

TUSAYAN TOWN COUNCIL PUBLIC HEARING

10:00 a.m.
August 31, 2010
Zuni Room
Best Western Squire Inn
74 State Route 64, Tusayan Arizona

MINUTES

Call to Order

Called to Order by Mayor Shearer at 10:05 a.m. and Pledge of Allegiance.

Roll Call

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

3. Call to the Public

The Mayor asked the public if anyone would like to address the council on a matter not on the agenda. No response from the public.

** Temporary Volunteer Town Clerk – Discussion and Possible Action

Council member Vail motioned to move agenda item #12, Temporary Town Clerk, to the first item. No objections by council members.

Due to the former volunteer town clerk having conflicts with her primary job and various duties and functions a town clerk needs to fulfill, this position needs filled immediately. One application turned in, Pam Parsons. Mayor and council members briefly discussed requirements of postings and publications and responsibilities of a town clerk and asked if time could allow her to handle all duties. Vice Mayor Bryan will continue to handle the treasurer functions at this time. Pam was asked by council to consider set hours and availability and to bring her recommendations to the next council meeting.

Vice Mayor Bryan moved to accept Pam Parsons as the Temporary Volunteer Town clerk. Councilmember Montoya seconded the motion. The motion passed unanimously.

4. Approval of Meeting Minutes

Vice Mayor Bryan motioned to approve the August 11, 2010 Public Hearing Minutes. Council member Wren seconded the motion. The approval of the August 11, 2010 Public Hearing Minutes passed unanimously.

Vice Mayor Bryan asked to table the approval of the August 19, 2010 Public Hearing Minutes due to limited time for reviewing. Councilmember's unanimously agreed.

5. APS Presentation on Franchise Agreement

Kendra Cea, APS Area Manager, 2121 W. Cheryl Drive, Phoenix AZ 85021, presented information on a possible Tusayan franchise agreement with APS as an electric provider. Gave a brief

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overview on the APS Franchise and model agreement. Kendra informed that after the council reviews the agreement, and makes revisions if needed, they would need to approve the franchise, approve the ordinance, and decide a date of future election.

An offset of 2% franchise fee, and 2% sales tax that are on customer bills. The entire 4% will eventually come back to the city of Tusayan. As Council members would like to keep taxes down, Kendra explained that the 2% franchise fee could be taken off the bills by removing the "Model Option 13" from the agreement when adopting it.

Vice Mayor Bryan motioned to council that the agreement be thoroughly reviewed and make any revisions to bring back to a future council meeting. Kendra suggested that the agreement be voted on by November so it could be put on the ballot for a March election. Council asked Legal Council to give them a time line for the franchise to be ready for an upcoming election. Until the vote, the utilities will continue to work under Coconino County.

Mayor Shearer mentioned that if taxes want to be kept low, then we need to look at removing "Model Option 13" when accepting the APS franchise agreement. Kendra worked with the city of Jerome AZ who did not adopt the "Option 13" and she will present the council a description of the franchise on how that plays in the agreement.

Clayann Cook, Canyon Pines 28, Tusayan AZ, asked if this is a one-time offer by APS. In the future at some point it may come that the agreement might need to be re-negotiated and taxes added. Kendra stated that the first franchise agreement is on a 25 yr agreement by the electric company. However, in the agreement, it does not state if at a later date, take advantage of the offset for taxes that impact the franchise

The negotiation franchise agreement on this first election. Good news is that speaks to the "offset", therefore at a later date, if the Council feels it viable for the town of Tusayan to add a franchise fee on the bill, at a later date to take advantage to make more money for the town of Tusayan.

Vice Mayor Bryan mentioned to Mayor Shearer that the agreement be looked at more depth due to noting having to be acted on immediately. Maximum amount for a franchise fee is 2%.

Vice Mayor Bryan asked Mayor Shearer if Council could provide a timeline so that they know when the agreement needs adopted so it can get on the March election.

6. APS Presentation on LED Lighting Upgrades

Kent Jones, APS Williams Area Manager, 217 W. Route 66, Williams AZ. Kent is in attendance today to represent Kevin Hardigen who replaced Don Keil.

