

**THE REGULAR MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD FEBRUARY 27, 2017 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 Allegiance. Mayor King then introduced Pastor Steve Medieros of the New Life Family Worship Center who offered the invocation.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Vice Mayor Joe Konrad, Councilmembers Pat Boyle, Levi Garner, David Lambert, Crystal Lewie and Lori McGoffin.

EMPLOYEE RECOGNITION:

Mayor King recognized Kay Tucker for 10 years of service with the City.

PROCLAMATION: None

PUBLIC HEARING: None

CALL TO THE PUBLIC:

Patricia Cooper, Lee Street, St. David, addressed the Council regarding Post Ranch Road, urging the Council to order El Dorado to take down the gates that illegally block the road and give the road back to the people who have used it for more than 70 years. Ms. Cooper then read a list of reasons for the Council to do so, including avoiding “any chance of a costly referendum or the certainty of a peoples’ lawsuit with the high possibility of loss and payment of both sides’ attorneys [sic] fees with the public’s tax dollars.” Ms. Cooper’s statement will be retained with the Council packet.

Brandii Carrillo, Stallion Ranch Road, Benson, addressed the Council regarding homeless people bothering businesses, stating the Council needs to do something about it.

Trish Gerrodette, Eagle Ridge Drive, Sierra Vista, stated she also looks forward to the Council’s decision on Post Ranch Road. Ms. Gerrodette then addressed the Council regarding Senate Bill 1480 (SB1480) concerning community facility districts (CFDs), adding some of these proposed changes are similar to the bill introduced last year. Ms. Gerrodette then stated SB1480 requires Councilmembers to be part of the governing board, then added one thing that might be of concern is that it puts a limit on what the City could assess for the application to form a CFD. Ms. Gerrodette then stated last year, the Council discussed applications fees and thought the Council was hoping for a good size fee, but the proposed state law would cap that fee at \$15,000. Ms. Gerrodette then stated if the state law goes through, it would be an economic hit to Benson, adding she wanted the Council to be aware of this proposed change and if it concerns them, they should call their State representatives.

Scott Sinclair, Lee Street, St. David, addressed Council stating he wanted to point out in the County’s long-range transportation plan, the cover of the plan includes a picture of Post Ranch Road, and in the plan it is identified as a through route between Highways 80 and 90. Mr. Sinclair then pointed to maps he displayed, stating the first was an old map, which was probably the origins of Post Ranch Road from 1913, adding the road didn’t go all the way through, but was extended later on. Mr. Sinclair then spoke about the other posters he displayed, stating one is from the City’s own 2007 transportation plan and shows Post Ranch Road going from Highways 80 to 90 and identifies the road from a survey done in 2003 or 2004, adding the plan shows the proposed daily traffic uses and projects over 5,000 cars a day by 2030. Mr. Sinclair then stated another poster shows the Villages of Vigneto developer’s proposed realignment for the Council to reference. Mr. Sinclair then spoke about the remaining poster, stating it is from the City’s 2015 General Development Plan and shows Post Ranch Road much the same

as in the City's transportation plan. Mr. Sinclair then stated all the various transportation plans from the City and the County and even the State identifies Post Ranch Road, then noted the only plan that doesn't is the plan presented by the developer, which completely fragments Post Ranch Road into their proposed housing development. Mr. Sinclair then stated the developer also proposed a series of 7 traffic devices on Highway 90; a combination of traffic lights and roundabouts, which he feels are totally inappropriate for a state highway that handles the heavy traffic flow between Interstate 10 and Sierra Vista. Mr. Sinclair then stated his point is that the Villages transportation plan, which was approved by Staff, but not by Council, completely ignores all the other agencies that have spent hundreds of thousands of dollars in Highway User Revenue Funds (HURF) money for all these planning documents, and comes up with something he thinks won't work. Mr. Sinclair then stated he also wanted to bring up Senate Bill 1245, which addresses the state trust land's ability to transfer an easement to any municipality or governmental agency, adding if it passes, it will make the situation easier to deal with. Mr. Sinclair then stated he would be back to see the Council and he hoped they took his colleague's words when they went into the executive session tonight.

