

**THE REGULAR MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD FEBRUARY 13, 2012, AT 7:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

Acting Mayor McGoffin called the meeting to order at 7:00 p.m. with the pledge of allegiance. Acting Mayor McGoffin noted Pastor A.B. Blair from the First Baptist Church was not in attendance and asked Pastor Lupe Diaz of the Grace Chapel Church if he would like to give the invocation. Pastor Diaz then offered the invocation.

ROLL CALL:

Present were: Acting Mayor Lori McGoffin, Councilmembers Ron Brooks, David Lambert, Nick Maldonado, Chris Moncada and Al Sacco. Excused was: Mayor Toney D. King, Sr.

EMPLOYEE RECOGNITION: None.

PROCLAMATION: None.

PUBLIC HEARING: None.

CALL TO THE PUBLIC:

Vicki Martzke of the Arizona Rangers addressed Council asking them to consider donating money to the Rangers' Scholarship fund.

Jennifer Rush, President of the Chamber of Commerce, addressed Council regarding the Chamber's activities and events, adding they have received very positive comments from the public. Ms. Rush then stated the Chamber is also a lead advisor with the exploratory committee for the Arizona Commerce Authority working in conjunction with the deputy commander of Ft. Huachuca in bringing Benson into competition for the UAS (Unmanned Aerial Systems) site, adding this continued relationship is working to push Benson to the forefront of the UAS site, noting this is something the director is receiving continual communications about. Ms. Rush then stated the Chamber had 27 new members within the first 6 months, 8 of which were new businesses. Ms. Rush then stated she had a list of deliverables that were suggested for an agreement with the City, some of which were the City would obtain the benefit of the special knowledge and experience of the Chamber, the Chamber would encourage economic and retail development by encouraging immigration, new industries and investment in the City and the Chamber would also promote tourism, specifically through special events. Ms. Rush continued, stating the Chamber would promote economic development, cooperation, coordination and would promote a strong business climate and image for the Benson area, which is something they already do. Ms. Rush then stated the Chamber would identify, develop, qualify and assist qualified prospects who locate in the Benson area with their best efforts being made to locate retail businesses within the City corporate limits. Ms. Rush then stated the Chamber operates and affirms an effective Chamber of Commerce, partnering with private sector entities for financing, support and participation and coordinates with other resources and entities to promote development of new businesses and sponsors at least 3 annual events to promote tourism. Ms. Rush then stated she had more information if the Council had any questions.

Stephen Insalaco addressed the Council regarding the Benson Municipal Airport and the possible UAS site. Mr. Insalaco's comments will be retained with the Council packet.

Dianne Tipton addressed Council stating she would like to touch on the issues concerning the Chamber and she knows Council received an opinion from another attorney that was solicited by Mr. Masee and

obviously, the Council has Mr. Masee's opinion. Ms. Tipton then stated the Council then has two opinions, both by attorneys, but an opinion is just that, an opinion, which doesn't make it legally right, it's just an opinion that is brought forth to the Council by two different attorneys. Ms. Tipton then stated on the other hand, the Council has the opinions of 3 other city attorneys that work in Buckeye, Bullhead City and Camp Verde, which are contrary to the other two opinions, adding they aren't only opinions; they are backed up with exactly the same plan Council is being asked to do for Benson. Ms. Tipton then stated Council needs to determine what is in the best interest of the City of Benson, and whether or not the opinions that appear to want to block everything from happening or the opinions that are showing Council with actual contracts are right. Ms. Tipton then stated her point is not only can a contract be entered into, it is being done now, adding the opinions that say it can't be done are really useless and don't mean much since it is being done elsewhere. Ms. Tipton then stated as the Council looks at these things and forms their own opinions and makes their judgment based on what they think is best for the City of Benson, the Council needs to tell Mr. Masee, or the whoever is the City Attorney or whoever is going to be doing this contract, to implement it, because the Council makes the decisions of what is in the best interest of the City and Mr. Masee is to implement what they do into a legal document instead of constantly putting stumbling blocks in front of everybody to keep this community from moving forward. Ms. Tipton then stated the Chamber is obviously trying to do good things for the City. Ms. Tipton then stated the Council needs to remember an opinion is only as good as the information given when soliciting an opinion, adding from what she read, the attorney Mr. Masee solicited was under the impression money was going to be gifted to the Chamber. Ms. Tipton then stated this issue isn't about gifting money, but is about finding a way for the Chamber and the City to work together with a contract that specifically spells out how this will benefit the City of Benson. Ms. Tipton then stated when the Council makes decisions, it is their responsibility to look at the facts and decide what was in the best interest of the City of Benson.

JT Moffett addressed the Council stating he would like to take a moment to thank Mr. Nichols and his able staff in the Administration office, who have been most cooperative in his public records requests. Mr. Moffett then stated he would like to commend the staff for their professionalism, adding they are a credit to Mr. Nichols' competence and leadership abilities. Mr. Moffett then stated he has been attending Council sessions regularly since December 12, when Councilmember Lambert began his attack on the Benson Chamber of Commerce. Mr. Moffett then stated he was trying to figure out when the Council stopped listening to the people and having heard all the Call to the Public, he found every time there is a vote, the majority of the people speaking at the Call to the Public end up being on the losing side of the votes. Mr. Moffett stated 7 out of 10 speakers were in favor of fully funding the Chamber and the Council voted 4-2 against; the majority of speakers were in favor of terminating Mr. Masee's contract and the Council voted 4-2 to keep it, adding he could go on, but the point remains Council has stopped listening to the people. Mr. Moffett then stated Councilmembers are public servants; not City employees and they were voted in to listen to and speak for the citizens of Benson. Mr. Moffett then stated he would like to share what happens when a Councilmember forgets that, stating in 2005, in Lake Havasu City, Arizona, a town of 50,000, a recall was started for a Councilman and they desperately needed help, so he launched a campaign in print and radio to back the recall committee's efforts and the four councilmen were recalled in a landslide election. Mr. Moffett then stated his campaign was credited for the victory. Mr. Moffett then stated the stiff-necked councilmen were shell-shocked; they refused to listen to the common man and thought they were untouchable, but they were recalled. Mr. Moffett then stated Mr. Masee may want to do another personal investigation into what he just stated since Mr. Masee seemed to enjoy disproving statements made by private citizens. Mr. Moffett then stated he had a copy of Mr. Masee's contract and could not find anywhere that gives him the right to perform a background check on a private citizen like he did on Mr. Washington, adding Mr. Washington is a citizen with no charges of malfeasance against him; he is just a great guy doing a great job. Mr. Moffett then stated the Council was presented with Arizona Revised Statute §9-500.06(C)(2) that allows the City to engage in a contract with the Chamber for their funding, thus ending this ridiculous situation created by Councilmember Lambert. Mr. Moffett then stated Mr. Masee all but ran the Council out by presenting a piece of the Arizona Constitution. Mr. Moffett then stated believe it or not, the Constitution is not the law. Mr. Moffett then stated Mr. Masee will attempt to dismantle the Chamber with his self-serving advice, but the statute is the law and is what all the local courts rule on, not the Constitution that Mr. Masee is giving the Council. Mr. Moffett then stated the Council

shouldn't let Mr. Massee intimidate them and confuse them again tonight. Mr. Moffett then stated the Council now is faced with another vote for the remaining Chamber funds, which was already approved twice and credited Councilmember Lambert for this, adding there seems to be no end to Councilmember Lambert's arrogance. Mr. Moffett stated Councilmember Lambert had to be smart and ask where he could get a "Recall Lambert" sign, adding the animosity between Councilmember Lambert and the Chamber is growing worse each week. Mr. Moffett then called upon Councilmember Lambert to recuse himself from voting any further on Chamber issues, adding Councilmember Lambert's unethical behavior is deplorable and judging from the positive response Mr. Moffett is getting on the recall petitions, the citizens of Benson agree. Mr. Moffett then stated these issues once more will be discussed and examined on Wednesday night's public forum in detail, at 6 p.m., in the Council chambers and encouraged everyone to attend.

