

TUSAYAN TOWN COUNCIL SPECIAL MEETING

9:00 am
August 19, 2010
Zuni Room
Best Western Squire Inn
74 State Route 64, Tusayan, AZ

Minutes

Call to order

by Mayor Pete Shearer at 9:06 am and Pledge of Allegiance.

Roll Call

Members in Attendance:
Mayor Pete Shearer
Vice Mayor Greg Bryan
Council member Al Montoya
Council member Ann Wren
Council member Clarinda Vail

3. Executive Session – Airport Tax Issues

Council member Montoya asked why this issue would be in executive session as it involves many in the room. He also asked if he, or those of the council that work for the airport or a helicopter company, would have a conflict of interest on this issue.

Russ Kolsrud, legal council, answers because he wants to talk about the issue of an amusement tax and how to approach Arizona Department of Revenue (DOR) and that he has attorney client information about how and when to approach them. As to a conflict there could be an issue but legal council cannot answer for sure at this time.

Vice Mayor Bryan also is not clear why we would go into executive session for this issue and thinks it should be in open session with the information he has right now.

Mayor Shearer explains that he feels we have attorney client privileged information to discuss and he moves to adjourn into executive session, which was not seconded.

Council member Wren agreed it should be in open session.

Council member Vail asked legal council if it is fine to discuss what he wanted to discuss in open session. Legal council said what ever the council would like to do.

Vice Mayor Bryan made legal council aware that if at any time during the discussion there is issues we need to discuss in executive session that legal council advise us.

Council decided to go to number 5.

5. Expenditure Discussion and possible action – Airport Tax Issues

Mayor Shearer explains that the town council has authorized the town attorney to research these issues.

Vice Mayor Bryan states that the town has spent \$12,500 on legal fees researching the amusement and Jet A fuel tax. He questions the amount of money being spent and the time it has taken to get any information back.

Mayor Shearer states that past information from the AZ League of Cities and Towns and DOR seems to be incorrect in how the Jet A tax will work. And that it will not bring in the \$60,000-\$100,000 annual amount that we had hoped and many only bring in \$7,000 annually because it is on Jet A sold and not bought from the information our attorney has found.

Mayor Shearer feels since the Jet A is likely not going to generate much income; we should research the amusement tax. He also asks if Halvorson attorneys will work with town attorneys to work out what is legal and fair.

Vice Mayor Bryan asks if the language could be changed to say consumed or something?

Legal council states the town didn't pass a use tax. Council possibly could do but that they haven't looked at that.

Council member Vail asks if we have an opinion about the letter from Mike Halpin and the money would still have to go back to the airport. Legal council answers that he has prepared a legal memorandum to the council that it is taxable. One reason he suggested an executive session was to discuss how to move forward with DOR.

Brenda Halvorson says they want to support the town and don't want a situation where it gets in to another problem later on. They don't want a later battle like in Las Vegas. Council member Vail asked her to give her address, which she gives, P.O. Box 455 Grand Canyon, AZ 86023.

Allen Stevens of 6947 Emerald Springs Lane- Las Vegas, 89113. He states that this all needs to be looked at long and hard. That the 1993 DOR ruling is clear and all need to work toward what is right. McCarran Passenger and Facilities Charges of \$5 million that was collected, was ruled later that it shouldn't have been.

Vice Mayor Bryan reports that town council has asked for feedback on the Jet A fuel tax and that the AZ United Audit Committee is reviewing it and should get back to us by this week or next week. If there were challenge with that, then it would go to AZ Attorney General's office.

Council member Wren asks if the passengers currently pay a sales tax. Brenda Halvorson answers that they pay no state sales tax. They do pay an excise and fuel tax.

Allen Stevens states the 49 USC 40116 is the controlling federal law that cannot be changed by the state or any entity. That they pay no state sales tax but do pay fuel tax to the state on self-consumed fuel, if that is even correct, and they do pay a percent of gross as rent to ADOT.

Council member Wren mentions that all entities should be helping to generate money for the town. IT would be nice to lower the tax rate for all, if all were paying across the board.

John Thurston of 291R.P. Drive Tusayan, AZ 86023. States that the town should look at every source of revenue to keep tax rates fair.

Council member Vail asks Allen Stevens and Brenda Halvorson what they think about generating the funds that the FAA says would have to go back to the airport. Do you have an opinion about if it could be collected but could stay at the airport.

Brenda Halvorson answers that is an interesting question and could change negotiations they are working on now for giving more funds to the airport.