Cindy Sinclair, Lee Street, St. David, stated she finally did sit down and read the Villages of Vigneto's transportation plan, adding Public Works Director Brad Hamilton is probably the only other person who read the it in its entirety. Ms. Sinclair then stated to her, the plan seems to leave out the Highway 80 end of Post Ranch Road entirely, which effectively leaves out downtown Benson and Benson as we know it. Ms. Sinclair then stated she dug up an old newspaper article, where Mr. Reinbold talks about never needing to leave the Villages and if someone does, they can go right out to Sierra Vista or Tucson. Ms. Sinclair then stated that statement was right, because the only way back to Benson would be to use Interstate 10, adding she feels it's somewhat deceptive when Mr. Reinbold tells the public that he is just going to realign Post Ranch Road and give it back. Ms. Sinclair then stated Benson is going to be a ghost town unless something else happens with the road. Ms. Sinclair then stated she understood the Council would be holding an executive session and wanted to remind them that an executive session is for information and not decision making, noting the decision making needs to be done publicly.

Mayor King stated the Council is aware of that and the Council follows that very strictly.

Greg Hall, Mesquite Drive, Benson, addressed the Council and thanked them for the recent carnival held at Lions Park, adding it was good for Benson, a gold star should go to whoever made it happen and he hopes the carnival is back for Butterfield Stage Days. Mr. Hall then spoke about Post Ranch Road stating when the issue came up, it struck him as odd that the City would grade 3 miles of Post Ranch Road coming from Highway 90 instead of 1 mile going up from Highway 80, but Public Works Director Brad Hamilton told him El Dorado was doing that for the City. Mr. Hall then stated the pessimist in him felt El Dorado would be doing other work and would be violating the 404 permit so he kept an eye on the road and found out the County was grading it. Mr. Hall then stated the question he has is whether or not Post Ranch Road is a private or public road, adding if the road is public, the locked gates on the road violate A.R.S. §13-2906, "Obstructing a Highway or Other Public Thoroughfare, and if the road is private, it means having the County grade the road with the IGA in place with the City, using HURF funds to do it, is a misappropriation of HURF funds. Mr. Hall then stated he knows the City Council wouldn't misappropriate HURF funds, which is how he knows the road is a public road.

Donald Buchanan, River Road, St. David, addressed Council stating he knew he was going to disappoint people, but he had nothing to say about Post Ranch Road. Mr. Buchanan then spoke regarding what he believes is something positive in everyone's agenda. Mr. Buchanan then stated Dick Hamilton passed away very recently, adding he had the pleasure of eating breakfast with Mr. Hamilton once a week at the CPC men's breakfast for about 6 years and he got to know Mr. Hamilton well. Mr. Buchanan then stated Mr. Hamilton was involved heavily in developing the original hospital plans and the hospital district, was a volunteer fireman, was the Vice Mayor and the Mayor. Mr. Buchanan stated Mr. Hamilton also ran the only drugstore in town and carried a lot of people on his books. Mr. Buchanan then stated he has met no one that has had Mr. Hamilton's deep experience, adding Mr. Hamilton was a good person who was involved in everything and did not do so for his own personal enrichment. Mr. Buchanan then stated he would like to see a way to memorialize Dick Hamilton in Benson, adding he thought about asking the City to name the Tourist Center or the airport after Mr. Hamilton, but then thought the City could put "Hamilton Way" signs on 4th Street, adding the addresses could remain what they

currently are, and the only cost would be the signs and the labor to install them. Mr. Buchanan then stated he thinks the Council should find some way to honor a man that he felt was one of Benson's greatest citizens.