Chad Jones addressed Council stating he has been to the last few Council meetings and has felt disrespected by Councilmember Lambert's actions, stating while the public is speaking, Councilmember Lambert is playing on his cell phone and is not paying attention. Mr. Jones then directed his comments toward Councilmember Lambert stating he was elected to listen to and be the voice of the public, and when he is disrespectful and doesn't listen, Councilmember Lambert will be recalled. Mr. Jones then stated he was also concerned about the illusionists we have working here, stating at the last Council meeting he listened to the City Attorney get up and say it is illegal, according to the Constitution, to give money to the Chamber. Mr. Jones then stated in 1989, it was not illegal or if it was then the Attorney is stating that every Councilmember in 1989 and the City Attorney should have been arrested, which is just an illusion to confuse the Council, to make them believe they could go to jail. Mr. Jones then stated another illusionist is the Finance Director, who says the bed tax is the worst he's ever seen and is trying to point the finger at the Chamber for tourism being down, yet over \$100,000 was given to the Tourism Department. Mr. Jones then stated from his perspective, the Tourism Department is to blame, not the Chamber, adding the Chamber has to beg and plead to get the money they deserve. Mr. Jones then stated Councilmember Lambert is another illusionist, because he stands here and wants to make everyone believe he was trying to protect Benson taxpayer dollars, when in fact, he was not. Mr. Jones stated these illusionists do not belong in Benson, stating it is time to remove them so they can go to Vegas, where they will be appreciated. Mr. Jones then stated illusionists strike fear in their audience and that is exactly what has happened with the City Attorney scaring the Council into believing they were going to go to jail if they voted on it, with the Finance Director scaring the Council into believing the Chamber is to blame for tourism being down and Councilmember Lambert scaring the Council into believing he is for taxpayer dollars, when in fact, he is not. Mr. Jones then stated he felt disrespected when other Councilmembers have not faced Councilmember Lambert about his texting and playing on his cell phone during the Council meetings. Mr. Jones then stated in his opinion, the podium is facing the wrong direction because the people who care about the City are behind him, not in front of him.

Paul Lotsof addressed the Council regarding his property and his request to replace the current trailer with a newer trailer without conforming to current zoning regulations. Mr. Lotsof's comments will be retained with the Council packet.

John Whiteside addressed the Council concerning the Bluegrass Festival, the bed tax and giving money to the Chamber of Commerce. Mr. Whiteside's comments will be retained with the Council packet.

Anna Lands addressed the Council regarding the possible UAS site. Ms. Land's comments will be retained with the Council packet.

CITY MANAGER REPORT:

City Manager Glenn Nichols then addressed Council, giving the dates of upcoming meetings and events.

- February 14, 2012 – Library Advisory Board, 4:00 p.m., Library
- February 18, 2012 – Historic Preservation Commission, 9:00 a.m., City Hall
- February 22, 2012 – Planning & Zoning Public Hearing Whetstone Solar Park, 7:00 p.m., City Hall

- February 27, 2012 – City Council Meeting, 7:00 p.m., City Hall
- February 28, 2012 – Community Watershed Alliance, 6:30 p.m., City Hall

- February 18, 2012 – Shred for a Kid – Wal-mart parking lot, 9 to noon, Destroy confidential personal and business documents, while supporting the Benson’s Shop with a Cop Program. 100% of the donations will go towards the Benson Shop with a Cop Program.
- February 20, 2012 – President’s Day – City Offices Closed

Mr. Nichols reminded those present of the continuing work on the I-10/State Route 90 Traffic Interchange project, adding up-to-date information can be found at www.azdot.gov. Mr. Nichols then stated on February 14th from 10:00 a.m. to 4:00 p.m., the Benson Museum and Quilting Gallery is celebrating the 100th birthday of Arizona with a birthday cake, snacks, local entertainment and book signings by 5 different authors, adding Cowboy Doug and Terco Paco will also be there to talk about the Buffalo Soldiers’ role in Cochise County. Mr. Nichols then stated there were flyers available for those who were interested.

NEW BUSINESS:

1. Consent Agenda

- 1a. Minutes of the January 23, 2012 Worksession
- 1b. Minutes of the January 23, 2012 Regular Meeting
- 1c. Invoices processed for the period from January 13, 2012 through February 1, 2012

Councilmember Brooks stated he would like to remove Item 1a from the Consent Agenda. Councilmember Brooks then moved to approve the remaining Consent agenda. Seconded by Councilmember Sacco. Motion passed 6-0.

Consent Agenda – Items Removed:

- 1a. Minutes of the January 23, 2012 Worksession

Councilmember Brooks stated he would like to correct the spelling of Mr. Cotter’s name in the minutes. Councilmember Brooks then moved to approve Consent Agenda Item 1a with the correction noted. Seconded by Councilmember Lambert. Motion passed 6-0.

2. Discussion and possible action in regards to adjusting Lifeguards Pay and their “Seasonal” position as understood by the Fair Labor Standards Act (FLSA)

City Manager Glenn Nichols addressed Council stating the recreation department of the City did a comparison study to the hourly wage paid to the lifeguards in the surrounding communities. Mr. Nichols then stated the proposed adjustments will develop a pay structure for experience in the position and a yearly return to duty, and states part-time seasonal employees under FLSA do not receive benefits or overtime. Mr. Nichols then stated the proposed adjustments will put the pay scale in line with the surrounding communities, adding if the adjustments are approved; it will save the City approximately \$6,200. Councilmember Moncada asked if Mr. Nichols thought the adjustments would affect the City’s ability to recruit lifeguards with Mr. Nichols stating the changes shouldn’t affect the number of applicants since the City would still be in line with surrounding communities and lifeguard employment.