Vice Mayor Bryan asks what the situation may be if the town owned the airport. Allen Stevens answers that his opinion is that no matter what proprietor collects, it must come back to the airport.

Council member Vail asks what would be meant by operations of the airport. The airport has housing and kids and residents. Could it go toward a park or infrastructure or community based things of the airport.

Brenda Halvorson is happy to share the information that they receive from their attorneys with the council and it's legal council.

John Dillon of P.O. Box 1745 Grand Canyon, AZ 86023 comments that if the tour operators are moaning about the increases and that the same end user pays the tax and to do the research to see who the end guy is paying the tax. He also hopes marketing efforts continue to increase business for all of us.

Mayor Shearer thinks we need these answers long before next years budget and it will take months for all of the entities to decide these things.

Allen Stevens asks if we will share the research the town council has already done. Legal council states that with these documents he would like to take some things out, but keep the substance, and happy to provide it to them.

Council member Vail asks about council member Montoya's concern of a conflict of interest. Legal council will have to check into it. Vice Mayor Bryan says the town attorney should take the position of advice about conflicts.

Vice mayor Bryan and council member Vail feel some type of forecasting for legal fees and a possible cap should be provided by the next meeting by legal council.

The attorney client privileged documents were given to the council.

6. Discussion and possible action - Contract for Home Rule ballot measure publicity pamphlets

Mayor Shearer presents the pricing for publishing of the pamphlet from a firm that does publishing for Coconino County. Vice Mayor Bryan presents the quote and states that one would be shipped to every voting household. Vice Mayor Bryan motioned to approve the contract with Election Operations Services not to exceed \$1,000 for production and publishing of the pamphlet. Mayor Shearer seconded the motion. The motion carried unanimously.

7. Discussion and possible action – Planning and Zoning Commission Structuring

Mayor Shearer discusses the need for the commission and that 5 is the minimum and a maximum of 10.

Council member Montoya think that 10 may be too much and maybe 7 would be better. Coconino County has 10 and Mayor Shearer would recommend 10 because often 10 would not show up.

Council member Vail asks if 10 members, what the quorum required would be. Answer from legal council was 6 and that a tie vote would go to the council.

Vice Mayor Bryan thinks the council should act as the commission for the next year or so, and work on getting a town planner and permitting department as there are not a lot of applications at this time.

Council member Vail mentions that there would be no other committee to appeal to. Legal council says the appeal would then be a rehearing or directly to the court system.

John Thurston states that there is the possibly of more conflict of interest if the town council acts as both.

Mayor Shearer states that updating the Tusayan Area Plan and the Coconino Comprehensive Plan to meet Tusayan need, would give the commission plenty of work even without a lot of applications to deal with. The public would not have the same amount of input, and a way to become familiar with the process of an application if the council acts as both.

Council member Vail mentions that from the town hall, the council has listed this commission as a priority and should be acted upon.

It will be on the 31st agenda.

Vice Mayor Bryan states he would like to see 7 people and 4-year terms staggered.

Council member Vail states that she would like to see a 10-member commission for working on updating the area plan and other things with staggered terms and each council member appointing one 2 and one 4 year term.

8. Discussion and possible action – Approval of payment of bills

Vice Mayor Bryan presents the invoices/expenses.

Council member Vail asks about when we will receive HURF funds and Vice Mayor Bryan presents the U.S. census bureau certification. The challenge for the certification is based upon the data they have to work with, the 2010 census, and the timing of when we made the application. They couldn't give us a singular certificate. They gave us partials, which the total of those is 558. 1st chart of the document are people they can firmly verify are within the town limits, and chart 2

Attachme
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are numbers they can not verify are people that are all in the town limit. DOR hadn't received this yet and should be back with us soon.
Vice Mayor Bryan moves approval of the bills as paid. Mayor Shearer seconds the motion.
Motion passed unanimously.

9. Discussion and possible action – Temporary Town Clerk

Pam Parsons is the only person that shipped us information for the temporary volunteer clerk. Vice Mayor Bryan asks legal council if he can keep the treasure duties for the interim. Legal council says yes he can.
Council member Montoya will ask Pam Parsons to attend the meeting of August 31, 2010.

10. Discussion and possible action – Housing Study RFP's

Council member Vail reports that she stayed in the office the entire day that RFP's were due in case any were delivered. One person did call Andy Knutson. When council member Vail returned the call she spoke with Dan Guimond of Economic Planning Systems. He said they would be interested if we extend the date they would like to do one.
Council agreed to open the RFP and legal council advised to keep it confidential until the decision has been made.