ADOT road right of way with the future expansion and issues has come up in regards to the street lights that are currently on the road right of way and the design associated with those lights. Currently APS has the obligation, since being in that right of way, to relocate those lights to wherever they extend the right of way where the sidewalks and other things are located. City of Tusayan is now contemplating its direction into purchasing those lights or what to do with the lights and its maintenance value and what the costs are that might be associated with maintaining the lights. Currently APS has an account with Tusayan Lighting District which is run under Coconino County. Kent reviewed different options that the Town of Tusayan could take and the cost of each option. Tusayan would like to replace the lights with an energy efficient LED light in oppose to the high pressure sodium which are there today. There are 3 street lights that have been replaced to the energy efficient LED light on the North end of town. These were put up on an experimental basis and by moving forward it leaves a couple of options. Numbers given by Kent are just estimated as there are issues still being worked out. APS as not adopted a LED street light therefore Tusayan will be the first town to run these lights. Currently there are approximately 32 poles and each pole has 2 different light heads located on the street. Option (1) Investment by Company: Approximately \$1500-\$1600 per month which is similar to the current bill with Tusayan Lighting District as it relates to the high

pressure sodium lights. The utility company would vest all infrastructures, purchase the poles, light fixtures, and installation of poles. Therefore the monthly cost would be that amount which includes; paying the energy, maintenance and upkeep, and any new installations that relate to those lights. Option (2) Investment by Others: Town of Tusayan would actually purchase the asset itself. Meaning actually purchasing the asset (hardware, poles, and lights). The utility company would install the poles, ran and maintained them. \$520 per month for this option. Would still be on the E58 rate where utility company would still have ownership of the light once they were installed, but the city would have purchased the installation of them. Option (3) Complete Asset: Utility company purchased the lights, installed them, and Tusayan stated that they were interested in buying all the lights and have complete ownership of those lights the estimated total cost would be \$250,000. Tusayan would then have full ownership of the lights. Then if desired having full ownership, contract with the utility company for the energy, maintenance, and joint use (any new installation of lights) in addition to the sales contract of the asset itself.

Clayann Cook, asked since currently the town enjoys the ability of having Christmas lights, if APS owns the lights would they allow the town to continue to do so, and use the electricity? Ken stated that APS, along with the councils cooperation, and different vendors are looking at light poles with devices that insert flag pole attachments, outlets and other items that are not normally standard with poles but would like to have them put on them and then when the poles are installed they will be in place.

The new roundabouts being installed will not be the City's responsibility and is not included in the 32 light pole count. The lights will be on a separate meter and billed to ADOT.

Councilmember Vail asked Mayor Shearer if the City can use the funds in excess that is sitting in the lighting district. Mayor Shearer informed council that those funds can be used for the lights and if those funds are not used the money is returned to the County general fund.

Vice Mayor Bryan continue to work through and have the lighting district do the initial investment and once those funds are depleted and then at that time, the council take an action merge it into the town. The funds have to be spent and then the council would approach the Board of Supervisors for this action.

Mayor Shearer and Council members thanked APS and G.E. for 3 demonstration lights on the North end of town. Only received one complaint and that was why aren't all the street lights changed. Everyone seems to like them, it's a much better light and less evasive on the night sky.

Clayann Cook stated that she knows G.E. works with Department of Energy and has grants and funding available for green projects such as this. Kent stated that if the town purchased the lights they could research into those grants available, and APS is in the process of looking into what credits or "green" rebates are available to towns that are trying to go green. Mayor Shearer responded that with this project, he would like to see better lighting in the housing areas and access roads and if grants can be accessed, this be included.

Vice Mayor Bryan asked for a timeline in the project with Mayor Shearer suggested having something in place well before the ADOT project breaks ground in spring.

Mayor Shearer thanked Kendra and Kent for their presentations today and will continue to work with APS getting additional information and bringing it to the council meetings. This project will be an occurring item on the agenda.

Kent will get information as it relates to Option 2 on the depreciation question regarding the lights and the per pole light cost so there's a better understanding. Kent will contact Mayor Shearer with information. Mayor Shearer and Councilmember Vail would like to continue to have discussions with Kent and Kendra to gather more information so Council can act on.