Councilmember Brooks asked how the determination would be made for the Head Lifeguard and how many lifeguards it took to staff the pool with Mr. Nichols stating certifications, experience, and interviewing would be used to determine the best candidate of the usual 6 lifeguards that would be hired. Councilmember Lambert asked about the retention rate for lifeguards and the requirement for a high school

diploma for the Head Lifeguard with Recreation/Tourism Assistant Laura Parkin stating the proposed pay scale will encourage kids to improve, get more certifications and return each year, adding a lot of the cities she spoke to certify on site, which is something they have been researching. Ms. Parkin then stated with the savings from the pay adjustments, it may be possible to use it toward a program to benefit future lifeguards, such as on site certification, without putting a burden on the City. Ms. Parkin then stated last year there were two college students and three high school students working as lifeguards, adding the intention with the Head Lifeguard is to be able to delegate some of the pool management responsibilities, helping them gain leadership skills and build their resumes as well as allowing her to focus on other summer programs. Acting Mayor McGoffin then stated she would be abstaining from this item due to possibly having a child who may apply for a position. City Attorney Mike Masee then stated it would be preferable for Acting Mayor McGoffin to hand over her duties to someone else. Acting Mayor McGoffin then turned over the item to Councilmember Sacco. Councilmember Sacco asked if there was a motion for the item. Councilmember Brooks then moved to approve the new pay scale adjustments as proposed. Seconded by Councilmember Moncada. Motion passed 5-0 with Acting Mayor McGoffin abstaining. Councilmember Sacco then turned the meeting back over to Acting Mayor McGoffin.

3. **Resolution 7-2012 of the Mayor and Council of the City of Benson, Arizona, supporting the effort of the Arizona Commerce Authority to attract and locate a FAA National Test Range at the Benson Municipal Airport in Benson, Arizona, for Unmanned Aircraft Systems (UAS) Development**

Public Works Director Brad Hamilton addressed Council stating the Department of Defense's funding bill was passed December 31 and as part of that legislation, it gave the FAA 180 days to select 6 sites that were possible for civilian UAS development. Mr. Hamilton then stated the FAA funding bill, which has been dormant for almost 4 years, laid even more stringent requirements for the FAA to get UAS systems into the national air space and Congress and the President want them integrated by September, 2015. Mr. Hamilton then stated there were a lot of questions about impacts, but if the City isn't in the top 6 sites out of over 6,000 airports, we would never even get to the point of studying the impacts, adding since it would part of a federal facility; an environmental impact analysis would have to be done. Mr. Hamilton then spoke briefly of the economic research stating in 2002, the US military spent about \$500 million on UAS systems and by 2011, the figure was \$5 billion, adding an association studying the economic effects of UAS systems, projected the market in 2011 would be about \$11 billion and in 2022 would be about \$95 billion.

Acting Mayor McGoffin stated people in Cascabel are definitely a concern and their opinions should be heard. Acting Mayor McGoffin then stated education is going to be one of the most important things. Mr. Hamilton stated he has been studying what is going on with UAVs and it's amazing what has happened over the last 5 years, the amount of money the government is currently spending on them, what they are being used for and the possible applications for civilian use. Mr. Hamilton then stated UAVs are being used right now by the National Oceanic and Atmospheric Administration, who has an RFQ out for more UAVs, noting some of their uses are dropping them from airplanes into hurricanes and tracking migratory animal patterns, especially in the Arctic and Antarctic areas.

Councilmember Brooks then spoke about establishing a citizen advisory board as recommended by the Arizona Defense and Space Advisory Board, asking if it was too premature to establish the board or if it should be started right away before we get too far down the road with Mr. Hamilton stating that step is probably not too far off, but right now, it was up to us to convince the Commerce Commission that they did select the right area and we are interested in it. Mr. Hamilton then stated after that, we could get more involved in those kinds of things, adding the timeline for the project is very compressed since we're looking at July 1, for site selections.

Councilmember Lambert clarified Resolution 7-2012 doesn't actually approve anything at this point with City Attorney Mike Masee stating the resolution states the Mayor and Council recognize the positive impact potential and supports and encourages the efforts of the program. Councilmember Maldonado then stated when the airport was first built, UAV systems were brought to the attention of the City Council, with Mr. Hamilton stating in 2002, one UAV company donated money to help chip seal the road to the airport

because they saw potential future use for the civilian side.

Councilmember Brooks stated from what he understood after December 31, it was known they were looking for 6 sites instead of 4 and asked if this was something we were unaware of before that date with Mr. Hamilton stating the Commerce Authority first contacted the City back in October and weren't sure if it would be 4 or 6 sites, but knew it was coming and it was something they were very interested in looking at for the State. Councilmember Brooks stated it wasn't until recently we had the information we were selected with Mr. Hamilton confirming it was once the final defense bill was passed. Acting Mayor McGoffin then stated the City is not actually on the FAA list, but was trying to get on it, with Mr. Hamilton confirming this and adding there are 8 states competing for sites. Councilmember Brooks then stated the research done found the Benson Airport to be one of the number one sites for this with Acting Mayor McGoffin stating the study was done by the Commerce Authority and now the City needs to work with and support them in their efforts to get the FAA to agree.

Councilmember Lambert then moved to approve Resolution 7-2012. Seconded by Councilmember Sacco. Motion passed 6-0.

4. **Discussion, clarification and possible action regarding the administration on the balance of funds budgeted for the Benson/San Pedro Valley Chamber of Commerce**

Acting Mayor McGoffin stated she requested this item be back on the agenda because there was some confusion and Council needed to make some clarifications. Councilmember Brooks stated he would like this item to be addressed after the other items having to do with the Chamber with Acting Mayor McGoffin stating she wanted to address the items in the order they are in. Acting Mayor McGoffin then stated she was not at the December 12 Council meeting when the balance of the funds were approved for the Chamber and would like to open this item, which may also clarify the following item. Acting Mayor McGoffin then stated at this point, the original budget for the Chamber was \$35,000, and as of today, the Chamber had used \$26,599.95, leaving \$8,400.05 in the budget, adding she was under the impression from the last Council meeting the City was going to use that money to help fund the Bluegrass Festival, but there were other people on the Council who felt that money had already been given to the Chamber, which is why she wanted it clarified.

Councilmember Brooks stated he thought there had been a lot of confusion in the whole matter as far as running the Bluegrass Festival, such as who is running it, who is spending money on it and such, adding he does know the Chamber of Commerce generates some of their funding with this event and thought it would be prudent to ask the Chamber how they are going to get through until the next fiscal year if we don't give them this money. Councilmember Brooks then stated the question before Council now is if they want to direct the remaining funds to the Bluegrass Festival that is going to cost the City \$27,000 to put on or does the Council want to direct that funding the way they were originally going to go, which was to the Chamber. Councilmember Brooks then stated although the Chamber was not doing the Bluegrass Festival this year, he knew and understood the Chamber had to exist somehow, so his question was how much is the Chamber going to need to get through to the next fiscal year and how would they operate without this funding, adding he thinks that needs to be addressed before Council takes action on the current item. Councilmember Brooks then stated he would like to ask Chamber Board President Jennifer Rush to address the Council.

Ms. Rush then stated the Chamber's basic expenses, such as employee expenses, office expenses, insurance and professional fees are approximately \$4,446.67 per month, adding for the months of March, April, May and June, the total amount they would need is \$17,786.67, which would take them through the current fiscal year. Councilmember Brooks asked if that figure took into consideration collections from membership dues or other revenues with Ms. Rush stating she couldn't give an answer to that since their membership varied depending on when members join and she didn't have a membership list with her.

