeits			
Court Fines	1,200	14,141	1,000
Library Fines	5,000	5,946	5,000
Interest on investments			
Interest income	30,000	6,607	10,000
Contributions			
Voluntary contributions			
Miscellaneous			
Miscellaneous	30,000	50,024	30,900
Rents	5,500	5,137	5,500
Total General Fund	$ 3,084,387	$ 2,887,744	$ 2,897,119

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF WILLCOX, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2011

SOURCE OF REVENUES	ESTIMATED REVENUES 2010	ACTUAL REVENUES* 2010	ESTIMATED REVENUES 2011
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
City sales tax	$ 762,210	$ 673,919	$ 731,722
HURF revenue	294,829	273,754	283,036
Interest income	5,000	875	5,000
Miscellaneous			
Total Highway User Revenue Fund	$ 1,062,039	$ 948,548	$ 1,019,758
Local Transportation Assistance Fund			
LTAF	$ 17,030	$ 9,427	$
Total Local Transportation Assistance Fund	$ 17,030	$ 9,427	$
Grants	$ 956,131	$ 379,332	$ 2,137,835
Other	14,907	37,239	23,600
	$ 971,038	$ 416,571	$ 2,161,435
Total Special Revenue Funds	$ 2,050,107	$ 1,374,546	$ 3,181,193
DEBT SERVICE FUNDS			
	$	$	$
Total Debt Service Funds	$	$	$
CAPITAL PROJECTS FUNDS			
Interest income	$	$ 894	$
Grants		60,000	90,000
Total Capital Projects Funds	$	$ 60,894	$ 90,000
PERMANENT FUNDS			
Magistrate Court	$	$ 50,835	$ 35,000
Firemen's Pension	7,075	5,559	7,000
Total Permanent Funds	$ 7,075	$ 56,394	$ 42,000
ENTERPRISE FUNDS			
Gas Fund	$ 1,190,841	$ 982,524	$ 1,172,000
Water Fund	754,475	729,109	785,000
Sewer Fund	637,411	769,913	701,000
Refuse Fund	589,916	562,360	575,000
Total Enterprise Funds	$ 3,172,643	$ 3,043,906	$ 3,233,000
TOTAL ALL FUNDS	$ 8,314,212	$ 7,423,484	$ 9,443,312

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF WILLCOX, ARIZONA
Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2011

FUND	OTHER FINANCING 2011 SOURCES	OTHER FINANCING 2011 <USES>	INTERFUND TRANSFERS 2011 IN	INTERFUND TRANSFERS 2011 <OUT>
GENERAL FUND				
Administrative Charges	$	$	$ 465,300	$
Grant Matching Funds				24,884
Total General Fund	$	$	$ 465,300	$ 24,884
SPECIAL REVENUE FUNDS				
Grant Matching Funds	$	$	$ 88,266	$ 63,382
Total Special Revenue Funds	$	$	$ 88,266	$ 63,382
DEBT SERVICE FUNDS				
Administrative Charges	$	$	$ 6,000	$
Total Debt Service Funds	$	$	$ 6,000	$
CAPITAL PROJECTS FUNDS				
	$	$	$	$
Total Capital Projects Funds	$	$	$	$
PERMANENT FUNDS				
	$	$	$	$
Total Permanent Funds	$	$	$	$
ENTERPRISE FUNDS				
Gas Fund-Financing-Administrative Chg	$ 3,000,000	$	$	$ 145,200
Water Fund-Financing-Admin Charge	2,125,116			187,500
Sewer Fund-Financing-Admin Charge	15,000,000			85,800
Refuse Fund-Administrative Charge				52,800
Total Enterprise Funds	$ 20,125,116	$	$	$ 471,300
INTERNAL SERVICE FUNDS				
	$	$	$	$
Total Internal Service Funds	$	$	$	$
TOTAL ALL FUNDS	$ 20,125,116	$	$ 559,566	$ 559,566

CITY OF WILLCOX, ARIZONA
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2011

