AGENDA

TUSAYAN TOWN COUNCIL REGULAR MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03
Wednesday, February 6, 2013 @ 6:00pm
TUSAYAN TOWN HALL BUILDING
845 Mustang Drive, Tusayan Arizona

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tusayan Town Council and to the general public that the Tusayan Town council will hold a meeting open to the public on Wednesday, February 6, 2013 at the Tusayan Town Hall Building. If authorized by a majority vote of the Tusayan Town Council, an executive session may be held immediately after the vote and will not be open to the public. The Council may vote to go into executive session pursuant to A.R.S. § 38-431.03.A.3 for legal advice concerning any matter on the agenda, including those items set forth in the consent and regular agenda sections. The Town Council may change, in its discussion, the order in which any agenda items are discussed during the course of the meeting.

Persons with a disability may request a reasonable accommodation by contacting Town manager (928) 638-9909 as soon as possible.

As a reminder, if you are carrying a cell phone, electronic pager, computer, two-way radio, or other sound device, we ask that you silence it at this time to minimize disruption of today's meeting.

TOWN COUNCIL REGULAR MEETING AGENDA

1. **CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

2. **ROLL CALL**

MAYOR GREG BRYAN
VICE MAYOR AL MONTOYA
COUNCILMEMBER BILL FITZGERALD
COUNCILMEMBER JOHN RUETER
COUNCILMEMBER CRAIG SANDERSON

- *One or two Council Members may attend by telephone*

3. **CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA**

Members of the public may address the Council on items not on the printed agenda. The Council may not discuss, consider or act upon any matter raised during public comment. Comments will be limited to three minutes per person.

Members of the audience who wish to speak to the Council on an item listed as Public Hearing should complete a Request to Speak Card and turn it into the Town Clerk. Speakers will be limited to three minutes each.

4. **CEREMONIAL AND/OR INFORMATIONAL MATTERS**

   A. **Presentation by Grand Canyon Chamber of Commerce & Visitor's Bureau on the holiday lights**

   B. **Update on the Stilo Project**

   C. **Presentation by Coconino County Supervisor Art Babbott on his experiences with the Flagstaff Housing Authority**

5. **CONSENT AGENDA**

   ITEMS ON THE CONSENT AGENDA ARE ROUTINE IN NATURE AND WILL BE ACTED ON WITH ONE MOTION AND ONE VOTE. PUBLIC HEARING ITEMS ARE DESIGNATED WITH AN ASTERISK (*). MEMBERS OF THE COUNCIL OR STAFF MAY ASK THE MAYOR TO REMOVE ANY ITEM FROM THE CONSENT AGENDA TO BE DISCUSSED AND ACTED UPON SEPARATELY.

   A. **Minutes of Town Council Meeting of 1/23/13**

   B. **Accounts Payable Billings**

6. **COMMITTEE REPORTS**

7. **ACTION ITEMS**

   A. **Consideration, discussion, and possible appointment of Council liaison to Community Park Steering Committee**

8. **DISCUSSION ITEMS**

   A. **Discussion of Tusayan Fire Department's Budgetary Needs**

   B. **Overview of report from International Housing Solutions (Phase II, Task 3)**

9. **TOWN MANAGER'S REPORT**

10. **FUTURE AGENDA ITEMS**

11. **COUNCIL MEMBERS' REPORTS**

12. **MAYOR'S REPORT**

13. **STATUS OF DEVELOPMENT AGREEMENT FOR CAMPER VILLAGE, KOTZIN RANCH, AND TEN X RANCH**

    The Council may wish to go into Executive Session pursuant to A.R.S. Section 38-431.03.A.3 & A.4 for discussion and consultation with the Town Attorney in order to receive legal advice and give direction concerning possible amendments to the Preannexation and Development Agreement with Stilo Development Group.

14. **MOTION TO ADJOURN**

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at the General Store in Tusayan, Arizona on this 31st day of January, 2013, at _____pm in accordance with the statement filed by the Tusayan Town Council. DATED this 31st day of January, 2013

Melissa A. Malone

Signature of person posting the agenda

ITEM NO. 5A

TUSAYAN TOWN COUNCIL REGULAR MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03
Wednesday, January 23, 2013 @ 6:00pm
TUSAYAN TOWN HALL BUILDING
845 Mustang Drive, Tusayan Arizona

TOWN COUNCIL SUMMARIZED MINUTES

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Bryan called the meeting to order at 6:02pm and the Pledge of Allegiance was recited.

