

CITY OF WILLIAMS CITY COUNCIL

**REGULAR MEETING
JANUARY 25 2024
7:00 P.M.**

**CITY COUNCIL CHAMBERS
113 S. FIRST STREET
WILLIAMS, ARIZONA**

AGENDA

PURSUANT TO A.R.S. #38-431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE CITY COUNCIL AND THE GENERAL PUBLIC THAT THE CITY COUNCIL WILL HOLD A MEETING OPEN TO THE PUBLIC **THURSDAY, JANUARY 25, 2024, AT 7:00 P.M.** IN THE CITY COUNCIL CHAMBERS, 113 S. FIRST STREET, WILLIAMS, ARIZONA. THE COUNCIL MAY, BY MOTION, RECESS INTO EXECUTIVE SESSION FOR (A) LEGAL ADVICE IN ACCORDANCE WITH A.R.S. §38-431.03(A)(3) OR (B) DISCUSSION OR CONSIDERATION OF RECORDS EXEMPT BY LAW FROM PUBLIC INSPECTION IN ACCORDANCE WITH A.R.S. §38-431.03(A)(2), TO DISCUSS AND CONSIDER ANY ITEM CONTAINED IN THIS AGENDA. THE COUNCIL WILL DISCUSS AND MAY TAKE ACTION ON THE FOLLOWING MATTERS:

I. PROCEDURES

- A. Call to Order
- B. Pledge of Allegiance and Invocation
- C. Roll Call
 - _____ Mayor Dent
 - _____ Vice Mayor McNelly _____ Councilmember Campbell
 - _____ Councilmember Cowen _____ Councilmember Edes
 - _____ Councilmember Fritsinger _____ Councilmember Payne
- D. Approval of Minutes for the January 11, 2024 meeting.
- E. Adopt Agenda

II. PRESENTATIONS – Heather Hermen with Front Burner Media will provide an update.

III. PUBLIC PARTICIPATION

The Council cannot act upon items presented during the public participation portion of the agenda. Individual Council members may ask the public questions or respond to any criticisms. Still, the open meeting law prohibits the members from discussing or considering the items among themselves until the matter is officially placed on the agenda. However, the open meeting law allows the City Council to ask staff to review a case or place it on a future Council agenda. A person has a five-minute time period to speak. If a person has a written presentation that requires more than five minutes to present verbally, they should indicate the estimated time required on the sign-up sheet. The presiding officer may grant additional time if the agenda for the meeting is not too full. A registered spokesperson for a recognized community organization shall be afforded ten minutes provided other members of the same organization agree beforehand to withhold their comments on the same subject.

Certification of Posting

The undersigned hereby certifies that a copy of this notice was duly posted at Williams City Hall interior board and exterior board in accordance with the statement filed by the City Council with the City Clerk.

Date: _____ Time: Before 5 p.m. By: _____
City Clerk Pamela Galvan

CITY OF WILLIAMS CITY COUNCIL

**REGULAR MEETING
JANUARY 25, 2024
7:00 P.M.**

**CITY COUNCIL CHAMBERS
113 S. FIRST STREET
WILLIAMS, ARIZONA**

AGENDA

IV. CONSENT AGENDA ITEMS –

- A. Approval of purchase orders.

V. NON-CONSENT AGENDA ITEMS

- A. Consideration and action regarding Resolution No. 1440, a Call to Election for the August 6, 2024 Primary.
- B. Consideration and action regarding the Model City Tax Code Article IV – Privilege Taxes.
- C. Consideration and action regarding Resolution No 1441, the "2024 Transient Lodging Tax Amendment to the Tax Code of the City of Williams."
- D. Consideration and action regarding Ordinance No 1003 amending the Hotel Tax rate to 5.5% and adopting a local Transient Lodging Tax of 5.5%.
- E. Consideration and action regarding the Enterprise Fleet Program with Adam Schoen here to answer council questions.
- F. Consideration and action regarding the reimbursement for the freight to ship a 40ft Conex and pay for 2023 Santa and Mrs. Claus in the amount of \$3,000.00.

VI. REPORTS, CURRENT EVENTS, AND INFORMATION ITEMS

Mayor and Council

Staff

VII. ADJOURN

CITY OF WILLIAMS CITY COUNCIL

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AGENDA ITEM

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COUNCIL ACTION

I. PROCEDURES

A. Call to Order 7:00 PM

Mayor Dent called the meeting to order, and Kerry-Lynn Moede provided the invocation.