John Becker of P.O. Box 455 Grand Canyon, AZ asked what was the deadline on the RFP. Where do you stand legally of a deadline that has already expired. Legal council explains that the RFP stated and law allows it.

The one proposal received was opened and noted that it was received August 13, 2010.

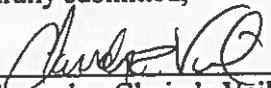
The action for the RFP will be put on the August 31, 2010 agenda.

11. Adjournment to Executive Session

Council member Vail moves to executive session at 10:36 am. Council member Wren seconded the motion. The motion to passed unanimously.

Upon returning from executive session Vice Mayor Bryan moved to adjourn the special meeting at 11:42 am. Council member Montoya seconded the motion. The motion passed unanimously.

Respectfully submitted,

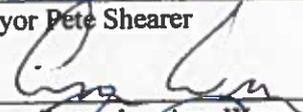


Council member Clarinda Vail

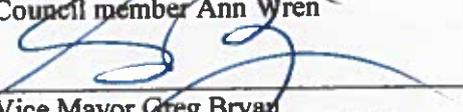
Dated: Sept 8, 2010



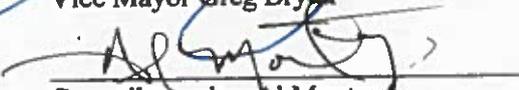
Mayor Pete Shearer



Council member Ann Wren



Vice Mayor Greg Bryan



Council member Al Montoya

TUSAYAN TOWN COUNCIL EXECUTIVE SESSION

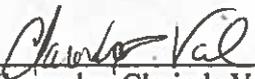
August 19, 2010 Minutes

Executive session called to order at 10:36 am

4. Executive Session - Election question regarding publications requirements- Legal.
Item was discussed.

Vice Mayor Bryan moved to end executive session at 11:24 am. Council member Montoya seconded the motion. Motion passed unanimously

Respectfully submitted,

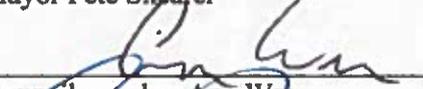


Council member Clarinda Vail

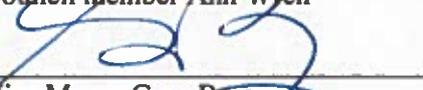
Dated: 9/8/10



Mayor Pete Shearer



Council member Ann Wren



Vice Mayor Greg Bryan



Council member Al Montoya

TOWN OF TUSAYAN
Po Box 709
Tusayan, AZ 86023

August 18, 2010

Martin Anaya
UniSource Energy Services
Flagstaff District Manager
2901 W. Shamrell Blvd #110
Flagstaff, AZ 86001

Dear Mr. Anaya

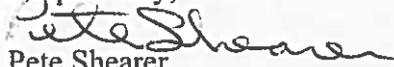
On behalf of the Town of Tusayan we would like provide our support for the concept of a natural gas line to serve our community and Grand Canyon National Park. We are Arizona's newest incorporated Town and are just getting set up as a municipality. We are located just outside the South Rim of GC National Park. As we look to the future of how we see our town moving forward and building a stronger vibrant community, a source of natural gas would play a big part in making that happen.

Our community currently has just over 1000 hotel rooms, 12+ eating establishments and numerous gift shops and other businesses. To serve these businesses we have numerous company housing units that all utilize individual propane tanks. These housing units accommodate approximately 600 people today and we see that number possibly growing in the coming years.

We see a natural gas line as both a much safer source of energy for our housing units and business needs as well as more economical in delivery and cost. We also see it environmentally as a step forward in improving and protecting our community's resources and the environment. This would be an opportune time for the planning of this service as there are plans to tear up Highway 64 through town this next summer for renovation. With proper coordination through ADOT the potential exists to include the pipe during this construction.

Please feel free to contact me with any questions and let me know how the Tusayan Town Council can support Grand Canyon National Park and your company in this significant opportunity.

Respectfully,


Pete Shearer

Mayor
Town of Tusayan

CC: Tim Jarrell, GCNP
Tusayan Town Council
R. Kolsrud

Attachment
8.19.10



UNITED STATES DEPARTMENT OF COMMERCE
Economics and Statistics Administration
U.S. Census Bureau
Washington, DC 20233-0001
OFFICE OF THE DIRECTOR

Suitland, Maryland

AUG 12 2010

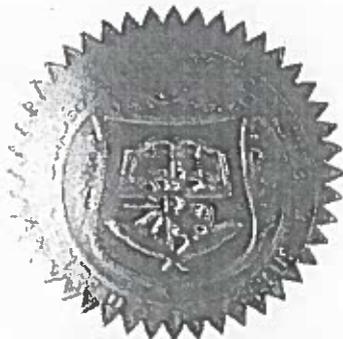
I HEREBY CERTIFY that the attached is the result of an extract from Census 2000, showing population and housing unit counts for blocks wholly inside and partially inside the boundary of the new incorporation of Tusayan town, Arizona, using boundaries legally effective as of April 6, 2010, as compiled by the Bureau of the Census. For blocks that are split by the boundary of the city, the Census Bureau does not certify what proportion of the population and housing is in the city.

Robert M. Groves
Director
Bureau of the Census

I HEREBY CERTIFY that Robert M. Groves, who signed the foregoing certificate, is now, and was at the time of signing, Director, Bureau of the Census, and that full faith and credit should be given his certificate as such.

IN WITNESS WHEREOF, I have hereunto signed my name and caused the seal of the Bureau of the Census to be affixed to the aforesaid document, judicial notice of which shall be taken under 13 U.S.C. 3, this 11th day of August, two thousand and ten.

Howard Hogan
Associate Director for Demographic Programs
Bureau of the Census



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Population and Housing Unit Counts for Whole Census Blocks Contained Within the New Incorporation of Tusayan town, Arizona: April 1, 2000

State	County	County Subdivision	Place	Tract	Block	2000 Population	2000 Housing Units
04	005	93876	77490	001900	2019	0	0
04	005	93876	77490	001900	2020	0	0
04	005	93876	77490	001900	2021	86	40
04	005	93876	77490	001900	2022	0	0
04	005	93878	77490	001900	2023	30	15
04	005	93876	77490	001900	2024	0	0
04	005	93876	77490	001900	2025	23	12
04	005	93876	77490	001900	2026	0	0
04	005	93876	77490	001900	2027	1	1
04	005	93876	77490	001900	2028	0	0
04	005	93876	77490	001900	2029	0	0
04	005	93876	77490	001900	2030	0	0
04	005	93876	77490	001900	2031	177	117
04	005	93876	77490	001900	2033	8	5
04	005	93876	77490	001900	2034	0	0
04	005	93876	77490	001900	2035	0	0
04	005	93876	77490	001900	2036	0	0
04	005	93876	77490	001900	2037	0	0
04	005	93876	77490	001900	2048	0	0
04	005	93876	77490	001900	2049	0	0
04	005	93876	77490	001900	2050	0	0
04	005	93876	77490	001900	2051	0	0
04	005	93876	77490	001900	2059	0	0
Total						325	190

Counts are from April 1, 2000 census data for whole census blocks for the new incorporation; blocks are wholly inside boundaries legally effective as of April 6, 2010.

Population and Housing Unit Counts for Whole Census Blocks Now Split by the Boundary of the New Incorporation of Tusayan town, Arizona: April 1, 2000

State	County	County Subdivision	Place	Tract	Block	2000 Population	2000 Housing Units
04	005	93876	77490	001900	2010	2	3
04	005	93876	77490	001900	2013	0	0
04	005	93876	77490	001900	2014	0	0
04	005	93876	77490	001900	2015	0	0
04	005	93876	77490	001900	2032	187	104
04	005	93876	77490	001900	2038	0	0
04	005	93876	77490	001900	2041	0	0
04	005	93876	77490	001900	2046	0	0
04	005	93876	77490	001900	2047	0	0
04	005	93876	77490	001900	2052	31	15

04	005	93876	77490	001900	2053	13	0
04	005	93876	77490	001900	2058	0	0
04	005	93876	77490	001900	2060	0	0
04	005	93876	77490	001900	2061	0	0
04	005	93876	77490	001900	2062	0	0
04	005	93876	77490	001900	2069	0	0
04	005	93876	77490	001900	2070	0	0
04	005	93876	77490	001900	2072	0	0
04	005	93876	77490	001900	2073	0	0
04	005	93876	77490	001900	2074	0	0
Total						233	122

Counts are from April 1, 2000 census data for whole census blocks for the new incorporation; blocks are partially inside boundaries legally effective as of April 6, 2010.