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2010	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2010	ACTUAL EXPENDITURES/ EXPENSES* 2010	BUDGETED EXPENDITURES/ EXPENSES 2011
GENERAL FUND				
General Government	$ 1,085,241	$ (22,799)	$ 996,751	$ 1,102,194
Community Programs	162,250	(6,994)	107,232	155,660
Public Safety	1,618,478	(46,547)	1,437,364	1,603,782
City Services	306,099	(2,000)	248,878	281,961
Public Works	1,186,060	(48,237)	981,276	1,185,075
Total General Fund	$ 4,358,128	$ (126,577)	$ 3,771,501	$ 4,328,672
SPECIAL REVENUE FUNDS				
Highway User Fund	$ 1,250,996	$ (98,238)	$ 1,154,201	$ 1,150,982
LTAF			9,420	
Grants	1,008,542		416,846	2,226,101
Other	114,507		36,646	121,345
Total Special Revenue Funds	$ 2,374,045	$ (98,238)	$ 1,617,113	$ 3,498,428
DEBT SERVICE FUNDS				
Debt Service	$ 153,046	$ 5,150	$ 154,024	$ 162,639
Total Debt Service Funds	$ 153,046	$ 5,150	$ 154,024	$ 162,639
CAPITAL PROJECTS FUNDS				
Library Facility	$ 128,500	$	$ 208,305	$ 143,050
Police Facility	58,000		18,353	64,099
Total Capital Projects Funds	$ 186,500	$	$ 226,658	$ 207,149
PERMANENT FUNDS				
Magistrate Court	$	$	$ 48,240	$ 35,000
Firemen's Pension	7,075		2,786	7,000
Total Permanent Funds	$ 7,075	$	$ 51,026	$ 42,000
ENTERPRISE FUNDS				
Gas Fund	$ 4,190,841	$	$ 992,853	$ 4,239,579
Water Fund	3,122,793	(5,150)	729,197	3,026,677
Sewer Fund	20,229,790		600,077	15,701,000
Refuse Fund	589,916		522,902	575,000
Total Enterprise Funds	$ 28,133,340	$ (5,150)	$ 2,845,029	$ 23,542,256
INTERNAL SERVICE FUNDS				
	$	$	$	$
Total Internal Service Funds	$	$	$	$
TOTAL ALL FUNDS	$ 35,212,134	$ (224,815)	$ 8,665,351	$ 31,781,144

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TAB 9

Kay Marie Boughton
2471 N. Haskell Ave.
Willcox, AZ. 8564

August 9, 2010

The Honorable Mayor Lindsay
And Council Members
Willcox, AZ.

Re: Library Commission Vacancy

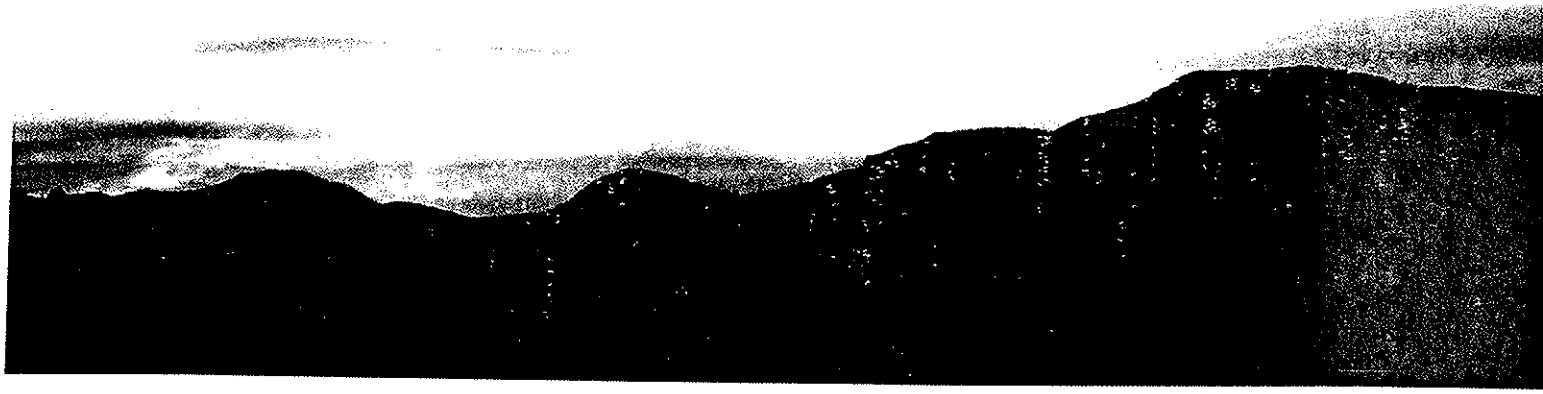
Dear Mayor Lindsay,
This is to let you know that I am unable to be at the council meeting to be held on August 16, 2010. Due to a prior family commitment I will be in Tempe, AZ.
Although unable to attend the council meeting this is to let you know that I am still very interested and would like to be considered for the position.

Thank you for considering me to fill this vacancy.

Sincerely,

Kay Marie Boughton

Kay Marie Boughton.