7. Administrative/Treasures Report

a. Finance Report

Vice Mayor Bryan had emailed the Tusayan P&L to all Council members earlier in the week. He reviewed revenues and expenses with Council. Received 2 payments from July sales tax revenue (\$1,828 and \$42,000) for a total to date of shared July sales tax \$44,387. State shared revenue funds in 2 payments totaling \$12,166 and change; and business licenses to date in the amount of \$210. Twenty-one entities step up and 2 more payments in the mail this morning. Revenue to date is approximately \$68,930. Expenses to date: paid liability insurance in July; litigation expenses \$47,605; town attorney fees to date is \$121,189.15, neither one of which has had a payments made toward them. Council training to date which has been paid, \$1,543; miscellaneous expenses are primarily things that have not been paid. Total expenses to date is \$177,388 with revenue \$68,930 which leaves us in deficit of \$108,458.11. A copy of the check register was also given to council members with checks written to-date and deposits made to-date and a list of outstanding invoices. This includes miscellaneous expenses. Received Census Bureau Certification which we'll have to pay \$240.00.

Vice Mayor Bryan explained that liability insurance covers May 6, 2010 to May 5, 2011 and only half has been paid due to being billed for only the first 2 quarters.

Councilmember Montoya asked that at what point some of the litigation expenses can be paid. Vice Mayor Bryan responded that this is covered under agenda item #11 which will be discussed later in the meeting.

In other finance items, the Census Report was received and Vice Mayor Bryan has communicated that to Dept. of Revenue and they're looking at how to share and be able to release additional funds. In contact with Brae Steen with ADOT who is the contact and he in turn gave a contact name in regards to the Hurf funds and what needs to be done for additional funds released according to the Census Report. Potential in receiving those Hurf funds in the near future and those funds would also be available for the lighting project.

Mayor Shearer asked if accounting is using cash or accrual. Vice Mayor Bryan is using a combination of both, cash and accrual.

Mayor Shearer suggested that when the time comes and the Council is looking at hiring an accountant, concentrate on those who specialize in municipality accounting not in general accounting. This was recommended by the AZ League. As if when getting audited finances need to be in the right order.

Regarding business licenses, councilmember Vail has been checking messages and a Randy Westwinds Air Service had questions about a business license. Chris Halstead, Pink Jeep Tours acquired that there are no 2sales are generated in Tusayan. Vice Mayor Bryan will look into this matter to see if their tours are being sold at the concierges' desk at the Best Western. These messages will now be passed on to Vice Mayor Bryan or town clerk.

Councilmember Vail asked Council to see if there is a list from the Dept. of Revenue for businesses. Attorney will get back to council members. Also he will look into what the council members can see even if it's just a list of business names.

Vice Mayor Bryan asked for a clarification from Council regarding the sales tax to the tour companies. Is it where the money changes hand, where the transaction starts, where is the point of sale, etc. Attorney will give the council a copy of Dept of Revenue rulings.

b. Arizona League/National league of Cities Report

Mayor Shearer and Vice Mayor Bryan attended the AZ League meetings and addressed a few of the top points with council. Need to be diligent in hiring a City Manager. Learned that towns hired the quick and cheap way and took years to get out of the red. Dewey-Humboldt city manager presented some ideas and points to the Town Manager job description. At least 3 different town managers mentioned that they would assist in reviewing applicants, assist in screening and giving our Council feedback. Learning the importance of having a good auditor, and for the council to learn how to ask tough questions and if the right questions aren't being

given, ask the question in a different way. Hiring a good strong foundation cannot be rushed. Take time and do it right the first time.

c. Greater AZ Mayors Association Report

Mayor Shearer stated that the mayors are requesting support with the legislative issue concerning crystal meth. Legislative trying to restrict items being sold over the counter that goes into making meth.

d. Discussion and possible action on approval of increased GAMA dues

Mayors Association realized that \$25 is not enough to cover postage so requesting that each town who is a member increase the annual dues to \$100. Mayor Shearer motioned to support the Arizona Mayors Association due increase from \$25 to \$100 annually. Vice Mayor Bryan seconded the motion. Increase of GAMA dues passed unanimously.

e. Discussion and possible action regarding Williams Magistrate

Vice Mayor Bryan met with Judge Sutton and he is willing and excited to work with the Council and seeing definite benefits in having a Magistrate court set up in Tusayan. A system started and the revenues that could greatly benefit the town. Judge Sutton is willing to do the work at a compensated fee of \$50-\$60/hour and will take approximately 100 hours to set the system up. The forecast to get a return in this fee would be a reasonable amount of time in terms of fines and fees that would come back to the community. Judge Sutton was positive about this paying for itself very quickly.

