

**THE REGULAR MEETING  
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA  
HELD JULY 28, 2014, AT 7:00 P.M.  
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

**CALL TO ORDER:**

Mayor King called the meeting to order at 7:00 p.m. with the Pledge of the Allegiance. Mayor King introduced Sarah Isakson of St. Raphael in the Valley who offered the invocation.

**ROLL CALL:**

Present were: Mayor Toney D. King, Sr., Vice Mayor Al Sacco, Councilmembers Pat Boyle, Ron Brooks, Jeff Cook, Chris Moncada and Peter Wangsness (via phone).

**EMPLOYEE RECOGNITION:** None

**PROCLAMATION:**

Mayor King asked Councilmember Sacco to read the proclamation proclaiming the month of August as “Child Support Awareness Month.”

**PUBLIC HEARING:** None

**CALL TO THE PUBLIC:**

David Thompson addressed Council stating after reading the editorial written by Kathy Suagee in last week’s San Pedro Valley News, he was saddened that a supposedly intelligent adult could stoop so low and be so wrong. Councilmember Brooks interrupted Mr. Thompson, stating he had a problem with Mr. Thompson’s statement and that the Council had no jurisdiction over this. Mayor King looked to the City Attorney. City Attorney Gary Cohen asked if the Mayor was looking to him for direction with regards to the comments with Mayor King stating he was. Mr. Cohen then stated if Mr. Thompson’s comments were going to be what was written and submitted to the Council, he agreed that all the comments deal with the upcoming election, adding there is a statute that specifically reads that this forum can’t be used to influence elections. Mr. Cohen then stated he agreed that Mr. Thompson’s statement is beyond the purview of the Call to the Public. Mayor King then stopped Mr. Thompson. Mr. Thompson asked if the people didn’t have the right to speak about what is going on in Benson, adding he has the truth and 60 pages of documentation that is all available to the public. Councilmember Brooks then asked the Mayor to refer Mr. Thompson to the Call to the Public request form Mr. Thompson signed which explains what can and can’t be done at the podium. Councilmember Cook then stated a conflict of interest is under the jurisdiction of the City Attorney and this Council, adding he didn’t see why Mr. Thompson shouldn’t be able to speak. Mr. Cohen stated it was up to the Mayor, adding he was asked to give legal advice and had done so. Mayor King stated he was taking Mr. Cohen’s legal advice and asked Mr. Thompson to not continue. Mr. Thompson’s statement will be retained with the Council packet.

Barbara Thompson addressed Council stating Benson has a poor image around the State due to the dysfunction and contention in the City Council, adding she believes the main problem is one sitting Councilman. Ms. Thompson stated this Councilman’s management style is based on intimidation, adding a report summarizing complaints filed by City employees and private citizens against him in 2013 and his subsequent complaints against them shows a deep-seated disregard for the people he believes are his inferiors, especially the female employees. Ms. Thompson then stated the report is a matter of public record and can be obtained from the City Clerk. Ms. Thompson continued with Councilmember Brooks interrupting, stating he had a problem with this also, adding it was not in the Council’s jurisdiction. Mayor King asked for the City Attorney’s opinion with Mr. Cohen stating Ms. Thompson’s comments are tied to the interaction of the Mayor and Council. Councilmember Brooks asked if this was something the Council had jurisdiction over with Mr. Cohen stating the conduct of the Mayor and Council and how the public perceives it and wants it, perhaps better or different,