Jeff Cook, Huachuca Street, Benson, stated he was a Benson resident but was one of the outsiders that have been referred to by various members of Council and Staff, adding an outsider is anyone who doesn't fall in line with a pre-determined conclusion. Mr. Cook then stated outsiders also include winter visitors, entities the City has IGAs with and people in the Valley from J6 to Dragoon and from Cascabel to Whetstone who shop in Benson, adding those same people also share the same aquifer Benson is drawing from and the Villages of Vigneto will be drawing from. Mr. Cook then stated on the Post Ranch Road issue, he is one of the outsiders and is proud to say so. Mr. Cook then stated he has difficulty with group speak calling people outsiders, adding even when he was on the Council, he was an outsider because he was not going along with this when it started back in August. Mr. Cook then stated another group speak is property rights, adding various members of Council and Staff, have declared not taking a real stand but are in favor of property rights and have referred to the owner of the land where the proposed Villages of Vigneto will be. Mr. Cook then stated his problem with property rights is the road going across that land, Post Ranch Road, is a property right; then stated if anyone on Council and Staff wants to stand up for property rights, they need to get off Council and Staff and start looking at all the zoning codes because everything about where a person lives is governed by zoning codes, including the height of their roofs. Mr. Cook then stated if someone is in favor of property rights, they need to get rid of that and stand of the side of Post Ranch Road. Mr. Cook then stated he hoped the majority of the Council had not fallen into the group speak and that they have done their own independent research, adding he hopes the Council has also not fallen into the keep Post Ranch Road Ranch open or closed without looking at it honestly themselves. Mr. Cook then stated there is a state law that declares when a highway is a public thoroughfare and is established and maintained for 10 years or more by the state or an agency or political subdivision of the state, which the City is, before January 1, 1960 and it has been used continuously as a thoroughfare for free travel and passage for 10 years or more, it is declared a public highway, regardless of an error, defect, or omission in the proceeding or failure to act to establish those highways; then stated Post Ranch Road is a public highway and this law supports Greg Hall's comments.

David Thompson, La Cuesta, Benson, complimented Don Buchanan on his subject; then stated he sits and listens to people talk and he is amazed sometimes, because these people are supposedly educated and have lived long enough to soak up some expertise and have some common sense, but they stand up to address Council and it all goes to hell. Mr. Thompson then stated there have been comments about proposed legislation that could possibly affect Benson's economic situation, but Vigneto could also possibly affect Benson's economic situation. Mr. Thompson then stated he did not work for the developer nor is he paid by the developer, but he is a resident of Benson who would like to see the City grow and prosper. Mr. Thompson then stated he has seen the General Development Plan and Post Ranch Road does appear on it, then added the street could be called Hamilton Highway. Mr. Thompson continued, stating the road goes from Highway 80 to Highway 90 and will be an improved, paved thoroughfare. Mr. Thompson then stated he may be ignorant of the concerns, but in the 8 years he has been here, as a pilot, he has flown and spent a lot of time over the area and has seen maybe 2 vehicles on Post Ranch Road, adding he is sure there have been more, but that is his experience. Mr. Thompson asked how many times environmentalists have driven their Prius over it, adding he thought it couldn't be done due to the current road conditions. Mr. Thompson then stated everyone is worried about the yellow-bellied sap sucker and northern Mexican garter snake, but the property doesn't meet their habitat criteria, adding it will when the development is finished because there will be water, trees, lawns and lots of things that draw that wildlife. Mr. Thompson then asked what the argument of them being chased away and being prevented from migrating was based on, adding that is where common sense seems lost to him.