Councilmember Brooks then asked how the Chamber would get through this since they normally earned funds with the Bluegrass event with Ms. Rush stating the Chamber generally earned approximately \$15,000 from the Bluegrass Festival. Ms. Rush then stated the key reason the Chamber is behind this year is they had a fundraising campaign set to start the Monday after Christmas on Main Street, because that was the time of year they sought large funders and was also when they line up funding and sponsorships for the Bluegrass event, but since everything has been influx and regrettably has continued in the newspaper, the Chamber has lost some membership and has been unable to do their usual fundraising. Ms. Rush then stated with the two events costing more than planned, all of their funds they raised and their residual funds had gone into making sure those two events happened, causing the Chamber to be in the situation they were now in. Ms. Rush then stated ordinarily the Chamber would not be in this situation and would be able to just completely move forward, but since they have been precluded from doing fundraising with everything that's going on, it's caused a problem, and then added if the Chamber would have been able to do the Bluegrass event, they would have had the income from the event and it wouldn't be an issue. Councilmember Brooks then stated he was curious if any of the Council is curious about whether the Chamber should be supported by the City because of the Bluegrass Festival being taken away from them.

Councilmember Maldonado discussed approving the \$8,400 for the Chamber and the possibility of the Chamber keeping the Bluegrass Festival programs and selling ads and sponsorships to help with their funding, noting he would like to see receipts or documentation for the \$8,400 in expenditures if the Chamber was approved for that funding, to satisfy the requirement of receiving goods or services for the funding. Ms. Rush stated the Chamber would be more than happy to supply the documentation Council requested, adding the Chamber makes every effort to be completely transparent with the monies entrusted to them. Councilmember Maldonado then stated the City had already obligated itself to do the Bluegrass event, but noted Mr. Nilson wasn't comfortable with selling ads and soliciting sponsorships, adding if the Chamber did that, the money that was made from selling the programs could go to the Chamber. Ms. Rush stated she understood that, but the problem is with the delay and since this decision was not made initially, the Chamber was not in a position to solicit major funders, adding it was now outside of the window because major funders want two months in advance or more, for the request to go through their process, which is the problem with being able to help the City. Ms. Rush then stated when the Chamber initially let Mr. Nichols know in a letter dated January 11th or 12th, the Chamber didn't have enough funds, if the City had chosen to go ahead and forward the funds to the Chamber at that point in time, they would have had the opportunity to be able to move forward and do it, but when it's over a month later before a decision is made, that is the issue. Ms. Rush then stated Councilmember Brooks' question was asking about Chamber funding which is why she gave the numbers in reference to the funding and what it would take to keep the Chamber open, adding she knows the Councilmembers have all supported and expressed their desire to make sure everything is working together and the Chamber and the City are moving forward, with the exception of Councilmember Lambert, who she has not spoken to, but she appreciates the support from those who have presented it.

Acting Mayor McGoffin then stated she was under the impression after the last Council meeting the Chamber was going to do the program, adding she thought it was a nice 50/50 split, but since the Chamber felt their window of opportunity was gone, the City could do all of the Bluegrass event. Acting Mayor McGoffin then stated she hated to see the Chamber without any funding and asked about a way to legally fund the Chamber with the \$8,400 for some sort of event or service and asked Ms. Rush if the Chamber was doing anything like that with Ms. Rush stating the Chamber is trying to bring forth an event to be held in June, 2012. Ms. Rush then stated the Chamber is working in connection with astronomy groups and local places that have observatories, adding the event would focus on Sun and Stars, promoting solar for Benson as well as our dark skies. Ms. Rush then stated this is an event the Chamber was trying to raise the money for because they knew it was not included in the funds they had received from the City, adding once again, they have been precluded from fundraising right now. Ms. Rush then stated the event budget would probably be close to that of Christmas on Main Street, which was \$9,300. Acting Mayor McGoffin then stated she thought \$8,400.05 could go toward the event in June. Ms. Rush then stated at the last Chamber Board meeting they had decided since they did not have any funding for the event, they couldn't do it, and she would like to speak to the person on the Board about this event, but they weren't present. Ms. Rush

then stated Mr. Greg Hall with Apache Nitrogen was their point person on this and was the one who made all their connections, noting there is also a tie into Kartchner Caverns for the event. Ms. Rush then stated if the Council made the commitment to the event and the Chamber wasn't able to do it, they would pull the funds for it. Councilmember Brooks asked City Attorney Mike Masee if he had a suggestion for a motion with Mr. Masee stating his advice is pretty explicit; the City should put anything we're going to do in writing to ensure there is some consideration for the funding granted, some service that will be received, so his recommendation would be to make this funding available contingent on putting together a contract that would be presented back to the Council for approval. Acting Mayor McGoffin then asked about the funding going toward a specific event, with Mr. Masee stating if the Council knows they would get a service worth \$8,400, then it would be up to individual Councilmembers, adding if it should come out in the future the service wasn't worth \$8,400, there is the potential for personal liability.

Acting Mayor McGoffin then moved to approve \$8,400.05 to the Chamber of Commerce for a night with the stars in June, 2012. Seconded by Councilmember Maldonado. Councilmember Lambert stated he would like to amend the motion to have a budget submitted by the Chamber before the money is released, so Council could state where the money is going, adding it would be more appropriate if a budget could be presented. Ms. Rush stated a budget had not yet been developed, but it would not be an issue to establish a budget. Acting Mayor McGoffin stated she would be fine with it being submitted afterwards. Councilmember Lambert then rescinded his amendment to the motion. Original motion made by Acting Mayor McGoffin then passed 6-0.

5. Discussion, clarification and possible action regarding the advertising for the Bluegrass Festival

Acting Mayor McGoffin stated she requested this item be placed back on the agenda and asked Tourism Director Bob Nilson to give an update on the Bluegrass Festival. Mr. Nilson then addressed Council stating they had initially started on the advertising and had contacted the public relations (PR) person through the Cochise County Tourism Council and sent out a press release, but stopped everything last Friday when they were told this issue would be back on the agenda. Mr. Nilson then stated the 4th of July Committee is probably one of the best events committees in southern Arizona, having about 58 years of special event experience and many of those people will be helping with the Bluegrass Festival. Mr. Nilson then stated he would like Recreation/Tourism Assistant Laura Parkin to address Council on the advertising and sponsorships, adding it's best if only one person handles different aspects of the festival. Ms. Parkin then stated everything has been on hold, waiting for direction from her supervisor, however, after the last Council meeting they did start by putting together a sponsorship packet, with their hope being to continue to offer similar sponsorship benefits that have been offered by the Chamber in the past. Ms. Parkin then stated she researched what other Bluegrass festivals offer to potential sponsors for benefits and used the 4th of July sponsorship packet as a template, formatting it for the Bluegrass event. Ms. Parkin then stated sponsorships are tied to advertising, adding as an example, a \$2,000 sponsorship level would receive a full page ad in the program. Ms. Parkin then stated she has worked closely with Bob Nilson in advertising and sponsorships for many years and with the system they follow, they have not had any problems. Councilmember Brooks stated he felt confident in Bob Nilson and asked if they felt we would be able to get the sponsorships needed to make the event a success, with Ms. Parkin stating they would give it their best shot. Mr. Nilson then asked if the Tourism Department would be handling the entire Bluegrass Festival with the Council confirming they would.