B. Roll Call

Present: Mayor Dent, Vice Mayor McNelly, Councilmembers, Cowen, Edes, and Fritsinger.

Absent: Councilmembers Campbell and Payne.

Present City Staff, City Manager Tim Pettit, Police Chief Tad Wygal and Lt. John Romero, Assistant Fire Chief Jeff Dent, Public Works Director Aaron Anderson, and City Clerk/HR Director Pamela Galvan.

C. Approval of minutes from December 14, 2023.

Motion: *To approve the minutes as presented.*

Action: *Adopted*

Moved by *Councilmember Edes*, **Seconded by** *Councilmember Fritsinger.*

Motion passed unanimously.

D. Adopt Agenda

Motion: *To approve the agenda as presented.*

Action: *Adopted*

Moved by *Councilmember McNelly*, **Seconded by** *Councilmember Cowen.*

Motion passed unanimously.

II. PRESENTATIONS – Swearing-in of officers Gabe Escalante and Alan Conner.

Mayor Dent swore in officers Escalante and Conner.

Heather Herman with Front Burner Media to provide an update.

(Due to inclement weather, Ms. Herman will attend later.)

III. PUBLIC PARTICIPATION

The Council cannot act upon items presented during the public participation portion of the agenda. Individual Council members may ask the public questions or respond to any criticisms. Still, the open meeting law prohibits the members from discussing or considering the items among themselves until the matter is officially placed on the agenda. However, the open

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IV. CONSENT AGENDA ITEMS –

- A. Approval of the check register for December 31, 2023.**
- B. Approval of purchase orders.**

Motion: *To approve the consent agenda items.*

Action: *Approved*

Moved by *Councilmember Fritsinger*, **Seconded by** *Councilmember Edes*.

Motion passed unanimously.

V. NON-CONSENT AGENDA ITEMS

- C. Consideration and action regarding approval of a #07 Beer and Wine liquor license for Amy Nations, agent for Gateway Hotel, located at 710 W Route 66.**

Motion: *To approve a number 7 Beer and Wine Liquor License to Amy Nations, agent for Gateway Hotel.*

Action: *Adopted*

Moved by *Councilmember McNelly*, **Seconded by** *Councilmember Cowen*.

Motion passed unanimously.

- D. Consideration and action regarding a proposed Police and Fire Fleet Management program through Enterprise.**

Lt. Romero was asked to provide insight into the proposed program. Afterward, there was a discussion and questions regarding grants scarcity, options to purchase, repair, or warranty work, references performed, and options for choice of vehicle lease.

It was proposed to table until the 25th.

Motion: *To table until the next council meeting on January 25, 2024.*

Moved by *Councilmember McNelly*, **Seconded by** *Councilmember Fritsinger*.

Motion passed unanimously.

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VI. REPORTS, CURRENT EVENTS, AND INFORMATION ITEMS

- The mayor is still working with HUD for a resolution.
- NACOG meeting on the 12th with Senator Kelly.

VII. ADJOURN 7:36 PM

ATTEST:

Mayor Don Dent

City Clerk Pamela Galvan

CERTIFICATION

State of Arizona,)
)
Coconino County,) ss.

I, PAMELA GALVAN, do hereby certify that I am the City Clerk of the City of Williams, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Williams held on January 11, 2024. I certify that the Meeting was duly called and held and that a quorum was present.

Dated this 16th day of January 2024.

City Clerk Pamela Galvan

RESOLUTION No. 1440

A RESOLUTION BY THE MAYOR AND COUNCIL OF THE CITY OF WILLIAMS, COUNTY OF COCONINO, ARIZONA, DESIGNATING THE ELECTION DATE FOR THE 2024 ELECTION(S), PURPOSE OF ELECTION(S), THE DEADLINE FOR VOTER REGISTRATION, THE PLACE AND LAST DATE FOR CANDIDATES TO FILE NOMINATION PAPERS.

BE IT RESOLVED by the Mayor and Council of the City of Williams as follows:

Section 1 Designation of Election Dates, Purposes

August 6, 2024, has been set as the time for holding the Primary Election in the City of Williams, Arizona, for the following purposes:

1. Nominating candidates for Mayor and three (3) City Council Seats, whose names shall appear on the ballot at the General Election to be held on November 5, 2024. Any candidate receiving a majority of all the votes cast at the Primary Election will be declared elected without running at the General Election; and

Section 2 Designating Deadline for Voter Registration

Coconino County registration and voting lists will be used for the municipal election. To be qualified to vote, one must be registered by July 8, 2024 (29 days before the primary election).

Section 3 Designating Date and Place to File Candidate Nomination Forms

Candidates seeking municipal office may obtain nomination papers and other materials that the candidate must complete and may begin filing at City Hall, starting March 9, 2024. Candidates must return their completed nomination petitions along with all other nomination forms by 5:00 p.m. on April 8, 2024, at City Hall for their names to appear on the Primary Election ballot.

PASSED, APPROVED, AND ADOPTED, by the Mayor and Council of the City of Williams, Arizona, on this twenty-fifth day of January 2024, by a vote of ____ in favor and ____ opposed.

ATTEST:

Mayor Don Dent

City Clerk

Staff Report



To: Mayor and Council
From: Barbara Bell, Finance Director
Date: January 16, 2024
Re: Model City Tax Code Article IV – Privilege Taxes

Issue: Last October 2023, City Staff brought forward information regarding the City's tax codes, where staff found that when the City was advised of tax code Sec. 110-447 additional tax upon transient lodging in 2016, this tax code was not adopted by the City. This tax has not been established as part of the City's tax codes to date.

Staff is now asking Council to review and possibly amend the City's tax code by ordinance to raise the Hotel Tax to the maximum rate and include Sec 110-447 moving forward. Staff and Council have previously completed together; the posting of the following to the City's website:

"The Mayor and Council may consider transaction privilege tax rate changes for the Hotels classification and the Additional Tax on Transients classification, not less than sixty (60) days after the posting of this notice on 10/05/2023."

adopted Resolution 1439, declaring as a public record that certain document filed with the City Clerk, entitled "The 2012-2014 Amendments to the Tax Code of the City of Williams" along with Ordinance 1002 adopting "The 2012-2014 Amendments to the Tax Code of the City of Williams" by reference. These actions were completed in preparation to move forward with Sec. 110-447 should the City Council approve.

Staff is asking for the Council to review the City's Hotel tax as well. The tax is currently at four and one-half percent (4.5%). Per State statutes the City can raise this tax by one percent (1%) to five and one-half percent (5.5%). This would be the maximum the City could increase this tax.

Fiscal Impact: By implementing Sec 110-447; based on current collections, the City could collect approximately \$2.5 million annually.

Should City Council also approve the increase to the current Hotel Tax by one percent (1%) to the maximum five and one-half percent (5.5%), it could increase collections by approximately \$550,000 annually.

Together these taxes could bring in a total of approximately \$3 million additional taxes annually. Funds from the Transient tax (sec. 110-447) are all General Fund (operating) monies, considered unrestricted, therefore they can be used for general operations, infrastructure, debt service, special projects, water/sewer, streets/roads, electric, etc. With Council approval at this meeting, these tax changes would be effective April 1, 2024.

Recommendation:

1] Approve the *implementation* of the Transient Lodging Tax (Sec.110-447) at the rate of five and one-half percent (5.5%)

2] Approve the *increase* to the Hotel Tax to the maximum rate of five and one-half percent (5.5%).

NEW AGENDA ITEM:

3] Approve the Resolution declaring as a Public Record that certain document filed with the City Clerk and entitled "The **2024 TRANSIENT LODGING TAX AMENDMENT TO THE TAX CODE OF THE CITY OF WILLIAMS**".

NEW AGENDA ITEM:

4] Approve the one percent (1%) increase to the Hotel Tax to the maximum of five and one-half percent (5.5%); establish and implement the Transient Lodging Tax Sec.110-447 at the same rate of five and one-half percent (5.5%) **by Ordinance.**

RESOLUTION NO. 1441

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLIAMS, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "THE 2024 TRANSIENT LODGING TAX AMENDMENT TO THE TAX CODE OF THE CITY OF WILLIAMS ".

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF WILLIAMS, ARIZONA:

THAT certain document entitled "THE 2024 TRANSIENT LODGING TAX AMENDMENT TO THE TAX CODE OF THE CITY OF WILLIAMS ", three copies of which are on file in the office of the City Clerk, is hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk.

PASSED AND ADOPTED BY THE Mayor and Council of the City of Williams, Arizona, this 25th day of January 2024.

Mayor Don Dent

ATTEST:

City Clerk Pamela Galvan

APPROVED AS TO FORM:

City Attorney Brandon Kavanagh for Mangum, Wall, Stoops and Warden

ORDINANCE NO. 1003

AN ORDINANCE OF THE CITY OF WILLIAMS, ARIZONA, AMENDING THE CITY TAX CODE BY INCREASING THE HOTEL TAX RATE TO FIVE AND ONE-HALF PERCENT (5.5%) AND ADOPTING A LOCAL TRANSIENT LODGING TAX BY WITHDRAWING MODEL OPTION #6; PROVIDING FOR SEVERABILITY; AND DESIGNATING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF WILLIAMS, ARIZONA:

Section 1: Section 110-444, Hotels, of the Tax Code of the City of Williams is amended to a rate of five and one-half percent (5.5%).

Section 2: Model Option #6 of the Model City Tax Code is hereby withdrawn, and the City Transient Lodging Tax is established at a rate of five and one-half percent (5.5%) under Section 110-447 of the Tax Code of the City of Williams.

Section 3: That certain document known as "The 2024 Transient Lodging Tax Amendment to the Tax Code of the City of Williams", three copies of which are on file in the office of the City Clerk of the City of Williams, Arizona, which document was made a public record by Resolution No1441 of the City of Williams, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

Section 4: If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of these amendments to the tax code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 5: The City Clerk is hereby directed to publish this ordinance upon adoption as required by A.R.S. 9-812 and A.R.S. 9-813.

Section 6: The provisions of this ordinance shall become effective on and after April 1, 2024.

PASSED AND ADOPTED by the Mayor and Council of the City of Williams, Arizona, this 25th day of January 2024.

Mayor
ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney Brandon Kavanagh for Mangum, Wall, Stoops and Warden

The 2024 Transient Lodging Tax Amendments to the Tax Code of the City of Williams

Section I. The Tax Code of the City of Williams Section 110-444 is amended as follows, with an effective date of April 1, 2024.

Sec. 110-444. Hotels.

The tax rate shall be at an amount equal to ~~four-and-one-half-percent (4.5%)~~ FIVE AND ONE-HALF PERCENT (5.5%) of the gross income from the business activity upon every person engaging or continuing in the business of operating a hotel charging for lodging and/or lodging space furnished to any:

(a) ~~Transient~~ PERSON.

(b) Exclusions. The tax imposed by this Section shall not include:

- (1) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility.
- (2) Gross proceeds of sales or gross income that is properly included in another business activity under this Article and that is taxable to the person engaged in that business activity, but the gross proceeds of sales or gross income to be deducted shall not exceed the consideration paid to the person conducting the activity.
- (3) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person not subject to tax under this Article.
- (4) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person subject to taxation under Section 110-410 or Section 110-475 due to an exclusion, exemption or deduction.
- (5) Gross proceeds of sales or gross income from commissions received from a person providing services or property to the customers of the hotel. However, such commissions may be subject to tax under Section 110-445 or Section 110-450 as rental, leasing or licensing for use of real or tangible personal property.
- (6) Income from providing telephone, fax or internet services to customers at an additional charge, that is separately stated to the customer and is separately maintained in the hotel's books and records. However, such gross proceeds of sales or gross income may be subject to tax under Section 110-470 as telecommunication services.

Section II. The Tax Code of the City of Williams Section 110-447 is amended as follows, with an effective date of April 1, 2024.

Sec. 110-447. ~~(Reserved)~~RENTAL, LEASING, AND LICENSING FOR USE OF REAL PROPERTY: ADDITIONAL TAX UPON TRANSIENT LODGING.

The 2022 Use Tax Amendment to the Tax Code of the City of Williams

IN ADDITION TO THE TAXES LEVIED AS PROVIDED IN SECTION 110-444, THERE IS HEREBY LEVIED AND SHALL BE COLLECTED AN ADDITIONAL TAX IN AN AMOUNT EQUAL TO FIVE AND ONE-HALF PERCENT (5.5%) OF THE GROSS INCOME FROM THE BUSINESS ACTIVITY OF ANY HOTEL ENGAGING OR CONTINUING WITHIN THE CITY IN THE BUSINESS OF CHARGING FOR LODGING AND/OR LODGING SPACE FURNISHED TO ANY TRANSIENT.