Vice Mayor Bryan's recommendation would be to see what funds are available within the next 4 to 6 weeks, and to look into the planning stages and get into the mixes as soon as possible.

f. Miscellaneous "Stuff" OML reminder

Mayor Shearer informed the Council that they need to keep away from "stuff". Specific items need addressed and put on the agenda, and keep away from general discussions. This was a reminder at the AZ Leagues training which Mayor Shearer and Vice Mayor Bryan attended.

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

Mayor Shearer mentioned that this was briefly spoke of at the last council meeting and this is an on going discussion at trying to reach a consensus on how to structure the P&Z commission to be set up, (term limits, number of members, and how to determine these).

Vice Mayor Bryan mentioned that he only received the P&Z Ordinance this morning and not prepared to make any comments or suggestions. Recommended that documents get to council members at least 48 hours before scheduled meeting in time to review and make notes.

Mayor Shearer suggested to Council to think about the amount of committee members (5,7,10) and term length (2/4 year terms or 3/6 year terms). Recommended that Council review the P&Z Ordinances, make suggested changes, and/or revisions and bring back to next meeting.

9. Creation of a Town Ordinance regarding requirement for Submission of Development Plan – Discussion and Possible Action

- a. Tusayan Fire Department**
- b. Grand Canyon Unified Schools**
- c. South Grand Canyon Sanitary District**

Mayor Shearer discussed the need for a Development Plan. If a major housing develops in town, it would be only fair to let the school know that there will be a certain amount of houses, businesses,

etc so they can plan on teachers, buses, etc., contact the Tusayan Fire Dept, in help with fire hydrants, fire exits, emergency lighting, etc. And contacting the Sanitary district for help with water needs, issues, uses, etc. This is only a planning tool and to create communication with agencies.

John Vail, PO Box 1727, Grand Canyon AZ, stated to the council that whatever permit is held, it has to be approved by the different utilities to build and construct.

Mayor Shearer realizes this is just a preliminary discussion and not reviewed. However, in the next meeting or two would like to revisit this again with council members thoughts and ideas for further discussion.

Clayann Cook asked about if a building permit is held to build a deck, Bldg permit would have to go before the Fire district, sanitary district and School need to agree? Mayor Shearer cleared this up by stating that the Fire district would look at property to ensure no fire hydrants, etc are going to be covered. The ordinance states that a copy of the permit is only delivered to these agencies, not approved by them.

10. Intergovernmental Agreement with Coconino County – Discussion and Possible Action

Legal Council mentioned he had received from the County, the extension of the IGA through October 1st which was signed and passed by the board. That IGA needs to be considered by the Council, accepted, passed and signed so copies can be delivered to the county. Each of the council members received a letter from the County Attorney, who is largely spearheading this effort. She indicated a number of areas that the County is willing to work with Tusayan – Sherriff's Dept, Animal Control, and Parks and Recreation. All of those mentioned are willing to work with the town on IGA's. However, she did have some reservations about whether community development, and planning and zoning would be permitted even to enter into an IGA with the town going forward. Legal Council recommend that the Town Council review the letter that was sent to them.

Vice Mayor Bryan mentioned that the mentioned IGA was approved and accepted by the Town Council at the August 11th meeting. Mayor Shearer commented that the IGA however needs to be signed and dated.

Mayor Shearer responded that if the County declines to further services after October 1st, the town needs to find another private firm or to create our own community development.

Vice Mayor Bryan volunteered to look into different firms and options with community development and report back to Council. Council Vail will contact the County Planning and Zoning for a definite answer and where they stand in regards to extending beyond October 1st. She will then communicate with Vice Mayor Bryan with comments.

Mayor Shearer thanked Council member Wren for her hard work with the County. Council member Wren advised Council that the monthly bill to the county for their contract in providing law enforcement is about \$29,000.

11. Approval of Payment of Bills – Discussion and possible action

Mayor Shearer motioned to pay the \$528.57 in outstanding invoices. Vice Mayor Bryan will turn in the receipt for the voice-recorder which is approximately \$100. Current cash in the bank is \$63,043. Outstanding legal payables is approximately \$47,000 and \$121,000. Look at keeping at least \$20,000 in bank. Apply 25% of each invoice would be roughly \$42,198, which leaves a rough amount of \$20,845 in bank, with revenues expected to come in. Vice Mayor Bryan commented that sales tax expected to arrive, with the first 6-7 days of the month receive another DRT fund payment of \$12,000. However a concern is beginning October 1st, there is going to be a invoice of \$29,000 a month for the Sherriff's Dept; with minimal tax proceeds being received for December and January. Also, at looking for a city manager and town clerk their salary will be approximately \$90,000.

Vice Mayor Bryan moved to approve to pay \$528.57 and \$42,198 against legal fees. Council

member Vail seconded. The motion passed unanimously.

Mayor Shearer requested that the town pay the AZ League of Cities directly and then he wouldn't have to be reimbursed. Mayor Shearer will forward that invoice to Vice Mayor Bryan. Mayor Shearer asked the Council if a possibility for mileage being paid, then he wouldn't ask for food and lodging reimbursements on meetings that need to be attended. Council member Vail asked to have a mileage policy added to the agenda for the next meeting. Vice Mayor Bryan will research into different governmental mileage forms and bring back to meeting next meeting.

12. Temporary Volunteer Town Clerk – Discussion and possible action

This item was moved to the beginning of the meeting per council due to having the new temporary volunteer town clerk in attendance.

13. Town Manager Position – Discussion and possible action

Mayor Shearer informed the Council that AZ League of cities advised to send Council to lots of training so they can be up-to-date on issues. Vice Mayor Bryan advised Council that there are been 11 or 12 applications turned in for the town manager position. He would like Council to take advantage and review the comments that town manager Dewy-Humboldt made to the Town Manager Job Description and see how the town can adjust on how to look at prospective applicants. One of the comments he made was, because of the wording, on the posting and that the town is limiting applicants who might apply. Vice Mayor Bryan also downloaded a number of forms that gave costs or wages for town managers, as well as attorneys and magistrates for different sizes of towns. Review the process that is being done and consider bringing back comments and suggestions at the September 8th meeting; one extending the time line. Vice Mayor Bryan did not post this on the National League due to the high cost of \$400 to do so being over 200 words and did not just want to incur this expense.

Vice Mayor Bryan suggested that after reviewing the information given, the process be refined what it is the town is looking for. Also consider using a couple of other town managers to assist with the process of screening, and selecting the town manager.

Councilmember Vail asked if the AZ League of Cities has a process of helping communities to start with those questions, to begin the screening in hiring a town manager. Vice Mayor Bryan stated that there is a group called the Range Riders which consists of retired town managers that assist with the process of selecting a town manager.

Vice Mayor Bryan will email the Dewy-Humboldt town manager a copy of the Town Clerk Job Description to assist with notes, comments and suggestions to better help the Council select the right candidate.

Vice Mayor Bryan moved to approve the extension for the acceptance of town manager applications to September 30, 2010. Councilmember Vail seconded. The motion passed unanimously.

Vice Mayor Bryan will repost this to the AZ League of Cities and approved by all council members to post on the National League for 30 days.

14. Housing Committee Structuring – Discussion and possible action

Mayor Shearer stated that in the Town Hall meeting had asked for interested community members to set on the Housing Advisory committee. Clayann Cook mentioned she had emailed 13 applications the interested persons however only 2 have been returned to the Council, however no due date was put on applicant so this might have been confusing. Vice Mayor Bryan mentioned that a newspaper ad was put in the paper for a couple of weeks also with no response.

Primary purpose for the Ad Hoc Housing Advisory Committee is to work along side the Housing

Study team and advises the Council of needs, issues, concerns, etc. The committee would be dissolved when Council feels need. Vice Mayor Bryan suggested that the Housing Advisory committee possibly develop into a housing authority of some type that would provide ongoing management and input to the Council.

Councilmember Vail asked Legal Council what would be the rules be if the housing advisory committee turned into a team that making rules for the town. Legal Council responded that a decision making body would have to include people that are residents of the boundaries of the town. There are statutory requirements for certain appointed bodies that have to have members of the community. If committee is dissolved and reconstructed to a decision-making body, then statutory provisions need to be looked at depending on what type of duties and responsibilities are required of them.

Councilmember Vail informed council that she felt concerned that no one from the Park Service was on the list. She will contact Dawn O'Sicky and Tim Jarrel who voiced their interest. Council members will personally call interested people and inform them, if still interested, to return an application to the Council no later than September 7, 2010. The 2 applicants (Ginger Boothe and Shirley Parks) who responded in a timely should, the Council feels, get a seat on the committee.

Clayann Cook asked Council if the Town Hall meeting was still scheduled. Mayor Shearer advised that the Town Hall meeting is set for September 16, 2010 at 6:00 p.m. The Town Clerk will need to publish this in the newspaper.

15. Policy Regarding Abstention Votes and Tied Votes – Discussion and possible action

Mayor Shearer mentioned that abstention votes and tied votes came up in the AZ Leagues training and needs to have policy stating rules regarding votes. Council decided together that present but not stating anything means a “yes” votes. An abstentain from voting means it would pull that person out of the voting all together. However, the Council would like a brief reason why (conflict of interest, not enough information to make a decision, etc). Roberts Rules of Order states that a tied vote is a no vote, however the Phoenix City Council takes a tied vote to mean a yes vote. Therefore the AZ League of Cities recommends that the council create a clear written well-defined policy of the votes and their meanings.

Council is unsure of a tied vote policy at this time, therefore this will be put on the next agenda.

16. Executive Session – Discussion of Housing Study Request for Proposal's

Mayor Shearer moved to adjourn into an executive session at 12:48 p.m. to discuss the Housing Study Request for Proposal. Councilmember Vail seconded. The motion passed unanimously.

Vice Mayor Bryan moved to adjourn the executive session and return to the regular meeting at 1:14 p.m. Councilmember Wren seconded. The motion passed unanimously.

17. Housing Study Request for Proposal's – Discussion and possible action

Vice Mayor Bryan moved to have revise the House Study RFP to reflect a completion date of three months after the bid is awarded, deadline is extended from to September 17, 2010 at 5:00 p.m., and address be changed to 74 State Route 64. Councilmember Montoya seconded. The motion passed unanimously.

18. Set Agenda Items for Next Meeting

Approval of August 19th Special and Executive meeting minutes; Williams Magistrate; Planning and Zoning structuring; creation of a town ordinance regarding requirements for submission of

development plans (Tusayan Fire Department, Grand Canyon Unified School District, South Grand Canyon Sanitary District)); Tusayan Town Manager position; housing committee structuring; hours of volunteer town clerk; Canvas from the August 24th vote.

Anasazi and Hydro presentation will be added to the September 22nd agenda.

19. Adjournment

Vice Mayor Bryan motioned to adjourn the meeting. Councilmember Wren seconded the motion. The motion passed unanimously to adjourn the meeting at 1:25 p.m.

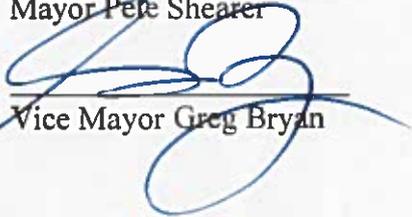
Respectfully submitted,



Pam Parsons, Town Clerk

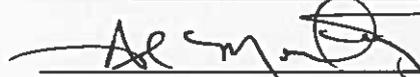


Mayor Pete Shearer



Vice Mayor Greg Bryan

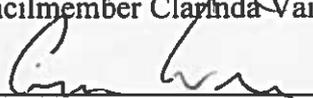
Dated: 9-22-10



Council member Al Montoya



Councilmember Clarinda Vail



Councilmember Ann Wren