Mahlon MacKenzie, 4th Street, Benson, addressed Council regarding the Chamber of Commerce. Mr. MacKenzie stated the Chamber has taken a direction to do what they were designed to do, which is improve business, pull the community together and do what they can to help downtown and the community. Mr. MacKenzie then stated they are being told it will be about a year before the developer of the Villages at Vigneto will be moving dirt, then added downtown is important and it will be important to maintain its integrity, so it can thrive as time goes on. Mr. MacKenzie then stated the Chamber has worked steadily since Butterfield Stage Days, and has gotten the museum and Benson Clean and Beautiful to join with them in hosting activities, adding each individual organization will take the lead on different events with Benson Clean and Beautiful taking Butterfield Stage Days, the Chamber taking Christmas on Main and the museum taking the Spring Fling, which

will be held April 29. Mr. MacKenzie then stated these efforts will keep the Chamber heading in the right direction. Mr. MacKenzie then stated the Chamber is doing well and got an office manager in August, Regain Wilmarth, who has done an outstanding job and has done a number of things to bring events to Benson. Mr. MacKenzie then stated a pet project of hers if the SCA, adding she got them to come to Benson 2 times before their event this month, which had 337 people attend on Saturday and 215 people attend on Sunday. Mr. MacKenzie stated Ms. Wilmarth let restaurants and motels know about the event so they could be prepared. Mr. MacKenzie then stated the Chamber also had a very successful third Thursday breakfast, noting there were asked to have it at the school and utilize the culinary students, noting everyone was pleased to have it there. Mr. MacKenzie then stated the Chamber also has several mixers planned, with the first one being at the National Bank of Arizona, the second one being at SEABHS in May and the third one being at Pioneer Title in June. Mr. MacKenzie then stated the Chamber has had a lot of positive feedback and has had an increase of members, adding the Chamber will be active in the community's interest and wanted the Council to be aware of their activities and changes.

CITY MANAGER REPORT:

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

- Tuesday, February 28, 2017 – Community Watershed Alliance, 6:30 p.m., City Hall
- Tuesday, March 7, 2017 – Library Advisory Board, 4:00 p.m., City Library
- Monday, March 13, 2017 – Council Meeting, 7:00 p.m., City Hall

- Saturday, March 4, 2017 – Free Dump Day, County Transfer Stations
 Benson Hours – 7:30 a.m. - 2:30 p.m.
 St. David Hours – 8:00 a.m. - 3:00 p.m.

NEW BUSINESS:

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

- 1a. Minutes of the November 14, 2016 Regular Meeting
- 1b. Minutes of the November 28, 2016 Regular Meeting
- 1c. Resignation of Raymond Taylor from the Benson Library Advisory Board
- 1d. Appointment of Ina Jones to the Benson Library Advisory Board
- 1e. Invoices processed for the period from January 7, 2017 through January 31, 2017
- 1f. Invoices process for the period from February 1, 2017 through February 17, 2017

Councilmember McGoffin moved to approve the Consent Agenda. Seconded by Councilmember Lambert. Motion passed 7-0.

2. **Discussion and possible action regarding Resolution 3-2017 of the Mayor and Council of the City of Benson, Arizona, adopting a Notice of Intention to increase Water and Wastewater Rates and declaring the “City of Benson Water/Wastewater Utility 2017 Cost of Service Rate Study” dated February, 2017, as a Public Document and setting May 8, 2017, as the date for a Public Hearing on the proposed Water and Wastewater Rates Modifications**

Finance Director Dustin DeSpain addressed Council regarding the proposed rates for water and wastewater, stating the City hasn't raised rates since March, 2007 and noted those rates took effect April, 2007. Mr. DeSpain stated at that time, there was a tier adjustment and rates were based on consumption, adding those rate increases did help, but they didn't meet what was needed to replace and repair the City's aging system and equipment. Mr. DeSpain then stated the proposal is for rate increases over the next 5 years, after which the rates will be adjusted using the CPI, adding Staff felt it important to do smaller increases over 5 years, instead of the needed increase all at once. Mr. DeSpain then stated this will be easier on utility customers, but will help to sustain the utilities.

Vice Mayor Konrad stated he appreciated the work that went into the study, adding Council has asked for this for quite some time and he's glad to see it come to fruition. Vice Mayor Konrad then stated there is a small chance the CPI could decrease over time and he would like to see a provision protecting the City from that, adding he considers the condition of the utilities infrastructure and equipment first and foremost and doesn't see a rate decrease being logical. Mr. DeSpain stated he could make that change.

Councilmember McGoffin then asked what the average increase would be with Mr. DeSpain stating customers will see a 10% increase on both the water and wastewater rates, adding the water rates are based on water consumption and the wastewater rates are based on customers' December, January and February water usage, noting lower water consumption during those months will equal lower wastewater rates and therefore, a smaller increase.

Councilmember Boyle asked if the 10% increase was spread over 5 years with Mr. DeSpain stating the proposal is a 10% increase each year for 5 years, adding this would still leave the City's rates far below every other water and wastewater company in Arizona. Mr. DeSpain then stated the proposed rate increases will still not result in the City being where it needs to be in 5 years.

Councilmember McGoffin stated the City has some seriously aging infrastructure, adding there have already been a few issues with wastewater that had to be taken care of and there are water issues that haven't even been addressed yet. Mr. DeSpain agreed, stating the wastewater treatment plant is over 15 years old and although the maintenance is kept up fairly regularly, it's old enough that the company that made the software went bankrupt and is no longer in existence, adding the software is still running on a computer that has Vista. Mr. DeSpain then stated in addition to the system wearing out, general funds are being used to keep it running, then stated there will be needed repairs and equipment replacements in the next few years.

Mayor King stated the Council has talked about this for a lot of years and noted the City's mission statement contains being fiscally responsible which includes making sure utility departments are self-sustaining. Mayor King then stated right now, the City is basically robbing the general fund for certain departments, and this takes away funding that could be used for something else. Mayor King then stated the increases are going to hit him just like other customers, but it's the right thing to do, adding he is 100% behind the proposed increases because it's time to act and make the utilities pay for themselves and stand on their own instead of taking from the general fund.

Vice Mayor Konrad moved to approve Resolution 3-2017. Seconded by Councilmember Boyle. Motion passed 7-0.

3. **Discussion and possible action regarding Resolution 4-2017 of the Mayor and Council of the City of Benson, Arizona, adopting a Notice of Intention to increase Natural Gas Rates and declaring the "City of Benson Natural Gas Utility 2017 Cost of Service Rate Study" dated February, 2017, as a Public Document and setting May 8, 2017, as the date for a Public Hearing on the proposed Natural Gas Rates Modifications**

Finance Director Dustin DeSpain stated it has been 21 years since gas rates were raised, adding this year, the Gas Department suffered a great loss due to the very warm weather; then noted this resulted in about \$60,000 being taken from the general fund for the Gas Department. Mr. DeSpain then stated the new minimum wage also affects all utilities. Mr. DeSpain then stated he can also include the provision regarding a decrease in the CPI to ensure rates would not decrease, adding the City's proposed rates would still leave the City way below Southwest Gas rates. Mr. DeSpain then stated the City's goals are not to have rates like Southwest Gas, adding Staff is very sensitive to those who live within our utilities areas, their income and what is going on around the City, then stated the proposed rates are just to meet minimum qualifications and needed repairs. Mr. DeSpain then stated the Benson regulator station parts are not being made anymore, adding the regulator station will have to be replaced eventually and when it does, it will be a significant capital outlay. Mr. DeSpain then stated hopefully, the City will have built up enough funding over the next few years to pay that repair from the utility fund.

Councilmember McGoffin asked about the proposed rate increases with Mr. DeSpain stating the proposed rates are based on charges from the gas company, adding there is more of an increase in the first year with a 20%

increase for the base demand fee, and a 50% increase on the consumption fee, then smaller increases for the next few years and no consumption fee increase in year 4, adding the larger immediate increase is needed for the capital improvements that must be done right away since they are mandated by the Arizona Corporation Commission (ACC), noting the City doesn't want any ACC violations.

Mayor King then stated this is something that will hit the Council also, but it is something that needs to be done, adding again, he is 100% behind making each utility department be self-sustaining. Mayor King then thanked Staff for their work on the rate studies.

Councilmember Boyle moved to approve Resolution 4-2017. Seconded by Councilmember Lambert. Councilmember McGoffin stated she knows this is something that will hurt everyone, but it is worse having to depend on a cold year to get anywhere or maintain the natural gas system., adding no rate increases in 21 years means the gas utility is a little behind. Motion then passed 7-0.

4. **Review of City Finances with emphasis on December financial results, and the City's financial position as of December 31, 2016**

Finance Director Dustin DeSpain reviewed Citywide financial highlights focusing on December, stating the City's unrestricted cash sits at \$2 million, which is significantly higher than last year at this time. Mr. DeSpain then stated the bond proceeds remain at \$1.07 million and that the City's revenues did exceed the expenditures for the month of December by \$89,000. Mr. DeSpain then stated monthly revenues citywide were \$902,000 for December and were \$4.8 million year-to-date, which is a decrease of \$282,000 from this time last year. Mr. DeSpain then stated citywide monthly personnel costs for December was \$340,000, which is a decrease of \$24,000 compared to December of last year. Mr. DeSpain stated other citywide expenditures were \$347,000 for December which is an increase of \$59,000 from last December.

Mr. DeSpain then reviewed the General Fund stating revenues for the month of December were \$557,000 and were \$2.9 million year-to-date which is an increase of \$300,000 from last year. General Fund personnel costs for December were \$220,000, which is a \$14,000 decrease from last December. Mr. DeSpain then stated other General Fund expenses for the month of December were \$128,000 which is an increase of \$40,000 from last year, noting the recent repairs at the wastewater treatment plant. Mr. DeSpain then stated General Fund revenues did exceed expenditures by \$119,000 for the month of December and the General Fund year-to-date fund balance was \$214,000, which is an increase of \$193,000 from last December, adding this is a significant turnaround.

Mr. DeSpain then reviewed Enterprise Funds stating the Gas Fund revenue for the month of December was \$79,000, the year-to-date revenue was \$263,000 and the fund balance was -\$57,000. Mr. DeSpain then stated this was primarily because the Gas Fund has received about half of the revenues of the past years due to the warm winter. Mr. DeSpain then continued stating the Water Fund revenue for the month of December was \$48,000; the year-to-date revenue was \$350,000 and the fund balance was \$23,000. Mr. DeSpain stated the Wastewater Fund revenue for the month of December was \$58,000; the year-to-date revenue was \$356,000 and the fund balance was \$38,000. Councilmember McGoffin asked about only having \$38,000 in the wastewater fund should repairs need to be done with Mr. DeSpain stating the General Fund would have to supplement the wastewater fund. Mayor King noted the Council recently spent \$85,000 on the generator at the treatment plant and the General Fund had to pay for it. Mr. DeSpain stated had the wastewater fund paid for the generator, the fund balance would be negative, then added he makes the adjustments to the utilities fund prior to the audit, again noting the General Fund is subsidizing the utilities funds. Mr. DeSpain then stated the reports he gives Council monthly. City Manager Bill Stephens stated the Council also recently approved the bar screen repairs at the treatment plant and confirmed that the monthly reports show the monthly operational finances.

Mr. DeSpain then continued, stating sanitation revenue for the month of December was \$51,000 and the year-to-date revenue was \$368,000, noting the fund balance was showing \$118,000, but that was due to the month of December billing not being done. Mr. DeSpain then stated the correct fund balance would be approximately \$50,000. Mayor King then stated this was due to change soon with Mr. DeSpain stating the City will be issuing an RFP for sanitation services and the rates may be different at that time, adding the City is also waiting on the

County to review their rates and possibly put in a new rate structure and new fees due to their sanitation fund losing money.