are matters within the jurisdiction of the City of Benson and is certainly a matter for the City. Ms. Thompson then continued, stating the report details this Councilman's dealings with City employees in which he is rude, blatantly disrespectful and threatening and shows a prevailing fear of losing their jobs amongst the City workers, with sort of a walking on eggshells feeling. Ms. Thompson then stated the City employees work for the City Manager but this Councilman acts like they work directly for him, adding his bullying conduct has no place in City government. Ms. Thompson then stated besides blatant disrespect for people, this Councilman shows the same disrespect for the law, adding he is currently embroiled in two legal matters that indicate he thinks he is above the law. Councilmember Brooks interrupted Ms. Thompson, stating he had a problem with this and it is not within the Council's jurisdiction. Councilmember Brooks then asked Mr. Cohen to research the statute on this with Mr. Cohen stating he didn't need to do any research, adding in his opinion, this is within the jurisdiction of the City. Ms. Thompson then continued stating the first legal matter is a criminal charge against the Councilman dating back to December, 2007 for engaging in contracting without a license, adding after 6 years, a post adjudication warrant was issued on January 6, 2014 for failing to comply with the court's demands. Ms. Thompson then stated the second legal matter was an auto accident in Tucson dated August 27, 2013 where this Councilman was at fault. Ms. Thompson then stated his real failure was not having auto insurance and lying about it, adding for this reason, the woman in the accident filed a complaint with the City of Benson. Mayor King stated Ms. Thompson was out of time with Councilmember Cook stating Ms. Thompson was interrupted several times. Ms. Thompson then continued stating this is the behavior of the worst kind of politician; the kind that thinks they are above the law. Ms. Thompson then stated the other Councilmembers have to deal with his disrespectful behavior and lack of integrity while conducting the City's business, adding it's no wonder there is contention. Ms. Thompson then stated Councilmember Brooks does not represent her and he will not get her vote for reelection.

Councilmember Brooks told the Mayor he was allowed to rebut this. Councilmember Brooks then stated first off, he definitely remanded Mr. Cohen for this, adding this is a political statement and it had nothing to do with the jurisdiction of the Council. Councilmember Brooks then stated there is no way Mr. Cohen can prove that and he would like that in writing. Councilmember Brooks then stated secondly, it's upsetting when people slur your name in public and don't have the facts. Councilmember Brooks then stated on the first legal case, he had a general contracting license since 2001 and worked and never had any complaints on it until this issue, which was a renovation job, adding he ran out of money on the project, but he had his license up until 2 months before he got that job. Councilmember Brooks then stated before he took the job and the day he signed the contract, he applied for his bond and got his license immediately and for the year and a half he was on that job, he had a current license. Councilmember Brooks then stated things happen in life, adding he was not going to say he was a criminal and he was not going to say he was trying to deceive these people. Councilmember Brooks then said the State found him a certified general contractor and that he had the ability to do the job. Councilmember Brooks then stated the second legal issue Ms. Thompson spoke about is a slur, adding Ms. Thompson was speaking to slur a Councilman, adding the letter was all false and he had the documents that could prove to anyone that he had insurance the day he got into that accident. Councilmember Brooks then stated the insurance company did say that they made a clerical error and they did pay the claim. Councilmember Brooks then stated Ms. Thompson came before the public and tried to deceive them into thinking he was some kind of a person that he isn't, adding he thinks it was wrong to start with and it shouldn't have been done. Councilmember Brooks then stated he feels that Ms. Thompson is entitled to her own vote, but he thinks the public really should go talk to their Councilman if they have a problem instead of doing this in public without the correct information.

Barbara Nunn addressed Council stating she has lived here for almost 6 years and has watched these proceedings, adding she has been to 82% of the meetings. Ms. Nunn then stated she never believed that the local bully had the smarts to pull off some of the things he's been credited with, adding it is now apparent that he's being led and directed by two females in this town who love to push their considerable weight around. Ms. Nunn then stated she sat in a meeting in this very chamber on April 23, 2012 when Kathy Suagee stated she was "so embarrassed to live in Benson" and then proceeded to put a bag over her head while inviting others to join her in a salute to the Council, which thankfully, no one took her up on. Ms. Nunn then stated Ms. Suagee didn't seem too embarrassed while ripping into Councilmember Moncada and his family in the paper this week, adding she is pretty sure the road out of town is open if it's so hard for Ms. Suagee to live here. Ms. Nunn then stated recently she was appointed to the Benson Economic Development Committee (BEDC) and the Benson Airport Advisory Committee (BAAC) by this very Council, adding she was also

appointed as chairperson by the BAAC, of which she is very proud. Ms. Thompson then stated in order to qualify for these positions, she had to fill out a criminal background report and she believes the City employees have to as well as take urine tests, and asked if the Council was asked to do the same, adding if not, they should be asked to. Ms. Nunn then stated from an outsider's perspective, it seems the handlers are trying to drive a wedge between the City employees using a divide and conquer tactic, adding these destructive actions cannot benefit the City of Benson or its employees. Ms. Nunn then stated Benson is a small town, adding we should be a family and should be working together instead of tearing it apart. Ms. Nunn then asked people to think before they vote.

Councilmember Brooks stated he would like to address one other thing, adding Ms. Thompson brought up an issue about employees and sexual harassment and such. Councilmember Brooks then stated this was investigated by a service the City hired and in their investigation, they found the main person who filed the recall on him was Sheila Perkins and in her statement, which is public to anyone, she says she does not remember where she got the statement about sexual harassment from. Councilmember Brooks then stated if anyone reads the investigation, they will see that most of the stuff was actually brought against him by the City Manager at the time, Jim Cox and Mr. Cox went out trying to find anyone who could say anything against Councilmember Brooks instead of actually doing the investigation that he was directed to do. Councilmember Brooks then stated this is a political thing and he hopes people and voters know better than to listen to people who don't have the facts.

David Lambert addressed Council stating he wanted to talk about the budget the Council just passed. Mr. Lambert then stated he requested the invoices for the City Attorney from January 1 to April 30 and if you add them up for the 4 months and triple it, the annual cost of the City Attorney would be \$179,500. Mr. Lambert then stated this is over 3 times as much as the Council was paying the City Attorney before. Mr. Lambert then stated this Council turns around and asks for advice from the City Attorney, adding he does a great job of telling the Council when something is legal and when something is not, yet when the City Attorney tells the Council not to give money out to organizations because it falls under the gift clause; the Council turns around and ignores his advice, adding it makes everyone wonder. Mr. Lambert then stated the City Attorney's salary is paid by the taxpayers of the City of Benson and Council should think twice before wasting their money. Mr. Lambert then stated with what the Council was paying the previous City Attorney, who was gotten rid of because of a personal vendetta of one of the Councilmembers, the Council could be saving all of the City employees from furloughs. Mr. Lambert then stated the people who are hurting the most are the City employees and it seems like no one on the Council cares. Mr. Lambert asked the Council to think about it.

Councilmember Boyle stated he would like to make a comment regarding the cost of the City Attorney, adding the cost currently reflects a huge expense probably directly related to the numerous hours he spent on the Stagecoach Trails litigation and settlement the Council made, which is a direct result of the previous City Attorney getting the City unwisely into the position of suing Stagecoach Trails, adding obviously, the City lost. Councilmember Boyle then stated clearing up the matter required a lot of hours and time of Mr. Cohen and his firm, adding he didn't think the cost of the City Attorney for the last quarter was indicative of the cost for the entire year or what he will cost in the future. Councilmember Boyle then stated when the Council sought a new City Attorney, the prices that were quoted to the Council were in line with everyone else. Councilmember Boyle then stated the cost Mr. Lambert was looking at reflected the cost of the Stagecoach Trails settlement, adding Mr. Lambert needed to take that into consideration before making a harsh judgment like that.

Councilmember Brooks stated there were two investigations done during that time also.

Councilmember Cook stated he also requested the City Attorney's invoices for December, January, February and March, and when he compared them to the same months a year prior, he found the expense to be tripled from last year. Councilmember Cook then stated those invoices were before the City Attorney even got involved with settling Stagecoach Trails. Councilmember Cook then stated it was the Council who tripled the cost, adding they fired two honest employees without any foundation, then turned around and investigated the employees. Councilmember Cook then stated the investigations found there was no wrong doing, adding now, those Councilmembers are asking the public to reelect them and the public can expect more of the same.

## **CITY MANAGER REPORT:**

City Manager William Stephens addressed Council, giving the dates of upcoming meetings and events.

Monday, August 4, 2014	– Benson Economic Development Committee, 6:00 p.m., City Hall
Tuesday, August 5, 2014	– Planning & Zoning Commission, 7:00 p.m., City Hall
Monday, August 11, 2014	– City Council Meeting, 7:00 p.m., City Hall
Tuesday, August 12, 2014	– Library Advisory Board, 4:00 p.m., City Library
Saturday, August 16, 2014	– Historic Preservation Commission, 9:00 a.m., City Hall
Thursday, August 21, 2014	– Planning & Zoning Commission Worksession, 7:00 p.m., City Hall
Saturday, August 23, 2014	– Benson Airport Advisory Committee, 8:00 a.m., Hangar B9, Benson Airport
Monday, August 25, 2014	– City Council Meeting, 7:00 p.m., City Hall
Tuesday, August 26, 2014	– Community Watershed Alliance, 6:30 p.m., City Hall

Mr. Stephens then stated U.S. Representative Ron Barber would be sending a member of his Staff to Benson on August 11, adding he will be available 1 hour and 15 minutes prior to the Council meeting. Mr. Stephens then stated the Staff member will be available to discuss any issues involving the federal government, adding if anyone is unable to make that particular session on August 11, they can contact Congressman Barber's office for Arizona Congressional District #2 at 520-459-3115 and speak with Mr. Peter Huisking.

## **NEW BUSINESS:**

### **1. Discussion and possible action on the Consent Agenda**

- 1a. Minutes of the May 21, 2014 Worksession
- 1b. Reappointment of James Thelander to the Benson Planning & Zoning Commission
- 1c. Reappointment of Randy Robichaud to the Benson Planning & Zoning Commission
- 1d. Reappointment of Ruth Wilson to the Benson Historic Preservation Commission
- 1e. Invoices processed for the period from July 1, 2014 through July 16, 2014

Councilmember Brooks moved to approve the Consent Agenda. Seconded by Vice Mayor Sacco. Motion passed 7-0.

### **2. Discussion and possible action regarding Resolution 20-2014 of the Mayor and Council of the City of Benson, Arizona, declaring that it concurs with the contents of and adopts the Cochise County Community Wildfire Protection Plan**

Fire Chief Keith Spangler stated the Cochise County Community Wildfire Protection Plan was put together by a conglomerate of agencies, including the Forest Service, National Park Service, BLM, and local departments, districts and municipalities. Chief Spangler stated they looked for potential hazards in the County and rated them, adding this is now a plan to follow if funding can be obtained to mitigate those problems. Chief Spangler then stated most grants the City can apply for regarding mitigation of hazards require a protection plan be in place, adding rather than the City doing a separate plan, the County had the funding to create a plan for the County. Councilmember Brooks stated the plan was extensive with Chief Spangler stating it was worked on for 6 to 9 months, adding he was involved a bit, but due to scheduling conflicts, he was unable to fully participate in the process. Councilmember Moncada then moved to approve Resolution 20-2014. Seconded by Councilmember Brooks.

Councilmember Cook asked how the plan affected Benson and the Fire Department with Chief Spangler stating if the City attempts mitigate the forest or river and wants a grant to do so, it will help with the grant application. Councilmember Cook stated by putting out fires year after year, the fuel builds up and when there are dry years, there is so much fuel, the fires can't be put out and they are out of control. Councilmember Cook then asked if the Fire Department would be trying to put out fires or do some mitigation with Chief Spangler stating some mitigation would be a thinning project, adding the City would call in the State Forester to help with that and with that information, the City could apply for a grant to do so. The motion passed 7-0.

3. **Discussion and possible action on Ordinance 573 levying upon the assessed valuation of the property within the City of Benson, Arizona, subject to taxation. A certain sum upon each One Hundred Dollars (\$100) of valuation, sufficient to raise the amount estimated to be required in the annual budget, less the amount estimated to be received from fines, licenses and other sources of revenue providing a General Fund for the General Municipal Expenses: All for the Fiscal Year ending June 30, 2015**

Finance Director Megan Moreno stated the Council has talked about the property tax levy, adding a notice of the intent to increase the property tax was posted on the City's website over 60 days ago, the City has gone through the truth in taxation requirements, has held a public hearing, has posted the notice in the newspaper, and has issued a press release on it. Ms. Moreno then stated after the required time has passed, she is now coming to the Council to request the adoption of the property tax levy. Ms. Moreno then stated based on Council action, the levy will be submitted to the County for them to adopt with other cities' rates as well. Ms. Moreno then stated the property taxes collected are 3.8% of the City's general revenues, adding the approved final budget included the proposed property tax rate of .5531 with budgeted revenues of \$230,000. Ms. Moreno then stated the previous rate was .4609 with budgeted revenues of \$209,000. Ms. Moreno then stated the proposed tax rate will cause the primary property taxes on a \$100,000 home to increase \$4.31 a year or \$.36 a month. Ms. Moreno then stated the City has gradually increased property tax collections from \$195,000 to \$230,000 over the past years, adding the rate is adjusted every year because it is based on property valuations. Ms. Moreno then stated she could answer any questions the Council may have.

Councilmember Boyle asked how vital property taxes were to the budget, adding it's about \$200,000 and asked if it would make or break the budget. Ms. Moreno then asked if Councilmember Boyle was asking about the property tax in general or just the increase with Councilmember Boyle stating he was just asking about the increase and if it was absolutely necessary to make the budget fly. Ms. Moreno then stated at this point, because the Council approved a budget, if they don't go forward with the increase the Council has discussed this entire time, it would result in another decrease in revenues, which would then need to come from the reserves, adding she would not recommend dipping into the reserves any further.

Mayor King then state it was time to make a decision, adding he knows it is a tough decision, but the Council needs to look at what is being presented and make a decision. Mayor King then stated \$4.31 a year isn't much.

Councilmember Moncada stated he would like to remind everyone that the Council cut \$2.5 million dollars from the budget over last year, with over \$400,000 of that being in furloughs. Councilmember Moncada then stated he didn't like paying any more taxes than he has to either, but he felt that asking for \$21,000 throughout the entire City isn't asking too much, adding Council really did make every effort to reduce expenses in the budget process and again, they did cut \$2.5 million from last year and over \$400,000 of that is in furloughs.

Councilmember Brooks stated there were a number of people who came to the hearing on this who thought it would send a bad signal, adding he tends to agree with them. Councilmember Brooks then stated he knew the City has not raised it for the last 2 years with Ms. Moreno stating the rate has not been raised, adding the actual amount of the levy has decreased. Ms. Moreno then stated she did not recall anyone speaking at the property tax public hearing, adding she knew some people addressed the Council at the public hearing for the budget, but not at the public hearing for the tax levy. Councilmember Brooks then stated they may have been speaking at the Call to the Public. Councilmember Brooks then stated he talked to a number of people about this and as far as bringing business into Benson, it is sort of a bad signal with SSVEC raising their rates, the County adding another 2.5% and the college raising its rates. Councilmember Brooks then stated a lot of us are in bad times right now, adding the public is really his concern right now and there are a lot of people living on a fixed income. Councilmember Brooks then stated he knows \$4.00 doesn't sound like a lot, but he thinks it's the signal that the Council is going to raise \$21,000, adding he thinks the Council can find the way to cut \$21,000 in the budget. Councilmember Brooks then stated he doesn't see this as a good thing for the City and he thinks it's a better thing to say the Council is not raising taxes in a time of recession. Councilmember Brooks then stated he did talk to someone recently, who told him there were 2,500 people at the food bank last month. Councilmember Brooks then stated again, some of those people are living on a fixed income and he thinks it sends a bad signal, adding he would prefer to put this off for another year.

Ms. Moreno then stated she would like to stress that the City is a very small portion of the total tax rate in Cochise County, adding the overall tax rate is approximately 12% and the City is just \$.55 of that. Ms. Moreno then stated she recognized everyone is raising their rates because they are in a tough predicament, but stated the City is too and that is why the proposed rate is an increase as well. Ms. Moreno then stated just because the Council may choose not to raise our rates doesn't mean it will stop anyone else that is raising their rates, adding they are still going to continue to raise their rates because they recognize the need to generate more revenues. Ms. Moreno then stated she didn't like having to tax people to provide the City with revenues, but that is a City's source of revenues; that is how a City operates, adding the City operates on City sales tax, on property tax and on franchise tax. Ms. Moreno then stated for the Council to not pass this tonight, after they have given the impression over the past 2 months that they would pass it, does send a very bad message to City employees that the Council just wants them to take more of the hit than they've already taken to balance this budget and that Council won't do anything on the revenue side, adding she thinks the Council should really consider the morale. Ms. Moreno then stated she would also like to inform the Council that they have to approve a rate tonight, adding they can't just push this off for a year, but they have to actually specify a rate and approve it tonight. Ms. Moreno then stated if the Council doesn't want to approve the Ordinance with the proposed levy rate, they could amend the ordinance to include the rate they did want.

Councilmember Brooks stated Ms. Moreno made a good argument and stated he wouldn't want to send a signal out to the City employees, adding he thinks the Council needs to do whatever they can to get rid of furloughs. Councilmember Brooks then stated he thinks the Council is doing everything they can with the budget right now, adding the City is down to skin and bones on the CIP projects and everything else, so he would go along with what Ms. Moreno said.

Councilmember Moncada moved to approve Ordinance 573. Seconded by Mayor King. Motion passed 6-1 with Vice Mayor Sacco voting nay.

4. **Review of City Finances with emphasis on June financial results, and the City's financial position at June 30, 2014**

Finance Director Megan Moreno addressed Council reviewing financial highlights for the month of June, stating she is coming to the Council a bit earlier with results from June and wanted to stress that these are preliminary figures, adding she didn't want to hold out until October to give the Council an idea of where the City is. Ms. Moreno then stated the overall unrestricted cash decreased to \$880,000, dipping below the \$1 million mark, which makes her uneasy. Ms. Moreno then stated she is hoping the City will recover some funds in the coming fiscal year and increase the reserve back up a bit. Ms. Moreno then stated last year in June, the unrestricted cash position was at \$1.4 million. Ms. Moreno then stated the bond proceeds remain at \$1.12 million, adding the City hasn't done a bond draw, which leaves the proceeds available for this fiscal year for capital projects. Ms. Moreno then stated for the month of June, the City did see more revenue than it expended, adding one of the big reasons was the City did receive a lien payoff for the wastewater hauling fees the City incurred over the past couple years for the treatment plant on Highway 90, noting the amount received was approximately \$170,000 which was received in the month of June. Ms. Moreno then stated overall, for the fiscal year, the City was down \$338,000, but then stated the previous fiscal year ended with the City being down \$841,000, adding the City has made a considerable turnaround.

Ms. Moreno then stated the overall revenues show a decrease from the prior year, but as she explained in the past few presentations, it was due to less grant revenue, less construction sales tax and no longer receiving donations from the Golf Course agreement, adding these factors still hold true. Ms. Moreno then stated the general revenues are actually up, which is a good sign.

Ms. Moreno then stated personnel overall was \$384,000 for the month of June and was \$5.1 million year-to-date which was an \$82,000 increase over the prior year.

Ms. Moreno then reviewed the General Fund, stating here where some good news is, adding it is actually up over the prior year by \$176,000 and stated \$112,000 of that increase is due to City sales tax, which is a good increase the prior June. Ms. Moreno then said both State revenue sharing and State sales tax were up, which are good indicators that the economy is on the rise. Ms. Moreno then stated the estimates the City got from the

State on what we will get this year are also showing increases, adding she is hoping to see another good increase in this fiscal year. Ms. Moreno then stated the expenses for the month of June were down \$183,000 from last year, adding this is also a good indication that we've been watching our expenses. Ms. Moreno then stated an increase in revenues and a decrease in expenses is the route we want to continue. Ms. Moreno then stated the City ended the fiscal year at a negative \$294,000, however it ended the previous fiscal year at a negative \$539,000, noting the City improved over the previous year.

Ms. Moreno then addressed the enterprise funds, stating the only fund to end in the red was the Gas Fund, adding this was predicted based on the mild winter and it is the second year in a row the Gas Fund lost money. Councilmember Cook asked about the difference in personnel costs being \$256,000, yet in the slide prior to this, the personnel monthly expenses were shown at \$384,000. Ms. Moreno stated the difference was between the Citywide personnel expenses and the General Fund personnel expenses, adding some employees are paid out of the General Fund, such as Library, Police, Fire, Administration and Finance, while other employees are paid out of the enterprise funds or business activities, such as Gas, Water or Wastewater. Ms. Moreno then stated the Water Fund ended the year doing great and the Wastewater Fund looked great due to the \$170,000 lien payoff, which helped the Wastewater Fund end the year at \$350,000. Ms. Moreno then stated the Sanitation Fund shows the year end at \$94,000, but noted the June payments for the sanitation contract haven't been processed yet, adding the Sanitation Fund will really be at about \$30,000 for the end of the year.

Ms. Moreno then addressed the Golf Course, stating the operations side lost \$46,000 and the food and beverage side lost \$2,000 for the month of June, adding year-to-date, operations is down \$166,000 and food and beverage is down \$49,000 for a total of a negative \$215,000. Ms. Moreno then stated this was the first year the Golf Course was on its own without any donations, but noted the City did receive one \$25,000 donation at the beginning of the fiscal year. Ms. Moreno then stated if the Golf Course was compared to last year without counting those donations, a good turnaround could be seen, adding last year the Golf Course lost about \$388,000 last year as opposed to \$215,000 this year. Ms. Moreno then stated the Golf Course is seeing some increases in revenues and some decreases in expenses and is working toward being breakeven and self-sufficient, but it hasn't quite got there yet. Councilmember Brooks asked what was expected last year with Ms. Moreno stating the Council budgeted a loss for the Golf Course of about \$117,000, but about half way through the year, she projected it would be closer to a loss of \$200,000, adding she hoped it wouldn't go over \$200,000, but it was \$215,000.

Ms. Moreno then briefly review sales tax, saying the City ended up with an increase over where the City was for the past two years, which is good. Ms. Moreno then stated there was a slight increase in bed tax, which is also nice, adding it was nothing major, but was still a good increase. Councilmember Cook stated when he was reviewing tax collections, he saw an incredible jump in April and asked Ms. Moreno if she had any idea of what that was. Ms. Moreno stated it was more of an accounting adjustment from prior returns being turned in at one time and was not really an increase. Ms. Moreno then moved to construction sales tax, stating it was very low for the month of June at only about \$3,000, adding hopefully there will be an increase soon with some of the projects that are gearing up. Ms. Moreno then stated the total sales tax collections increased from the prior two years, the State retail sales tax collection also increased slightly, adding she is hoping to see that trend continue as we move through this fiscal year.

Councilmember Cook then asked about the slides showing City retail sales tax, total City sales tax and State retail tax with Ms. Moreno explaining the State retail tax is the portion of the sales tax collected from the State rate and distributed to the City, adding all cities get a portion of the sales tax collected by the State and this is our portion received from the State. Ms. Moreno then stated the total City sales tax takes into account our retail tax, bed tax and construction sales tax, adding it is a total of all three of those taxes. Ms. Moreno then stated she splits it out, with the first one being retail tax only, which is the City's major source of revenue, then bed tax, which is an additional 2% tax on stays under 30 days and finally, the construction sales tax, which is a 4% rate on construction. Councilmember Cook asked about the City retail sales tax with Ms. Moreno stating that was a category for basically all retail tax, adding it includes retail store sales, restaurant sales and food sales tax, adding everything that doesn't fall into bed tax, construction sales tax, rental tax or the sales tax for single items over \$5,000 gets put in this category. Mayor King then thanked Ms. Moreno for her presentation.

**ADJOURNMENT:**

Vice Mayor Sacco moved to adjourn at 7:54 p.m. Seconded by Councilmember Brooks. Motion passed 7-0.

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Toney D. King, Sr., Mayor

ATTEST:

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Vicki L. Vivian, CMC, City Clerk