TAB 10

The City of Sierra Vista cordially invites you to the

Mayors & Managers Lunch

Thursday, August 19
12:00 noon

Guest Speaker—William R. Daniel, author of "Shootout at Miracle Valley" and "Shootout at Miracle Valley: the Search for Justice"

Sophia's Italian Ristorante

1630 East Fry Boulevard
(between Lenzner Avenue and Coronado Drive on Fry Boulevard)

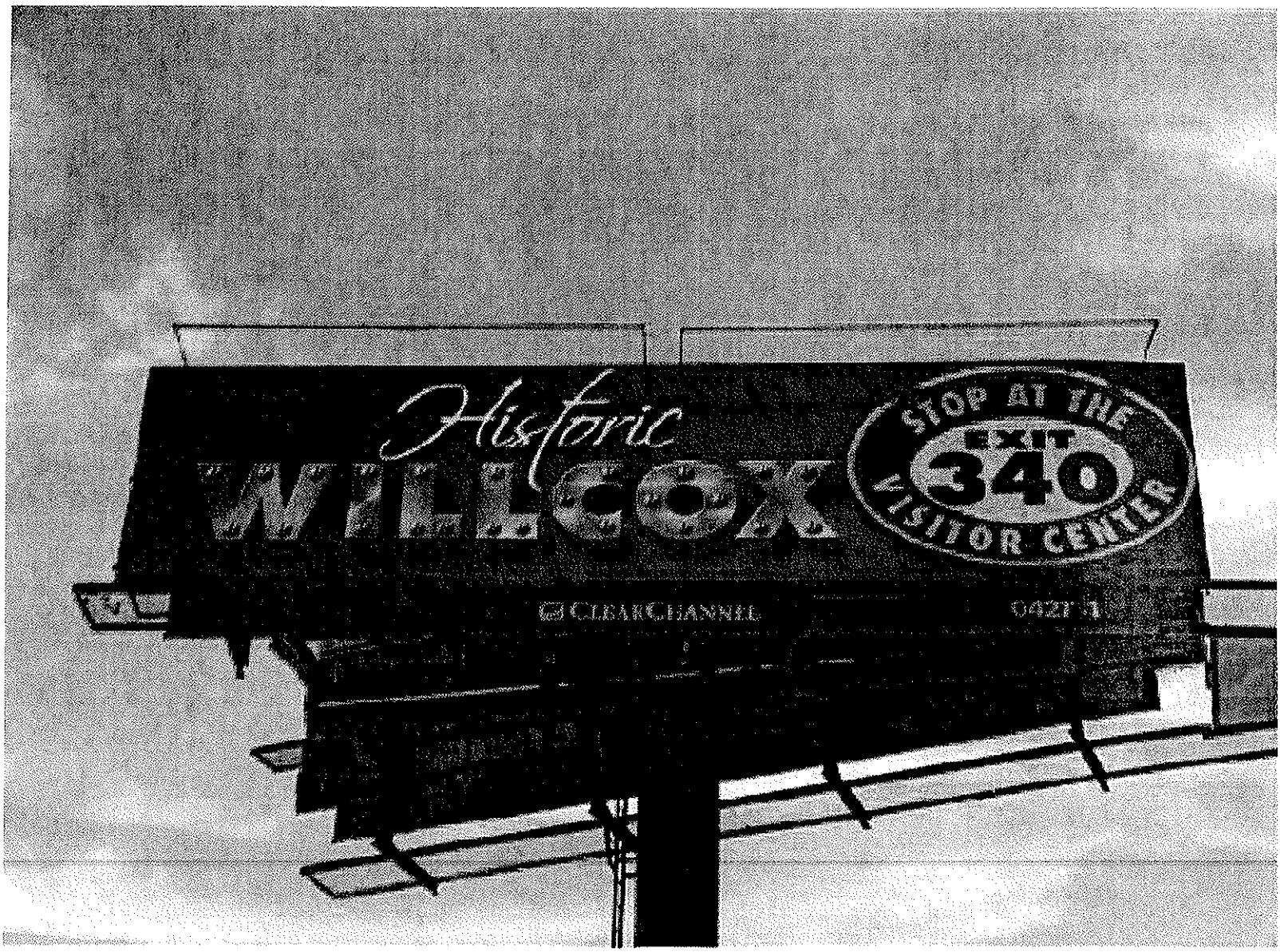
~ Menu Selection ~

Chicken Brie
Roasted chicken, brie cheese, apricot glazed bacon and arugula served on a ciabatta roll

Hot Pastrami
Pastrami, mustard, garlic aioli, provolone cheese, and banana peppers on an Italian hoagie

Spinach Salad
Baby spinach, candied pecans, dried cherries, and a fresh grape vinaigrette with a choice of chicken or salmon

Please RSVP with your menu selection to Mikie.Schultz@SierraVistaAz.gov or 520/458-3315, extension 302 by Monday, August 16.


Historic
WILLCOX
STOP AT THE
EXIT
340
VISITOR CENTER
CLEAR CHANNEL