Mr. DeSpain then continued, stating the Golf Course Operations lost \$17,000 the month of December and was down \$151,000 year-to-date, compared to last December when the Golf Course operations lost \$4,000 and was at a year-to-date balance of -\$96,000; the Golf Course Food & Beverage was up \$4,000 for the month of December, the year-to-date balance was -\$7,000, compared to last December when they lost \$1,000 and year-to-date last September was -\$17,000. Mayor King noted the winter visitors will be back and this would hopefully be reflected in the next report. Councilmember McGoffin said she would like to see more about the golf course and restaurant on facebook so people remember the restaurant is open. Councilmember McGoffin then stated when the City inherited the golf course, it came with a lot of old equipment and asked if the year-to-date negative fund balance include replacing equipment or if it was due to lower rounds of golf with Mr. DeSpain stating the fund balance also includes capital expenditures such as the golf carts and 3 pieces of equipment that have been purchased. City Manager Bill Stephens stated the equipment replaced aging equipment when it couldn't be repaired or parts couldn't be found.

Mr. DeSpain then reviewed sales tax stating the City's retail tax for the month of December was \$366,350, which is an increase from last December, adding the Council needs to remember this sales tax amount is a result of shopping done in October. Mr. DeSpain then stated the State's sales tax is showing a bit of a decrease, adding this is due to the State sharing less revenue with cities. Councilmember McGoffin then stated the City Manager said the state came up with a mid-census and it shows that Benson has about 300 less people with Mr. DeSpain confirming this. Mr. DeSpain then stated State shared revenue and State shared sales tax is based on population of the City, adding the mid-census shows Benson having a population of 4,888 instead of 5,105 from the last census. Mr. DeSpain then said the State issued a notice that they will be going back to June or July and backcharge the City, adding this adjustment will probably not show up until March, April or maybe May. Mr. DeSpain then said the State's policy is to not raise taxes, and instead the State takes money from cities and towns, leaving cities and towns no choice. Mr. DeSpain then continued reviewing taxes, stating the Bed Tax has been very low, then spiked up in December and was better than December of 2015. Mr. DeSpain stated he is hoping to see increases remain until April, noting the Bed Tax will then decrease with the loss of winter visitors. Mr. DeSpain then stated Construction Sales Tax is worse; then noted in other taxes, confidence in purchasing can be seen, adding he is hoping this will lead to more building permits. Mr. DeSpain then stated the Construction Sales Tax collections show the effects of the new law requiring contractors to pay sales tax at the location materials are purchased instead of the location of the project.

Mr. DeSpain then stated the total City Sales Tax collections are a little higher than last year, primarily due to State shared sales tax, but the Council will continue to see a decrease due to the lower shared revenues and the mid-census.

Mayor King thanked Mr. DeSpain for his work and the information.

EXECUTIVE SESSION: Pursuant to A.R.S. §38-431.03 (A)(3) & (4); discussion or consultation with the attorneys of the public body for legal advice regarding the closure of Post Ranch Road.

Vice Mayor Konrad moved to enter into an executive session with the Mayor and Council, the City Manager, the City Attorney and the City Clerk at 8:05 p.m. Seconded by Councilmember McGoffin. Motion passed 7-0.

Council reconvened at 8:57 p.m.

5. **Discussion and possible action including direction to Staff regarding Post Ranch Road**

Mayor King stated this item would be tabled as it is now a matter of involving threatened litigation and as such the attorney has been instructed how to proceed.

DEPARTMENT REPORTS: No comments from Council.

ADJOURNMENT:

Councilmember McGoffin moved to adjourn at 8:58 p.m. Seconded by Councilmember Lambert. Motion passed 7-0.

ATTEST:

Toney D. King, Sr., Mayor

Vicki L. Vivian, CMC, City Clerk