6. Resolution 2-2012 of the Mayor and Council of the City of Benson, Arizona, repealing Resolution 18-92 and designating an amount equal to 70% of the proceeds from the Transient Lodging Tax to fund the business operations of the Benson/San Pedro Valley Chamber of Commerce

Councilmember Brooks asked if any Councilmembers looked into this item with Acting Mayor McGoffin stating she had spoken with some business owners and a lot of them weren't sure where all the bed tax went. Acting Mayor McGoffin then stated they had long conversations and she explained her goal was to work with the Chamber and have a great partnership, and explained that what she wants is a budget from the Chamber to be presented at the Council budget worksessions so she will know what the Chamber has

coming up for the next year and Council can try and work it into the budget. Acting Mayor McGoffin then stated she likes the report after the event to know how it all worked out and feels the Council can budget Chamber funding in line items for each event and have those monies available for them. Acting Mayor McGoffin then stated the funding requests could then be placed on the Consent Agenda, adding the people she spoke with thought this was a very fair, even, meeting in the middle and that way the Council could sponsor their events, adding again, they thought it was a great meeting in the middle.

Councilmember Brooks then stated he was curious if the Council was going to look into finding out the legality of a contract with the Chamber. Acting Mayor McGoffin stated she wasn't comfortable doing that, adding she was comfortable with what she proposed, so that is what she looked into. Councilmember Brooks then stated the last direction Council had was to find out if the City could actually do an agreement, stating at the last meeting the questions that were left to the Council were was an agreement acceptable or legal and the Council wasn't sure who to ask on the matter, noting it was suggested to ask the Attorney General's office, but they won't issue an opinion on this matter. Councilmember Brooks then stated he did speak with the League of Arizona Cities and Towns and they are aware of contracts being done with a lot of the cities throughout Arizona and obviously, the Council received the contracts he emailed to most of them that are being done with other cities and towns, what their bed taxes are and how they are being used for tourism with the Chambers and also visitor bureaus, adding it is different with each city, but those monies go only to those locations, so if Council is suggesting that a certain amount go to the Chamber, then all the rest of it has to go to the visitors bureau and it has to go to advertising, because that's what the State statute says.

Councilmember Maldonado stated the Council has expended the \$35,000 that was in the budget for the Chamber and he thinks it should wait until the next budget year to work with the Chamber, having them give us their request and Council can work with it during the budget worksessions. Councilmember Maldonado stated the Chamber and the City are willing to work together. Councilmember Maldonado then stated he didn't feel comfortable going over what was budgeted, adding the last time the Chamber submitted a budget was in 2008, which is why their funding was kept at \$35,000, but he knew they could work together with a new proposed budget in the upcoming budget worksessions and felt that is when it should be addressed. Councilmember Brooks stated the \$35,000 was to cover the events the Chamber did for the City and stated part of the question for Council to consider was the value of the Chamber. Councilmember Maldonado stated he was not challenging the value of the Chamber, adding the Chamber is important and both the City and Chamber know that, but additional funding was not in the current budget. Councilmember Brooks asked if the Chamber was just the value of the events they held with Councilmember Maldonado stating the Chamber does a lot for Benson and he is not saying their only value is in events. Councilmember Brooks then stated the Council can't just look at the figure the Chamber gives the Council as events only, adding it's going to be more than that.

Councilmember Brooks then stated essentially, the Chamber used to get the full 2% bed tax, without question, they just got it and they didn't even do the events they do, adding he looks at a percentage based designation as being performance based, stating if the Chamber doesn't bring businesses to Benson, they're not going to have a high bed tax and they are going to be suffering for it, and if they do well and bring businesses to Benson, then that's ok, because it's going to fill the general coffers in the General Fund and that's our main intention, besides helping the hotels and RV parks, is to bring people to town and they'll spend money and that's what we need here badly. Councilmember Brooks then stated the Chamber and others he has talked to thought this was a good way to go, with the percentage because it values what the Chamber does for Benson and if they don't do anything and don't bring businesses here, then they're not going to be getting the kind of money they want and if they do bring businesses to town, then we're both better off.

Councilmember Maldonado then stated the Council needed to remember at that time the Chamber did tourism, but the City now had a Tourism Department. Councilmember Brooks stated it was questionable how that was done and didn't know if it was done properly, but the fact of the matter is the Chamber did get the full 2%, which was changed over time and he thinks the Chamber has a value here and can have a

big value to the City if the Council supports them. Councilmember Brooks then stated the way the bed tax came in this year; the Chamber would not make that much, adding we're looking at probably collecting \$48,000. Councilmember Brooks then stated based on the bed tax collected last year, the Chamber would have made \$52,000, adding the Council could see a sizeable decrease the Chamber would get using the 70% formula, but that is something the Chamber would have to work around. Councilmember Brooks then stated he thinks the contract could be changed at anytime; the Council could look at it yearly, the Chamber could come to the Council and explain what they're going to do for their services and the Council could make the agreement renewable each year, so it's not like it is open-ended. Councilmember Brooks then stated it is kind of a faith-based thing, but if the Chamber brings businesses in, he thinks both the City and the Chamber are going to do well, which is why he sees a percentage being better than just paying the Chamber for events. Councilmember Brooks then stated the Chamber may have some operating costs, but if they are going to bring some clients in, what is that worth to the City and how do we put value on that.

Acting Mayor McGoffin stated she doesn't believe the City should be the sole supporter of the Chamber of Commerce. Councilmember Brooks agreed, stating the Chamber's budget reflects that, adding it is approximately \$130,000, so the City's \$35,000 isn't much to the Chamber. Councilmember Brooks then stated it helps, but the Chamber does bring in other money from members and what else they do. Councilmember Brooks then stated he thinks a percentage based agreement is a value thing, adding if the Chamber brings in business, they get more and if they don't, then they don't. Councilmember Maldonado asked how the percentage of 70/30 was arrived at and why not use a 50/50 split since the City's Tourism Department took over half of what the Chamber was doing in the past. Councilmember Maldonado then stated this is why he feels the issue should be addressed at the budget worksessions and he would like the Chamber to submit a request to be worked into the budget at that time, adding right now, the amount allocated was already expended to the Chamber.

Councilmember Brooks stated Resolution 2-2012 is just appropriating a percentage of the bed tax and is not giving the Chamber any money right now, adding this would be for the next fiscal year and would be monies the Chamber would get in July. Councilmember Maldonado asked how the 70/30 split was arrived at with Councilmember Brooks stating he talked to a lot of people in the community about it, adding right now, if you look at the last two years, the City paid the Chamber \$35,000 of the \$74,000 collected in bed tax, which is about 50%, adding all this does is give them 20% more, noting the Chamber made Butterfield Stage Days a longer event, there were extra costs involved with the Bluegrass Festival and they are thinking of having a light in the sky event, which would cost the Chamber additional money. Councilmember Brooks then stated these are going to bring revenue to our town. Councilmember Maldonado then stated the Chamber isn't putting on the Bluegrass Festival this year, with Councilmember Brooks stating he understands that, but we are going forward, asking if this is an agreement the Council wants to set up with the Chamber. Councilmember Maldonado asked about doing the agreement when the budget was worked on, adding that would be coming up in the new couple of months. Councilmember Sacco stated he didn't understand what difference it made, whether it was done now or at budget time, with Councilmember Maldonado stating waiting until the budget was worked on would give the Chamber time to come up with what they were going to do. Councilmember Sacco stated the Chamber could do that now and to wait until the budget cycle was foolish. Councilmember Brooks stated this was the third or fourth time he has had this item on the agenda and suggested the Council talk to the public to see how they feel with Acting Mayor McGoffin indicating they have.