2. ROLL CALL

MAYOR GREG BRYAN
VICE MAYOR AL MONTOYA
COUNCILMEMBER BILL FITZGERALD
COUNCILMEMBER JOHN RUETER
COUNCILMEMBER CRAIG SANDERSON

Also present were: Tami Ryall, Interim Town Manager
Melissa Malone, Town Clerk

3. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

None

4. CEREMONIAL AND/OR INFORMATIONAL MATTERS

None

5. CONSENT AGENDA

Councilmember Fitzgerald asked to remove the Accounts Payable Billings from the Consent Agenda.

A. Minutes of Town Council Workshop of 1/8/13 and the Regular Meeting of 1/9/13

Councilmember Rueter made a motion to approve the Minutes. Councilmember Fitzgerald seconded the motion and it passed on unanimous vote.

B. Accounts Payable Billings

Councilmember Fitzgerald had a few questions about Chase Credit card payments. Manager Ryall and Mayor Greg answered his questions. Vice Mayor Montoya made a motion to approve the Accounts Payable Billings. Councilmember Rueter seconded the motion and it passed on unanimous vote.

6. COMMITTEE REPORTS

None

7. ACTION ITEMS

A. Consideration, discussion, and possible approval of 5 Year Capital Improvement Program

After a short discussion clarifying that the 5 Year Capital Improvement Program is a non-mandated, working document, to aid in budgeting, Councilmember Rueter moved to approve it. Councilmember Sanderson seconded the motion and it was approved on unanimous vote.

B. Consideration, discussion, and possible approval of Public Participation Plan for the General Plan Process

Manager Ryall gave a short review of the General Plan Process. She stated that Arizona Revised Statutes require the adoption of a Public Participation Plan.

She stated that meetings with area stakeholders had already begun and asked the Council and the public for suggestions of additional stakeholders' names. They added to the list: Yvonne Trujillo from McDonald's, Jeff Stickler from Texaco, Jon Streit from Xanterra, the Booth family from Apache Stables, someone from Arizona Fish and Game Department, and Maverick Helicopters. Councilmember Rueter suggested Manager Ryall check with the Forest Service about a rancher who may have grazing & water rights within the Town.

Councilmember Fitzgerald requested that information be available in Spanish. Manager Ryall will advertise and post the Public Hearing Notices in both English and Spanish.

Manager Ryall nominated Councilmember Sanderson and Planning and Zoning Chair Robert Gossard for the General Plan Technical Review Committee. She also requested that 2 professionals be appointed to the Committee who have expertise on the matter. Councilmembers Rueter and Sanderson voiced their support of having professionals on the Committee. Councilmember Fitzgerald suggested Clarinda Vail. Mayor Bryan suggested someone from the National Park Service, Fire District, and Sanitary District. Vice Mayor Montoya suggested Manjula Vaz and Carolyn Oberholtzer to be the professionals on the committee. Councilmember Rueter voiced his support of Ms. Oberholtzer and Ms. Vaz.

The Council agreed to have Manager Ryall and Mayor Greg proceed with sending out invitations for the Committee.

8. DISCUSSION ITEMS

A. Overview and discussion of report from International Housing Solutions (Phase II, Task 3)

Manager Ryall gave an overview of the report covering the proposed Lottery Process.

Councilmember Rueter requested Manager Ryall get information and/or have guest speakers from Housing Authorities within Arizona.

Councilmember Fitzgerald mentioned his and Councilmember Sanderson's discussion with Coconino Supervisor Art Babbott regarding his experience with the Flagstaff Housing Authorities. He suggested the Town contact Sarah Darr from the Flagstaff Authority. Mayor Bryan suggested an option to consider would be to develop a survey and send it out to Arizona Housing Authorities. Vice Mayor Montoya asked how the Mexican-American population would be included. Mayor Bryan mentioned that public input on qualifications would be solicited later in the process from all members of the community.

9. TOWN MANAGER'S REPORT

A. Overview of Community Development Block Grant (CDBG) funding applications received and timeline

Manager Ryall discussed the Funding Requests Received, see handout attached. The CDBG Workshop will be 2/20/13 and the Public Hearing will be 3/6/13.

There was a brief discussion of each of the projects submitted and whether an income survey would be required. Councilmember Rueter asked that Manager Ryall find out how long the results of an income survey would be valid.

B. Other miscellaneous updates

None

10. FUTURE AGENDA ITEMS

For the meeting scheduled on 2/6/13

- Add discussion of Town participation in the Arizona Tourism Unity Dinner. The Grand Canyon National Park (GCNP) Airport has now been included
- Add update on Stilo Development

For the meeting scheduled on 2/20/13:

- Move the CDBG Workshop up to 5pm
- Add short discussion on a Snow Play Area
- Add discussion of Town Christmas Tree for next year
- Add discussion of driver-feedback radar signs and invite Lt. Coffey
- Add Town Marshall vehicle graphics update

11. COUNCIL MEMBERS' REPORTS

Councilmember Sanderson mentioned that the meeting with Coconino County Supervisor Art Babbott was especially interesting concerning his experience with the Flagstaff Housing Authority.

Councilmember Fitzgerald gave an overview of the meeting with Supervisor Babbott. His assistant, Michele Ralston, asked for a list of current CUPs. Manager Ryall has a meeting scheduled with Mr. Babbott & Ms. Ralston on 2/4/13 to discuss the list.

Councilmember Rueter mentioned that the Employee Housing units are looking very nice. The skirting especially looks great.

12. MAYOR'S REPORT

- Legislative update:
  - The Governor's budget does not appear to have any changes which will directly affect Tusayan.
  - The attempt to repeal HB 2826 (Consolidated Elections) does not seem to have traction for this year but may in the future. There may be accommodations for cities & towns whose Home Rule Authority expires in 2014. We need to see when our Home Rule authority expires.
  - TPT (Transaction Privilege Tax) reform is under way.
- We requested the Arizona Hotel, Lodging, and Tourism Association Unity Dinner to include GCNP Airport in their recognition. They have added it and added Yuma Airport.
- He met with the National Park Service Senior Advisory Committee and the National Forest Service regarding Stilo development access applications
- He met with Lt. Jim Coffey of the Coconino County Sheriff's Department who is returning to Tusayan. He has ideas about enhancing service in Tusayan.

14. MOTION TO ADJOURN

Councilmember Rueter moved to adjourn the meeting at 7:36pm. Councilmember Sanderson seconded the motion and it passed on unanimous vote.

Greg Bryan, Mayor **Date**

ATTEST:

Melissa A. Malone, Town Clerk

CERTIFICATION

State of Arizona)
) ss.
Coconino County)

I, Melissa Malone, do hereby certify that I am the Town Clerk of the Town of Tusayan, County of Coconino, State of Arizona, and that the above minutes are a true and correct summary of the meeting of the Council of the Town of Tusayan held on January 23, 2013. I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 30th day of January, 2013.

_____
Town Clerk

ITEM NO. 8B

International Housing Solutions

Phase Two- Task Three

Kotzin Ranch

The Housing Authority

International Housing Solutions

0095 Lighthill Rd.
Snowmss , CO 81654
(970) 948-2614

The Town of Tusayan

Dec. 17, 2012

P.O. Box 709

Tusayan, AZ 86023

Dear Mayor, Council, and Manager,

Enclosed is the final report contracted for under Phase Two of our services. This report can be considered a resource manual as you proceed to create your housing authority. Within it you have templates for virtually all aspects of setting up a system for both for sale and rental projects. The draft resolution for you to consider covers all of the initial organizational language needed to get launched. There is a need for you to filter through it and modify it to meet the Town of Tusayans' specific thoughts on how best to proceed. If we can be of further assistance, please do not hesitate to ask. Once you have set up your authority it may be useful for us to conduct an orientation meeting for the new members.

Sincerely,

John B. Young & Scott V. Brown,

Managing General Partners

International Housing Solutions

Phase Two – Task Three

"Prepare a model resolution, to be reviewed by the Town Attorney, for the creation of a Tusayan Housing Authority. The model resolution will be based on a jurisdiction with similar characteristics, and the Consultant will provide input in terms of efficiency and other criteria."

"Prepare a written draft plan for a down payment assistance program."

Provide the Town with a written summary document of tasks accomplished in Phase II."

Model Resolution – attached as a separate document

Down Payment Assistance Program : This program needs to be tailored to the Town of Tusayan's targeted group. What we are offering is intended to be a starting point for the dialogue between the Town, the Housing Authority and the Community. While we will suggest language for each of the guidelines, they should be properly debated and modified accordingly. The following represents a typical outline of the criteria for making a loan to a homebuyer. Underlined areas are subject to local conditions.

Eligible Borrowers : Borrowers must be employed within the Town of Tusayan and may not own other real estate, within Coconino County, at the time of closing.

Service Area : The Town of Tusayan, AZ

Eligible Property : Single family homes, condominiums, townhomes, duplexes, modular homes or manufactured homes on a permanent foundation taxed as real property located within the Service Area.

Income Threshold : A household whose purchase is funded with a Conventional, Rural Development, or VA mortgage shall have a household income no greater than 200% (this needs to be analyzed in terms of what does it mean in actual numbers for your area), of the most recently published HUD Area Median Income adjusted for household size in Coconino County. A household whose purchase is funded by a mortgage insured by FHA shall have a household income no greater than 150% (same discussion), of the most recently published HUD Area Median Income adjusted for household size for Coconino County. Income is established by the currently demonstrated income, excluding overtime, shift bonus, commission, bonus income, business interests, investments, monetary gifts, and any other sources of money not identified but that can be accessed by the applicant that have not been earned consistently for the previous 2-year period with a strong likelihood of continuance.

Loan Amount : First time homebuyers can request 5 % of the purchase price or $25,000.00, whichever is less. Previous homeowners having ownership in the last 3 years may request 5% or $15,000.00, whichever is less.

Maximum Purchase Price : $625,000, adjusted annually to Fannie Mae's maximum purchase price.

Compatible Mortgages : The Town of Tusayan loan may be used in conjunction with any first mortgage except first mortgages containing a negative amortization feature or prepayment penalty clause.

Loan to Value : Maximum loan to value is 105% of the purchase price.

Income to Debt Ratio : Maximum of 50%

Minimum Investment : Borrower must have a minimum investment of 3% or $10,000.00, whichever is less, from a source acceptable to the primary lender.

Assets : Borrower may not have verified assets in excess of two times the household income, excluding retirement funds.

Repayment : Principal and interest payments are not required. The loan will become immediately due upon sale, transfer, refinance, when the home is no longer the primary residence, or upon death of the buyer. Subsequent subordination requests are reviewed on a case by case basis by the Tusayan Housing Authority.

Use of Funds : Down payment, closing costs, and pre-paid items related to the primary loan. The funds may be used for a construction loan that will roll into a mortgage loan.

Term : The maximum term is 15 years.

Loan Fees : A fee of $250.00 shall be charged by the Tusayan Housing Authority only at the time of loan closing and reflected on the settlement statement.

Collateral : Subordinate lien priority on the subject real property.

Repayment : The equity share mortgage may be repaid at any time. Repayments will include the original principal plus a pro rata share of any appreciation (if any) realized. Appreciation will be determined by the sale price or a satisfactory appraisal.

New Construction : The loan can be used in new construction but may not be used to acquire vacant land.

Rate Caps : are not applicable

Application: A loan application check list will be created capturing all of the Tusayan Housing Authority's and lenders criteria.

Closing Procedures : Will be established by the Tusayan Housing Authority and the applicable lenders.

Capital Improvements : A list of allowable capital improvements will be generated by the Tusayan Housing Authority, that can be exempted from the appreciation consideration.

Final Report – attached as separate document

Resolution No. _____

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF TUSAYAN, COCONINO COUNTY, ARIZONA, A MUNICIPAL CORPORATION CREATING A HOUSING AUTHORITY PURSUANT TO ARIZONA STATUTES _____ AND ESTABLISHING THE NAME, PURPOSE, DUTIES, POWERS, BOARD OF DIRECTORS, BONDS, NOTES AND OTHER OBLIGATIONS, BUDGET, ACCOUNTING, REPORTS, AUDIT, OPERATIONS,LEGAL, INSURANCE, TERMS AND TERMINATION,ADDITIONAL PARTIES, PRE-EXISTING PROJECTS, AND NOTICES.

Whereas, the Mayor and the Council of the Town of Tusayan, have determined that it is the best interest of the public to create a separate Housing Authority to govern the overall creation and management of an affordable housing program,

And Whereas, it is necessary to establish the initial operating guidelines for the newly created Authority,

And Whereas, pursuant to Arizona statutes _____ the Town is empowered to do so,

NOW THEREFORE BE IT RESOLVED, by the Mayor and Council of the Town of Tusayan, Arizona as follows:

TERMS

1. **Creation – Name, Purpose**

1.1 Creation-Name The initial name shall be the "Tusayan Housing Authority" (the Authority).

1.2 Purposes The Authority is established for the purposes of effecting (i) the planning, finacing, acquisition, construction, reconstruction, repair, maintenance, management and operation of new Affordable Housing in Tusayan, Arizona, and (ii) the refinancing, reconstruction, repair, maintenance, management and operation of existing housing projects affordable to seasonal and long-term residents, pursuant to a newly created plan to provide affordable residential facilities and dwelling accommodations for families and individuals (a) residing in or needing to reside in Tusayan as a first priority (b) senior citizens; (c) disabled persons; or (d) other population segments identified by the Authority, together with any other purposes now or subsequently permitted or authorized for the region by applicable law, and any other purposes deemed appropriate by the Authority.

1.3 Type of Entity The Authority shall be a political subdivision and a public corporation of the State of Arizona, separate from the Town of Tusayan, and shall be a validly created and existing political subdivision and public

corporation of the State of Arizona. It shall have the duties, privelages, immunities, rights, liabilities, and disabilities of a public body politic and corporate. The provisions of _____ , Arizona Revised Statutes, shall apply to the moneys of the Authority. The Authority shall be an Enterprise as the term is defined by the State of Arizona.

1.4 Definitions

"Families of low, moderate, and middle income" means those persons and families determined by the Authority to lack the financial ability to pay sale prices or rentals sufficient to induce private enterprise to build a sufficient of adequate, safe, and sanitary dwellings without the assistance afforded by the Authority.

"Affordable Housing" means housing for families and individuals of low, moderate, and middle income who comply with an affordable housing deed restriction of the Authority.

The Town of Tusayan acknowledges and agrees that those who qualify for Affordable Housing and their need for housing in particular locations will vary from time to time and place to place within the jurisdiction of the Authority. That determination may be appealed first to the Authority and second to the Town of Tusayan.

1.5 Function – General The Authority shall have any and all powers, duties, rights, and obligations as such are set forth in the Arizona Statutes _____

1.6 No Waiver Nothing contained in this agreement shall constitute a waiver by the Town of Tusayan of any of its' joint planning, zoning, land use or other governmental authority or power. All projects of the Authority shall be subject to the planning, zoning, sanitary, and building laws, ordinances, and regulations applicable to the Town.

2. DUTIES OF THE AUTHORITY, The Authority shall have the following duties:

2.1 Administration:

(a) To prepare an annual budget for the Authority which will identify revenues and expenditures required to accomplish the goals and objectives of the Authority as set forth in this Agreement; and
(b) To maintain records of all Authority meetings, resolutions, and planning documents and make them available in the Authority's office for public review.

2.2 Management and Enforcement:

(a) To notify the public of the availability of and review qualifications of applicants, owners and residents for deed restricted or Affordable Housing rental units; and
(b) To seek to assure that the owners and/or occupants of all deed restricted housing units comply with applicable regulations or resolutions concerning rental or resale of restricted housing units within the Town of Tusayan.
(c) To adopt by resolution, procedures for investigating apparent violations of the Authority's regulations and resolutions, as well as specific penalties the Authority may impose for such violations, and to establish and implement an enforcement program there for, including housing projects in existence prior to the date of this resolution.
(d) To review and recommend establishment of a computerized deed restricted housing availability record system for use by the Town of Tusayan of the population segments designated in this resolution or otherwise identified by the Authority.
(e) To establish uniform fees and charges for services provided by the Authority, which fees may only be waived by the affirmative vote of four directors of the Authority

2.3 Market Resales and Rental Vacancies and Review Qualifications of Applicants, Owners, and Residents:

(a) To notify the public of the availability of and review qualifications of applicants, owners, and residents for deed restricted or Affordable Housing rentals units.
(b) To notify the public of the availability of and review qualifications of owners and applicants for, and arrange for transfer of title to deed restricted or Affordable Housing fee ownership housing units.

2.4 Needs Assessment:

(a) To investigate affordable housing and employment conditions within Coconino County and the means and methods for improving those conditions.
(b) To maintain data indicating affordable housing needs in the Town of Tusayan for the population segments designated in this resolution or otherwise designated by the Authority.

2.5 Authority Recommendations: To report annually to the Town of Tusayan the affordable housing needs within the Town for the population segments in this resolution or identified by the Authority, as well as qualifications for ownership or rental of such housing units, as required by existing agreements, land use regulations, deed restrictions, and make recommendations for amendments to the development regulations of the Town of Tusayan.

3. **Powers of the Authority** In addition to any other powers provided by applicable law, the Authority will have the following powers:

3.1 To identify the need for Affordable Housing for the population segments in this resolution or identified by the Authority residing, or needing to reside, in the Town of Tusayan.

3.2 The power, but not the duty or obligation, to develop creative financing and construction methods, as well as incentives, in order to encourage the public or private sector to provide Affordable Housing for families and individuals in the Town of Tusayan.

3.3 To plan, finance, acquire, construct, reconstruct, or repair, maintain, manage, own, operate, rent and/or sell housing projects to provide affordable residential facilities and dwelling accommodations intended for use as the sole place of residence by the owners or intended occupants, subject to the applicable governmental requirements (such as zoning, review, and approval processes) of the Town of Tusayan.

3.4 To make and enter into agreements, including, without limitation, contracts with local, state, or federal agencies also involved in providing such housing or financing for such housing.

3.5 To employ agents and employees.

3.6 To cooperate with state and federal governments in all respects concerning the financing of such housing projects.

3.7 To purchase, acquire, obtain options, hold, lease. (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, or service from firms, corporations, or governmental entities or any other persons or entities, provided however, that the entity involved consents to the transaction.

3.8 To condemn property for public use, provided such property is not owned by any governmental entity or any public utility and devoted to public use pursuant to state authority.

3.9 To incur debts, liabilities, or obligations; to issue bonds or notes pursuant to Section 5 below; to borrow money, secure mortgages, obtain grants, gifts or otherwise obtain funds, all for the purpose of implementing, completing and operating housing projects. This does not constitute general authority to encumber or pledge any revenues or assets of any participating government without that entity's written consent.

3.10 To sue and be sued in its own name.

3.11 To have and use a corporate seal.

3.12 To fix, maintain, and revise fees, rents, prices, security deposits, and charges for functions, services, or facilities owned by the Authority.

3.13 To adopt, by resolution, regulations respecting the exercise of the Authority's powers and carrying out its purposes

3.14 To exercise any other powers essential to the provision of functions, services, or facilities by the Authority.

3.15 To do and perform any acts and things authorized by this resolution under, through, or by means of an agent, or by contracts with any person, firm, or corporation.

3.16 To exercise any additional general powers granted to housing authorities by applicable law, except as specifically provided herein.

3.17 The power, but not the duty or obligation, upon the request of the town to develop and adopt a Master Plan and to recommend or comment on code changes associated with the provisions of the Master Plan and existing housing plans.

4. Board of Directors

4.1 Number of Directors and Their Appointment

(a) Board of Directors - The governing body of the Authority shall be its Board of Directors (the Board) consisting of five members. All five members shall be appointed by the Town Council and Mayor (**Note: as previously discussed by IHS the composition of the board is something needing much discussion. This is meant to only be a place holder).**

(b) Qualification – Each director shall be a resident of the Town.

(c) Term – The initial term for three directors shall be for two years, and for the other two directors four years. The Town will designate the terms of all of the initial directors with a review of the board every other year for reappointment or to solicit new members.

(d) Duties – The general power and authority shall be vested by the Board. The Board shall elect the officers of the corporation as specified below. The Board shall approve a budget for the operation of the Authority. As provided for in section _____ of the Arizona Revised Statutes the Board will comply with all of the respective laws regarding local budget laws.

(e) Vacancy – Any vacancy on the Board shall be filled by the Town. If the vacancy being filled is an unexpired term, the appointee shall serve the remainder of that term.

(f) Removal – Members of the Board shall serve at the pleasure of the Town. The Town may terminate a member at will at any time without cause.

(g) Expenses – Board members shall not be compensated for their positions; however, they shall be reimbursed for their expenses and shall receive a per diem travel allowance as determined by the Board.

4.2 Officers - The officers of the Authority shall consist of a Chairman, a Vice Chairman, and a Secretary. The Secretary shall serve as the Executive Director of the Authority. No person shall hold more than one office at one time.

(a) Chairman – The Chairman shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority the Chairman shall sign all contracts, deeds and other instruments made by the Authority. At each meeting, the Chairman shall submit such recommendations and information as he may

consider proper concerning the business, affairs and policies of the Authority.

(b) Vice Chairman – The Vice Chairman shall perform the duties of the Chairman in the absence or incapacity of the Chairman; and in the case of vacancy in the office of Chairman, the Vice Chairman shall perform such duties as are imposed on the Chairman until such time as the Authority shall elect a new Chairman.

(c) Secretary/Executive Director of the Authority – The Secretary shall be the Executive Director of the Authority and, as such, shall have general supervision over the administration of the Authority's business and affairs, subject to the direction of the Board. The Secretary shall be charged with management of the housing projects of the Authority. The Secretary shall keep the records of the Authority; shall act as secretary of the meetings of the Authority, which shall require preparation of a record of all proceedings of the Authority (including the results of all votes) in a journal of proceedings to be kept for such purposes; and shall perform all duties incident to such office. He shall keep in safe custody the seal of the Authority and have the power to affix such seal to all contracts and instruments authorized to be executed by the Authority. The Secretary shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Authority may select. Any two officers shall sign all orders and checks for the payment of money and shall pay out and disburse such money's under the direction of the Authority. The Secretary shall keep regular books of accounts showing receipts and expenditures. The Secretary shall provide at each regular meeting (or more frequently when requested), an account of Authority transactions and a reort of the financial condition of the Authority. The Secretary shall give such bond for the faithful performance of his duties as the Authority may require, (to be paid by the Authority). The Secretary/ Executive Director shall be hired by a majority vote of the Board. The compensation of the Secretary/Executive Director shall be determined by the Board, provided that any temporary appointee selected from among the Board of Directors shall serve without compensation (other than payment of necessary expenses).

(d) Election or Appointee – The Chairman and Vice Chairman shall be appointed by the Board from among the directors, and such officers shall hold office for one year or until their successors are elected and qualified. The Secretary shall be hired by the directors. Directors shall not be eligible to serve as Secretary except as a temporary appointee.

(e) Vacancies – Should the Office of Chairman or Vice Chairman become vacant, the Board shall elect a successor from its membership, and such election shall be for the unexpired term of said office. When the office of Secretary becomes vacant, The Board shall hire a successor in the manner described above.

4.3 Duties - The officers of the Authority shall (i) perform the duties and functions of their respective offices, as prescribed in this resolution, (ii) comply with the Budget, Accounting, and Audit laws laid out by the State of Arizona, and (iii) perform such other duties and functions as may, from time to time, be required by the provisions of this resolution, subsequent resolutions, or by other rules and regulations as may be adopted by the Authority.

4.4 Voting Requirements:

(a) Quorum – Three directors of the Board shall constitute a quorum for the purpose of conducting Authority business and exercising Authority powers, but a smaller number of directors may adjourn a meeting until a quorum is obtained. The affirmative vote of at least a simple majority of directors shall be required for all actions of the Board.

(b) Manner of Voting – The voting on all questions coming before the Authority shall be by roll call, and the vote of each director shall be entered upon the minutes of such meeting by name, except that the election of officers may be by ballot.

5. Bonds, Notes, and Other Obligations

(a) The bonds, notes and other obligations of the Authority shall not be the debts, liabilities, or obligations of the Town of Tusayan, or any other governmental entities that become members of the Authority in the future.

(b) Subject to the agreement of the Authority Board, the Town of Tusayan may contribute funds to the Authority (i) from revenues derived from services or facilities provided by the Authority; (ii) from proprietary revenues or other public funds, as designated by the Town in order to defray the cost of any purpose set forth in this resolution, and (iii) from proprietary revenues or other public funds as advances for any purpose, subject to repayment by the Authority.

(c) To carry out the purposes for which the Authority is established, the Authority is authorized to issue bonds, notes, or other obligations payable solely from the revenues derived or to be derived, from functions, services, or facilities of the Authority or from any other available funds of the Authority. The bonds, notes, or other obligations issued by the Authority shall, as nearly as may be practicable, be substantially the same as those provided by law for the Town of Tusayan, however the obligations will not constitute an indebtedness of the Town. Notwithstanding anything in this Section 5 to the contrary, such bonds, notes or other obligations may be issued to mature at such times not beyond forty (40) years from their respective issue dates, shall bear interest at such rates and be sold at such prices at, above, or below their principal amount as shall be determined by the Board.

(d) The resolution, trust indenture, or other security agreement under which any bonds, notes or other obligations are issued shall constitute a contract with the holders thereof, and it may contain such provisions as shall be determined by the Board to be appropriate and necessary in connection

with their issuance and to provide security for their payment, including, without limitation, any mortgage or other security interest in any revenues, funds, rights, or properties of the Authority. The bonds, notes, and other obligations of the Authority and the income therefrom shall be exempt from taxation (except inheritance, estate, and transfer taxes) pursuant to Arizona law. It is possible that the Board may issue taxable bonds in special circumstances if it is deemed to be advantageous for the particular project. Interest rates or less restrictive covenants may be appropriate in some cases where tax exempt financing becomes burdensome.

6. **Budget** - The Authority shall annually prepare a budget pursuant to the terms and provisions of Arizona law. In expending the budget, the Executive Director of the Authority shall, insofar as practical, devote the time and moneys among functions as shown on said budget. All work allocations among Authority personnel shall be the responsibility of the Executive Director. Monthly progress and financial reports shall be submitted to the Board indicating progress and financial status of budgeted items. The Authority shall be required to annually obtain the approval of the budget from the Town of Tusayan. The Authority shall also obtain the approval of the Town for any substantial budget amendments.

7. **Accounting, Reports, Audit and Operations** – With respect to accounting, reporting, auditing, and operational procedures, the Authority shall follow the provisions and guidelines of Arizona law. In addition to such provisions and guidelines:
   (a) All accounting, payroll, and audit services for the Authority, to the extent practical, shall be performed by, or follow the same procedures as those followed by, the Finance Department of the Town of Tusayan.
   (b) The Secretary/Executive Director shall assure compliance with personnel and procurement policies as established by the Town.
8. **Legal Assistance** – Legal assistance for the Authority will be provided by outside counsel. The Secretary/Executive Director shall recommend to the Board when legal services are required and how they should be obtained.
9. **Insurance** – The Authority shall purchase and maintain at all times an adequate policy of public entity liability insurance, which insurance shall at a minimum provide the amount of coverage described by Arizona law, including errors and omissions coverage. The Authority may purchase any other insurance the Board deems prudent. The Authority's employees acting within the scope of their employment shall be indemnified pursuant to Arizona law.
10. **Modification of This Resolution** – This resolution may only be modified by the Town of Tusayan.
11. **Terms and Termination**

11.1 Term – The term of this agreement will be from _____, 2013 until _____, 2014. The resolution shall automatically be renewed for successive one year periods upon the approval of the annual budget by the

Town of Tusayan. However, the Town may terminate this resolution, for any reason, with a six months notice.

11.2 Limitations This resolution may not be terminated or rescinded as long as the Authority has bonds, notes, or other obligations outstanding, unless (i) provision for full payment of such obligations, by escrow or otherwise, has been made pursuant to the terms of such obligations, and (ii) nationally recognized bond counsel has delivered an opinion to the effect that such termination or rescission, in and of itself, will not adversely affect the tax status of interest payable on such escrowed obligations.

12. **Disposition of Authority Assets Upon Termination** – In the event of termination of this resolution, which termination may only occur in accordance with the limitations of paragraph 11 herein, and the resulting dissolution of the Authority, the assets shall be distributed as follows:

(a) All assets acquired from contributions from the Town of Tusayan, shall be distributed back to the Town
(b) If the assets contributed to the Authority no longer exist, the Town shall have the option of receiving fair market value of each asset at the time of disposal by the Authority in either cash or assets of the Authority.
(c) The Town of Tusayan may agree in writing to dispose of any assets of the Authority in any other acceptable manner.

13. **Additional Parties** – The Authority may be increased by participation of the Coconino County if the County and Town agree to do so by separate resolutions. The inclusion of the County would presume to have equal participation on the Board of the Authority.

14. **Pre-existing Projects** – No rights, contracts, obligations, and real property, both real and personal, of The Town of Tusayan used for or in relation to housing shall vest in the Authority, including ownership interest in any housing projects in existence at the time of the execution of this agreement, without full disclosure of the items in question.

15. **Notices** – Any formal notice (including, for example, notices of meetings and ordinary operational documents), demand or request given under this resolution shall be in writing and shall be properly given if deposited in the United States Mail, postage prepaid, as described below:

To the Town of Tusayan:

Town of Tusayan
c/o Town Manager
Box 709
Tusayan, AZ 86023

16. **Effective Date** – This resolution shall become effective in the manner provided by law.

PASSED AND ADOPTED by the Mayor and Council of the Town of Tusayan, Arizona, This _____ day of _____, 2013

_____
Greg Bryan, Mayor

ATTEST:

_____
Laura Matthews, Town Clerk

APPROVED AS TO FORM:

_____
William Sims, Town Attorney