

CITY OF WILLIAMS CITY COUNCIL

ANNOTATED MINUTES
AGENDA ITEM

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JANUARY 26, 2023
COUNCIL ACTION

I. PROCEDURES

A. Call to Order 7:00 PM

Mayor Dent called the meeting to order, and XXXX provided the invocation.

B. Roll Call

Present: Mayor Dent, Councilmember Campbell, Councilmember Mike Cowen, Councilmember Ken Edes, Councilmember Fritsinger, Councilmember McNelly, and Councilmember Lee Payne.

Present City Staff, City Manager Tim Pettit, Police Chief Tad Wygal, Fire Chief Chase Pearson, Public Works Director Aaron Anderson, and City Clerk/HR Director Pamela Galvan.

C. Approval of Minutes for January 12, 2023.

Motion: *To approve the Minutes for January 12, 2023.*

Action: *Approved*

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

The motion passed unanimously.

D. Adopt Agenda

Motion: *To approve the agenda as presented.*

Action: *Adopted*

Moved by *Councilmember Cowen*, **Seconded by** *Councilmember Payne*

The motion passed unanimously.

II. PRESENTATIONS –

- *City to present years of appreciation awards to past Mayor Moore and Councilmember Hiemenz*

Mayor Dent presented the previous Mayor, John W. Moore, and Councilmember Bernie Hiemenz with awards of appreciation for their years of service in the community.

- *Heather Herman is here to present to the new council.*

Heather returned to go over Front Burner's marketing for 2022/2023. She explained that they had a brief marketing snapshot in front of them.

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One of the big pieces of this is the Arizona Office of Tourism's co-op marketing campaign. We can invest \$75,000.00 then they match that dollar for dollar in advertising. She referred to the 2022/2023 Marketing guide, which has it all broken down by months; the way the calendar flows is that the peak is November through March.

She spoke of the new governor and how when leadership changes, so do the financial investments.

She spoke about the new brochure, a partnership for sales, trade, and promotion with Hermenn Global. We are doing more digital campaigns using search engine optimization, newsletter distribution, consumer trade shows and media events, and displays. We continue to have media visits, and John Holst will provide a walking tour for our guests from Germany.

- International travel is increasing.

Councilmember McNelly asked if we were getting feedback from the travelers. Heather noted that they are provided a survey to complete whenever they host the groups. Most comments are very positive, and sometimes she gets negative comments or reviews. If they do, Heather passes the information along.

- Domestic travel is commenting on needing a certain level of accommodations that they are unable to find.
- The topic of mid-week travel was brought up and encouraged.

Mayor Dent opened questions to the general public.

Kerry Lynn-Moede asked how often the newsletter goes out and where the content comes from. Heather replied that the content comes from their professional writer Teresa Bittler, who writes for the Arizona Highways and the Arizona Republic. She writes a lot of

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the content for them with images from the professional photographers they hire; it goes out quarterly.

III. PUBLIC PARTICIPATION –

IV. CONSENT AGENDA ITEMS – None

V. NON-CONSENT AGENDA ITEMS

- A. Consideration and action regarding the first reading of Ord No. 997 for the rezoning APN# 202-11-003V from commercial to single-family residential.**

Motion: To read Ordinance No. 997 for the rezoning of APN# 202-11-003V from commercial to single-family residential by number and title only

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

Motion passed unanimously

The City Clerk read Ordinance No. 997 by number and title only.

- B. Consideration and action regarding Resolution No. 1430 directing National Bank to update the list of authorized signatories for the city's bank accounts.**

Councilmembers McNelly and Fritsinger requested their names be written as follows: Frank W. McNelly and Craig A. Fritsinger with the bank.

Motion: To read Resolution No 1430 directing National Bank to update the list of authorized signatories for the city's bank accounts by number and title only.

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

Motion passed unanimously

The Clerk read Resolution No. 1430 by number and title only.

Motion: To approve Resolution No. 1430 directing National Bank to update the list of authorized signatories for the City's bank accounts.

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

Motion passed unanimously**C. Consideration and action regarding electric power cost adjuster increase. J. Worner**

Jeff began by referencing when the council approved the current rates in April; a component of the rates is known as a power cost adjustor. The power costs adjustor is common to just about every utility in the southwest. It allows the utility to set rates based on an estimate of their forward power costs then, at the end of the year, they look at and see how their estimate fared. If they find they have under-collected, they add it as a rate adder going forward into the following year. For Williams, we estimated the city had under-collected almost 2 million dollars. When they analyzed the rates early last year, there was much stability in the energy markets then, and the forward prices at that time were very low. In early July, the energy prices went through the roof, which continues now. He continues explaining to all why prices are what they are now. Severe weather, pipeline constraint, and low storage are factors related to the high prices.

The good news is that the forward prices are coming back down to historical levels.

Another major factor is the war in Ukraine.

He spoke on the cumulative energy costs in May 2022 rate study estimates compared to actuals.

They recommended that the power cost adjustor rate go to about .4 cents, effective with the January billing. He spoke of the rates other utility providers are increasing.

Additional points to consider:

- Water cuts are likely to worsen; multiple wet years are needed to end the drought.
- The era of cheap natural gas appears to have passed
- Don't count on a policy shift
- More frequent and more substantial climate events are being factored into pricing.
- Power supply not keeping up with transitioning generation mix demands.
- Short-term inflationary and supply chain impacts.

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Mayor Dent noted that rates would not go back, which is why this was implemented. Our PAC works in two ways, and if we see improvements, we can go back if it adjusts; otherwise, we make the necessary adjustments. He noted that the spike didn't occur until November this year and continued through December into January. He spoke of our reserve and how it is there for major breakdowns, not for adjusting pricing.

Councilmember Cowen notes that Williams has only raised rates twice over the last thirty years. It has gotten to the point where we were 30% cheaper than APS, and Council has adopted the PAC to assist with costs.

Mayor Dent noted that we will still be below the APS rates.

Jon noted that the council approved a hedging agreement at their last meeting, which will help smooth out some of the spikes. The current program is limited to hedging one month ahead. The hedging involves a lot of credit requirements and cash if you don't have a line of credit. So, we are working our way to hedging five years out. They will hedge 20% of our gas needs five years out, maybe 40% four years, and 60% and 80%. They are working towards protecting the city from the spikes.

Motion: To increase the power cost adjustor the full cost passthrough.
Moved by Councilmember Cowen, ***Seconded by*** Councilmember McNelly.
Motion passed unanimously

D. Consideration and action regarding adjustment to golf course rates for 2023.

Mayor Dent referenced a handout. He noted that the golf committee and golf pro discussed it. The first page is the proposed 2023 rates; the second is the comparison from 2022. Most of the rates are 10% raise in the rate. He reviewed the handout's old and new rates, noting that the junior rates did not change.

Motion: To adopt the new rates for the golf course for 2023.
Moved by Councilmember McNelly, ***Seconded by*** Councilmember Cowen.
Motion passed unanimously

VI. REPORTS, CURRENT EVENTS, AND INFORMATION ITEMS

Mayor and Council –

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- Thanked Chief Wygal, his crew, and all the other city employees and volunteers for their participation in the search for the youth.
- Snow removal crew is going as fast as they can and doing their best possible.
- Mayor addressed the new council members and perhaps some of the old if you would like to see what some staff is doing, including Chase and Joanna, and some other staff on different things. Joanna has a chart in her office for all the places we are working on grants, submitted ones, and others in progress.

Staff –

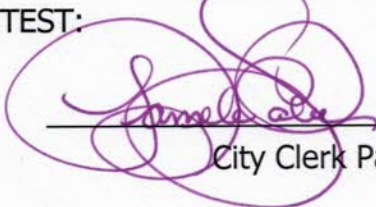
- Chase Pearson thanked the council for the opportunity to be the Fire Chief beginning on Monday, January 30th 2023. He had a meeting with the insurance organization; he doesn't anticipate any changes, and we will be getting a report back soon.

VII. ADJOURN 7:50 PM



Mayor Don Dent

ATTEST:



City Clerk Pamela Galvan

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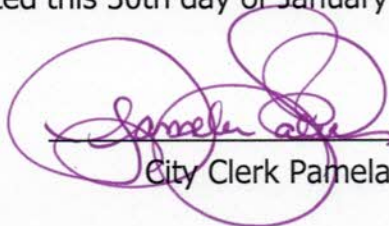
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CERTIFICATION

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

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 26, 2023. I further certify that the Meeting was duly called and held and that a quorum was present.

Dated this 30th day of January 2023.



City Clerk Pamela Galvan