Councilmember Moncada stated he doesn't think 70% or a percentage benefits either the City or the Chamber, adding budgets go up and down and the bed tax goes up and down. Councilmember Moncada then stated he is worried that 70% won't be enough in the future, since we've seen the bed tax is starting to decline, adding hopefully, it will turn back around, but he is more worried that if the Council enters into a contract with the Chamber for 70% for events or other services and it turns out that amount of funding is not enough, then we're stuck in the situation we are in now, with the question being does the City do the event or does the City give the Chamber more money. Councilmember Moncada then stated he thinks the issue is a budget issue that has gotten way out of control, adding it should be dealt with at budget time. Councilmember Moncada then stated as mentioned before, the last budget request from the Chamber was

in 2008 and at the last Council meeting, Ms. Rush mentioned the Chamber Board had just taken office in July and he thinks the new Chamber Board we have is more than willing to come work with the Council at budget time, and they can sit down and work it out and figure out exactly how much money the Chamber needs. Councilmember Moncada then stated in the 6 months he has been on Council, he has seen some of the things previous Councils have tied the current Council to and doesn't want to do the same, adding it's not right to tie future Councils to long-term contracts with decisions based on what happens today, noting it is a different City today than it was 6 years ago and will be a different City 6 years from now, again stating it doesn't make any sense to tie the Council into a long-term contract.

Councilmember Lambert stated he was uncomfortable with a percentage, for the simple fact that the Chamber needs to operate with a certain amount, adding last year there was \$74,000 in bed tax, so 70% of that would be x amount of dollars, but this year, we're on track right now to collect \$58,000, so if we set a percentage, that money is going to go up or down each year instead of having an exact dollar amount set for the Chamber. Councilmember Lambert then stated that is the reason Council has made mention to Ms. Rush to present the budget for next year at budget time, so the Council can actually set a dollar amount for the year. Councilmember Lambert then stated he is uncomfortable with the percentage, adding it's going to fluctuate and some years the Chamber may be short and some years they may be over, which is good for the Chamber, but at the same time, he would hate for them to be short and then be back in the situation we are in now.

Councilmember Sacco then stated the 70% in the proposal was not cast in concrete and could be increased or decreased at any time, adding if the Council feels 70% is too high, they can reduce it, and if they feel it is not enough, they could increase it. Councilmember Sacco then stated those decisions don't have to be made right now at this Council meeting, they could be made at budget time or at the next Council meeting after getting more information. Councilmember Moncada stated looking at this issue with the budget meetings is what he would like to do, but instead of using a percentage, he would use amounts. Councilmember Sacco then stated the Council didn't need to wait until the budget meetings, adding if they allow 70% and find out 70% isn't enough, and the Chamber says they need 75% or 80%, the Council can convene and make a decision on what they want to do.

Councilmember Moncada then stated the reason the City has a budget is to stay within the parameters set by the budget, adding if the Council approves 70% or a different percentage at the beginning of the year and then in the middle of the year find that amount isn't going to be enough, the Council has to come back and change it, but if the Council sits down at budget time with the new Chamber Board, they can put a budget together and have a figure on what they want to do and Council can set figures in the budget. Councilmember Maldonado agreed a figure in the budget would be better, stating if the Chamber were allocated a percentage of the bed tax collections and the bed tax collections were lower than expected, the Chamber may not have the funding they need, but if the Chamber submits a budget request for an amount, the Council could put the amounts in the budget and would be committed for that amount, regardless of the bed tax collection amount.

Councilmember Brooks asked the Council if they looked at the contracts he emailed them, stating in those contracts, if there wasn't enough bed tax money, the cities themselves helped out their Chamber or their visitors bureau, so that is what the Council would do, adding if there was a very low year, the Council would obviously have to help the Chamber to the sum of maybe \$5,000 or \$8,000, which is what is shown in the contract. Councilmember Brooks then stated if the Council sets a fixed amount of the bed tax collections in the budget, the remaining bed tax collections has to go to the local visitor center for advertising, adding that is the State law. Acting Mayor McGoffin stated the City spends more than the bed tax collections in advertising. Councilmember Brooks then stated the question for the Council is how much they want to support the Chamber. Acting Mayor McGoffin stated she wanted to support them as much as she could, but wanted to do it when Council worked on the budget when the Chamber could present a list of everything because she wanted to make sure that this time next year, the Chamber wasn't coming to the Council for more funding because bed tax collections weren't what was needed, adding she doesn't want to worry about what 70% of the bed tax collections are, she would rather give them the amount they need to

support them throughout the year. Acting Mayor McGoffin then stated the disbursements could then come to Council on the Consent Agenda and Council could work with the Chamber each year at budget time so the Council could support the Chamber 100%.

Ms. Rush then addressed Council with some information on the Chamber stating they set an extremely aggressive budget for the Chamber, which included the City's budgeted amount of \$35,000, they had also set an aggressive goal of doubling their membership, which would have brought in approximately \$24,000 and they also set a goal of trying to raise \$68,000 on their own for a total budget of \$127,454.00, adding they don't rely on the City for everything they have. Ms. Rush then stated her concern is because of the issue in December; their members came and said they were unhappy about what has happened with the bed tax, which is the money they agreed to collect because it was going to go to the Chamber. Ms. Rush then stated what this changed for the Chamber, was it changed from a money issue to an issue of the Chamber supporting its members, adding the Chamber is speaking on behalf of the business community and while she agrees with what the Council is saying, their intention and how the Council wants to handle the issue, the Council's problem is if they didn't do something tonight as to how to delegate the bed tax, they are going to keep hearing rumblings from the community. Ms. Rush then stated the 70/30 split reflected the wishes the Chamber had received from the business community and was the result of discussions with the business owners who collect the tax and say they collect it from the people who come and stay with them because they know where the collections are going and how they are going to be handled, adding it was something they could live with and were willing to accept. Ms. Rush then stated she does have a list of benefits the Chamber brings to the community and the Chamber is working on other projects to bring in more businesses, adding events is something the Chamber does, but isn't who they are. Ms. Rush then stated as a Chamber, they are here to promote and build businesses and to bring commerce, because that is their job and is why they didn't mind funding being done at a percentage, adding if the Chamber does a good job, the funding is there. Ms. Rush then stated the Chamber is looking to serve the community and is here to work with the City to help build Benson and to help bring in and create more jobs, adding in the Chamber's opinion, creating more jobs is of higher value than having events and that is why the suggestion was there to just go back to the original intent, where the City is funding the Chamber of Commerce and not tying funding to specific events.

Councilmember Maldonado then stated some of the bed tax collections had not been fully paid, adding the owner of the park he manages went back and paid all the bed tax that had not been paid, but there are others who have not done that. Ms. Rush stated there may be some who aren't collecting or paying the tax because they might be angry at how it has been used, but all the Chamber is saying is this is what the community said and the Chamber is speaking on behalf of its members, saying this is what they have told us so they are fighting for their members and presenting it this way.

Acting Mayor McGoffin stated she had spoken to some business owners and they had been under the assumption the bed tax goes into the General Fund and the Council doesn't specify where it goes and that is incorrect, adding the Council actually has the amount that is collected and it goes toward tourism and once they were informed the Council actually spends more on tourism, between the Chamber, Community Enrichment and tourism, than what is collected in bed tax, most of them said they didn't realize the City actually spends more than the bed tax on tourism. Acting Mayor McGoffin then stated during the budget season, the bed tax collections are projected and allocated so it is not free and clear money that goes into the General Fund for whatever the Council chooses, adding it has been that way at least for the time she has been on Council. Acting Mayor McGoffin then stated the Council makes sure that money goes toward tourism and the people she spoke with said as long as the money is going toward tourism, whether it's through the Chamber or the City, noting this was because Bob Nilson and Laura Parkin do a very good job, those people are happy with the way it's being done as long as the City still supports the Chamber.

Ms. Rush then stated she was not going to question Acting Mayor McGoffin's communication; she was only stating what their position is, adding as the Chamber, it's their job to support their members, they actively promote and support their members' business success and is their key mandate as to what they do. Ms. Rush stated she thinks the concern is when you come back to the other side of the coin, one side is if

the Council doesn't deal with the bed tax issue the way people are happy with, adding she knows Acting Mayor McGoffin has spoken to some people that are happy, but there are others who are not and she was not going to try and tell Council what to do, because that was not her job; her job was only to present things and Council had to be the bad guys and do what they have to do, but her job is to present it. Ms. Rush then stated there is the other side of the coin, talking about the budgetary constraints; Council did tie the \$8,400 to an event which is just a small portion of what they do. Ms. Rush then stated she had already explained the problems they have encountered this year as to why they are in the position they are in and they are still under orders from their treasurer to not write any more checks because they have used up their contingency already, so to pay their bills, they need to be able to do something. Ms. Rush then stated she doesn't like saying this because they are business people, but the Chamber did not in any way, shape or form, see 3 months of being stalemated because of the ongoing discussions which causes a problem that is really not their fault. Ms. Rush then stated the Chamber is doing their best and they still did help bring in Gracie's Station in the midst of everything, so they are still doing what they are charged to do.

Councilmember Brooks then stated some of the cities in Arizona give their entire bed tax to the Chamber, adding he is not sure the City wants to run everything such as a restaurant, a golf course and advertising. Councilmember Brooks then stated he thinks the Council needs to show they are willing to let others in the community run this, adding they gave the Tourism Department \$138,000 last year and gave the Chamber \$35,000, adding it's quite lopsided from what other cities are doing. Councilmember Brooks then stated he thinks people just don't really see the value of the Chamber to the town and how much money they can bring in and he thinks it is something that needs to be looked at. Councilmember Brooks then stated he is a businessman and he understands advertising, adding he knows the economy is down, so we can expect things to be down, but what Council is doing is lopsided compared to the rest of the State. Councilmember Brooks then stated the rest of the State is higher in income revenues and questioned why that is, stating there is something we are not doing right and he doesn't think giving the Chamber an additional 20% is going to hurt the City, adding it might help bring revenue in. Councilmember Brooks then stated the percentage in the proposal would equal performance.

Discussion then centered on the amount the Chamber would have gotten this year using 70% of the bed tax collections in the previous fiscal year and continued on whether or not it would have been better to have a specific amount in the budget based on a budget request from the Chamber each year or to have the Council try to come up with additional funding out the contingency funds when the Chamber realized they didn't have enough. Councilmember Brooks stated the City would have had to come up with the additional funding regardless with Acting Mayor McGoffin stating the City doesn't put on events, they just help sponsor them. Councilmember Brooks stated the point he was making is the increased costs the Chamber faced would have had to be paid regardless of whether the Chamber or the City paid them, and if the Chamber needed to come to the City on a low bed tax collection year and ask for additional funding for an event, he didn't think it would be unreasonable for them to approach the City Council with the reasons and the City Council could give them that money, as part of the community enrichment funds the Council budgets for every year. Councilmember Maldonado then stated if the Chamber were to bring their budget to Council, the Council could commit to it in the City's budget.

Discussion then moved back to the amount the Chamber would have gotten this year using 70% of the bed tax collections in the previous fiscal year, with the Council figuring out the amount the Chamber would have received and that the Chamber still would not have had enough funding and would have had to come to Council requesting additional funding to put on the Bluegrass Festival. Councilmember Brooks stated it would help the Chamber to have the funding up front for the events instead of waiting to find out if they are going to get the funding and if they knew how much money they were going to get, it would help them know how much fundraising they would need to do, with Acting Mayor McGoffin stating if the funding was in the budget, the Chamber would get that funding and wouldn't have to worry about it. Councilmember Brooks then stated the Council is still better off giving the Chamber 70% of the collected bed tax and letting the Chamber work for the extra funding they may need, adding this is a performance based agreement that can be cancelled at any time and if the Chamber is not performing, they're going to have to work harder for it.

Councilmember Brooks then moved to approve Resolution 2-2012. Seconded by Councilmember Sacco. Motion failed 2-4 with Acting Mayor McGoffin and Councilmembers Lambert, Maldonado and Moncada voting nay.

7. **Resolution 3-2012 of the Mayor and Council of the City of Benson, Arizona, that a 6-year agreement be written, spelling out the entire agreement between the City of Benson and the Benson/San Pedro Valley Chamber of Commerce containing the terms by which the Benson City Council will be designating an amount equal to 70% of the proceeds from the Transient Lodging Tax to fund the business operations of the Benson/San Pedro Valley Chamber of Commerce passed by Resolution 2-2012**

Acting Mayor McGoffin asked City Attorney Mike Masee if this item were mute since the previous Council item did not pass. Mr. Masee then addressed Council stating since the clauses in the resolution were no longer factual, it was up to the proponent of the resolution to state why it would make sense to consider this item. Councilmember Brooks then stated the resolution did not make sense since it was contingent on the previous item, adding he thinks Council still needs to look at a contract with the Chamber, even if it's at budget time. Councilmember Brooks then moved to reject Resolution 3-2012. After advice from counsel, Councilmember Brooks withdrew his motion. Resolution 3-2012 then died for the lack of a motion.

8. **Resolution 4-2012 of the Mayor and Council of the City of Benson, Arizona, amending the FY2011-2012 Budget to increase the amount designated for the Chamber of Commerce in the Community Enrichment section of the Budget to \$52,282.30 and transferring \$17,282.30 from the Contingency Line Item in the General Fund and approving \$25,682.35 for immediate disbursement to the Chamber of Commerce**

Councilmember Brooks stated because of the Chamber not putting on the Bluegrass Festival, he couldn't justify the amount of money in the resolution unless there were some services the City bought from the Chamber. Councilmember Brooks then stated with not knowing if the Chamber was going to be able to get through the end of their fiscal year with the \$8,400, he talked to them and found they need approximately \$16,000 to \$17,000 to get through until July. Councilmember Brooks then asked Chamber Board President Jennifer Rush to come forward and address the Council. Ms. Rush then stated the Chamber's operating expenses were \$4,446.67 per month, adding for March, April, May and June, the total they would need to get through their fiscal year would be \$17,786.67. Ms. Rush then stated the Chamber would hope to make a profit on the event held in June, but since this was a first-time event, they didn't have a way of knowing if they would actually make money off the event.

Ms. Rush then stated the Chamber had hoped the turmoil over the bed tax issue would have been laid to rest and some action would have been taken on it so the Chamber would have been able to reestablish, but she was afraid the issue was going to continue now, adding in their ideal world, the Chamber wouldn't need the City at all, but they know the City chooses through the bed tax, the designations of support, adding it demonstrates to the public and especially to the investors, the partnership the City has with the Chamber; that the City is going to do everything in its power to make sure this partnership succeeds and one of them would be keeping the Chambers' doors open. Ms. Rush then stated she was told not to write any more checks since the Chamber has expended their contingency and would need approximately \$17,786.00 to operate through June.

Councilmember Brooks then stated with having to justify giving the Chamber compensation, he was considering the events the Chamber already put on. Ms. Rush then stated the Chamber usually makes \$9,000 from Butterfield Days, but with the expansion of the event, they didn't and with the change of venue with Christmas on Main Street thrust upon them by ADOT, the Chamber ended up spending an additional \$6,000, adding these changes ended up costing the Chamber an additional \$12,000. Ms. Rush then stated even if the Chamber had presented a budget to the Council, there was no way of projecting the additional expenses and all the controversy.

Councilmember Brooks then stated if the Council decided to release some funds under this resolution, it would need to be justified to hotel and RV park owners. Acting Mayor McGoffin asked about the Chamber submitting the budgets for the events they held and if the Council could choose to use contingency funds to cover the extra expenses, which would help them keep their doors open. City Manager Glenn Nichols stated there was no contingency set aside for that, adding when the Chamber requested the budgeted funding, they submitted a request and a check was written to them for the amount they requested, noting some of the papers the Chamber provided afterward showed how much they spent which was more than they had requested, but they did not request the difference. Mr. Nichols then stated this is why he felt it is important to line out in the budget, what things are going to cost, so Council could make those decisions.

Ms. Rush then spoke, stating the Council had tied the \$8,400 to an event and knew they already passed that, but asked if Council would like to just designate that \$8,400 as part of the budgeted \$35,000 and not tie it to anything so they would have the funding needed to keep their doors open for at least two more months, at which time, they would hope their fundraising efforts would move forward, putting all the turmoil in the newspaper behind them. Ms. Rush then stated if the Council still wanted the funding tied to the event, then once again, the Chamber is in the situation of having no funding, unless the Chamber could use the \$8,400 as capital while working toward the event, with Acting Mayor McGoffin stating the Chamber would be working toward the event and didn't see a problem. Councilmember Brooks then stated because of the confusion of what the Chamber actually has to operate on, he would like to consider creating a new resolution to help them get through their fiscal year. Councilmember Moncada asked if the funding wouldn't need to be for something with Councilmember Brooks stating it would be for tourism and Ms. Rush stating she had a list of deliverables. Councilmember Brooks then asked Ms. Rush if she could give some items she felt would justify the City helping them with the rest of their fiscal year and if that was something the Council would feel comfortable with to help the Chamber with Acting Mayor McGoffin stating she would appreciate meeting with Ms. Rush to go over deliverables, possibly having a budget item for Council consideration, possibly at the next meeting and asked for the meeting to include Ms. Rush, Mr. Nichols and whomever would be necessary for the discussion. Ms. Rush then stated the Chamber would request the \$8,400 approved for the event in June and would work toward that event, which would keep their doors open between now and then. Councilmember Brooks then moved to table Resolution 4-2012 until the next Council meeting. Seconded by Councilmember Sacco. Motion failed 2-4 with Acting Mayor McGoffin and Councilmembers Lambert, Maldonado and Moncada voting nay. City Attorney Mike Masee then addressed Council stating when the motion to table fails, it means the underlying issue is still on the table and the merits have to be dealt with, adding since the motion to table the resolution failed, it's still on the current agenda and it has to be given the opportunity for Council action. Councilmember Brooks then moved to turn down Resolution 4-2012. Seconded by Councilmember Sacco. Motion passed 6-0.

EXECUTIVE SESSION: Pursuant to A.R.S. §38-431.03 (A)(3) & (7), for discussion or consultation for legal advice with the attorney or attorneys of the public body regarding the purchase, sale or lease of real property

Councilmember Maldonado moved to enter into Executive Session with the Acting Mayor and Council, City Manager, City Attorney and the City Clerk at 9:26 p.m. Councilmember Sacco stated he would like to be excused from all the Executive Sessions. Motion was then seconded by Councilmember Brooks. Motion passed 5-0 with Councilmember Sacco leaving the meeting.

Council reconvened at 9:36 p.m.

9. **Discussion and possible action on Council policy regarding the purchase, sale or lease of real property**

Councilmember Brooks stated he thought in this depressed market, it was prudent for the City to keep their eyes open for valuable property for both investment and to have for future use. Councilmember Moncada agreed, stating he would like to emphasize commercial property should be considered.

Council then directed City Manager Glenn Nichols to keep watch for any good land deals the City could look at and consider for the future, adding many times people are trying to rid themselves of property they no longer wish to pay property taxes on and it could advantageous for the City to pick up some inexpensive land since we are very land poor at this point.

EXECUTIVE SESSION: Pursuant to A.R.S. §38-431.03 (A)(3), for discussion or consultation for legal advice with the attorney or attorneys of the public body regarding proposed and recent legislation affecting cities and towns taxation authority

Councilmember Moncada moved to enter into Executive Session with the Acting Mayor and Council, City Manager, City Attorney and the City Clerk at 9:38 p.m. Seconded by Councilmember Lambert. Motion passed 5-0. (Councilmember Sacco was no longer present.)

Council reconvened at 9:58 p.m.

EXECUTIVE SESSION: Pursuant to A.R.S. §38-431.03 (A)(3) & (4), for discussion or consultation for legal advice with the attorney or attorneys of the public body regarding the City's position and to instruct its attorney(s) regarding both pending litigation matters, Stagecoach Trails Mobile Home Court (MHC) vs. the City of Benson, Arizona, et. al.

Acting Mayor McGoffin stated this executive session was not necessary and was pulled from the agenda.

DEPARTMENT REPORTS: None

ADJOURNMENT:

Councilmember Moncada moved to adjourn at 9:58 p.m. Seconded by Councilmember Brooks. Motion passed 5-0. (Councilmember Sacco was no longer present.)

Lori McGoffin, Acting Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk