

**TOWN OF KEARNY
REGULAR MEETING MINUTES**

**A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEARNY, ARIZONA,
AT THE KEARNY TOWN HALL LOCATED AT 912-C TILBURY DRIVE ON
MONDAY, NOVEMBER 18 2019, AT 7:00 P.M.**

COUNCILMEMBERS PRESENT

Mayor	Debra Sommers
Vice Mayor	Daniel Radcliffe
Councilmember	Rose Bradford (Absent, Excused)
Councilmember	Nancy Hinojos
Councilmember	Rudy Flores
Councilmember	Samantha Misita (Absent, Excused)
Councilmember	Sheila Stephenson

TOWN STAFF PRESENT

Town Manager	Anna Flores
Town Clerk	Martina Burnam
Town Attorney	Stephen Cooper
Police Chief	Wallace Kenney
Police Officer	Thomas Rozzi
Public Works Manager	Ramon Camacho

VISITORS PRESENT

Pat Walker	Walker Consulting
Tom Belshe	Director of the AZ League of Cities and Towns
Robert Lanford	USDA Representative
Bishop Brian Coleman	The Church of Jesus Christ of Latter-Day Saints
Lee Grafstrom	Tax Policy Analyst, League of Cities/Towns

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Sommers called the meeting to order at 7:01 p.m. followed by the Pledge of Allegiance.

INVOCATION

Bishop Brian Coleman, The Church of Jesus Christ of Latter-Day Saints

ROLL CALL

Mayor Debra Sommers requested Town Clerk, Martina Burnam, to call the roll. Quorum was present.

APPROVAL OF MINUTES FOR:

Regular Meeting October 21, 2019

Motion by Councilmember Stephenson, **second** by Councilmember Hinojos to approve the Minutes for Regular Meeting October 21, 2019. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe,

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Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion.
MOTION PASSED.

PETITIONS, CORRESPONDENCE AND COMMUNICATIONS

A. Call to the Public. -NONE BROUGHT FORTH

A PUBLIC HEARING ON THE MODIFICATION OF THE TAX CODE:

POSSIBLE DISCUSSION AND POSSIBLE APPROVAL OF THE MODIFICATION OF THE TAX CODE

The Town of Kearny has had an increase in expenditures because of aging infrastructure and the loss of revenue in the ambulance department because of high refusal rates, the inability for staff to hire certified personnel and the increase in overtime. The General Fund will loan to several departments this year. This decreases the General Fund. The Town will be unable to do this for next year's budget.

The Town of Kearny did an evaluation on the ambulance, and because of the monthly payment of the ambulance, the high refusal rates and the lack of qualified personnel, the Town will need to look at other options such as modifications to the tax code. The Town lost \$90,000 in sales tax last year.

It is recommended the tax rate in each of the following sections of the Town tax code is increased from three percent (3.0%) to four percent (4.0%):

Section 8A-405	Advertising
Section 8A-410	Amusements, exhibitions, and similar activities
Section 8A-425	Job printing
Section 8A-427	Manufactured buildings
Section 8A-430	Timbering and other extraction
Section 8A-435	Publishing and periodicals distribution
Section 8A-444	Hotels
Section 8A-447	Additional tax upon transient lodging
Section 8A-450	Rental, leasing & licensing for use of tangible personal property
Section 8A-455	Restaurants and bars
Section 8A-460	Retail sales: measure of tax; burden of proof; exclusions
Section 8A-462	Retail sales: food for home consumption
Section 8A-470	Telecommunication services
Section 8A-475	Transporting for hire
Section 8A-480	Utility services

Other communities have had to modify the tax code such as Mammoth, Guadalupe, San Luis, and Superior. The 1% increase is estimated to generate \$180,000 annually.

Pat Walker, from Pat Walker Consulting, LLC., was in attendance to answer any questions.

PUBLIC HEARING: PRESENTATION BY PAT WALKER, FROM PAT WALKER CONSULTING, LLC, DISCUSSION AND POSSIBLE APPROVAL FOR THE MODIFICATION OF THE TAX CODE

Pat Walker presented the "Town of Kearny Strategic Plan, November 18, 2019". On the Agenda was an Introduction/overview, June 6, 2019 Baseline Models updated with FY19 Audit, Revenue Sources, Sales/Use Tax Increase and Next Steps.

Pat Walker recommended we modify the Sales/Use Tax and complete our due diligence on Franchises' Sales Tax for the sustainment of the Town of Kearny.

Lee Grafstrom, Tax Policy Analyst, with the League of Arizona Cities and Towns, along with Walker Consulting explained the reasons for the changes relating to the Transaction Privilege Tax. He explained the Use Tax helps local businesses by making customers want to buy local and not buy out of state.

Councilmember Hinojos asked what the difference was between Sales tax and Use tax. Lee Grafstrom stated the major difference is the Town of Kearny would be exempt from pay a Use tax.

Motion by Councilmember Stephenson, **second** by Councilmember Flores to approve the modification of the Tax Code. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion. **MOTION PASSED.**

PUBLIC HEARING CLOSED AT 7:25 PM

ORDINANCE NO. 19-213 AN ORDINANCE OF THE TOWN OF KEARNY, ARIZONA, RELATING TO THE TRANSACTION PRIVILEGE TAX; AMENDING THE TOWN TAX CODE BY CHANGING THE RATES OF TAXATION; DESELECTING MODEL OPTION #15 AND ADOPTING LOCAL OPTION #JJ, THEREBY ADOPTING A USE TAX; PROVIDING FOR SEVERABILITY AND DESIGNATING AN EFFECTIVE DATE.

Motion by Councilmember Stephenson, **second** by Councilmember Flores to Approve Ordinance No. 19-213, An Ordinance of the Town of Kearny, Arizona, Relating to the Transaction Privilege Tax; Amending the Town Tax Code by changing the Rates of Taxation; Deselecting Model Option #15 and Adopting Local Option #JJ, thereby Adopting a Use Tax; providing for severability and designating an Effective Date. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion. **MOTION PASSED.**

RESOLUTION NO. 19-7, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF KEARNY, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE TOWN CLERK AND ENTITLED "THE USE TAX AMENDMENT TO THE TAX CODE OF THE TOWN OF KEARNY"

Motion by Councilmember Stephenson, **second** by Councilmember Hinojos to Approve Resolution No. 19-7, A Resolution of the May and Council of the Town of Kearny, Arizona, Declaring as a Public

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Record that Certain Document Filed with the Town Clerk and Entitled "The Use Tax Amendment to the Tax Code of the Town of Kearny". **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion. **MOTION PASSED.**

PRESENTATION BY ROBERT LANFORD, FROM USDA, REGARDING INSTALLATION OF METERS

Robert Lanford, Community Programs Specialist, from USDA, was here to explain the process regarding one of the projects which is the water meter project. Robert and his team have been a huge asset in this process.

Robert explained the loan process and the steps to complete the meter installation project.

POSSIBLE DISCUSSION AND POSSIBLE APPROVAL OF METER BIDS

A work session was held on October 21, 2019, and the Council heard five presentations regarding the different water meters that are available. The regular Town Council meeting was held on the same day, where this agenda item was tabled because more information was needed.

Ram, from NCS Engineering, Mr. ?? from CAAG and Robert Lanford, from USDA are here to answer any questions you may have.

The sealed bids were opened by Town Clerk Martina Burnam and Town Manager Anna Flores in order to obtain the references for the final scoring of them all. The bid amounts were also relayed to the NCS Engineers. The bids' computer USB flash drives were placed in the NCS Engineers' possession for review.

This matter was tabled until the next Town of Kearny meeting December 16th, 2019.

Motion by Councilmember Stephenson, **second** by Councilmember Hinojos to table this matter until the next town meeting December 16th, 2019. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion. **MOTION PASSED.**

ANNUAL FINANCIAL AUDIT AND EXPENDITURE LIMITATION REPORT FOR FISCAL YEAR ENDING 2019

This agenda item provides for the review and acceptance of the Annual Financial Audit and Expenditure Limitation Report for the fiscal year ending June 30, 2019. The Council previously contracted with the independent auditing firm of Colby & Powell to complete this work.

The auditing firm found no instances of non-compliance with Government Auditing Standards. The staff met with the auditor and will continue work to implement and improve procedures to properly improve the accounting functions. The Town remained within the alternative expenditure limitation, approved by the voters.

Matt Bingham, from Colby & Powell was unable to attend the Council meeting.

Motion by Vice Mayor Radcliffe, **second** by Councilmember Hinojos to approve the Annual Financial Audit and Expenditure Limitation Report for Fiscal Year Ending 2019 provided by Colby & Powell, PLC. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion. **MOTION PASSED.**

**POSSIBLE DISCUSSION AND POSSIBLE APPROVAL OF LETTER OF SUPPORT
RESOLUTION NO. 19-8 FOR THE PINTO VALLEY MINE EIS PROCESS AND PURPOSE**

Resolution No. 19-8 of the Mayor and Council of the Town of Kearny, Arizona signifying the Town's fullest support for Pinto Valley Mining Corp. and for its investments and efforts towards enhancement of our regional, state, and national economy.

Motion by Councilmember Stephenson, **second** by Vice Mayor Radcliffe to approve Resolution No.19-8 of the Mayor and Council of the Town of Kearny, Arizona, signifying the Town's fullest support for Pinto Valley Mining Corporation and for its investments and efforts towards enhancement of our regional, state and nation economy. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion. **MOTION PASSED.**

**REQUEST OF THE COPPER BASIN CHAMBER OF COMMERCE FOR ROAD CLOSURES
FOR THE ELECTRIC LIGHT PARADE**

The Copper Basin Chamber of Commerce has submitted a letter to request road closures of Alden Road, Tilbury Road and the use of the parking lot area of the Town Hall, Library and the Kearny Library Activity Center, for the Electric Light Parade, which will be held on December 7, 2019, from 4:00PM - 6:00PM. The parade entries this year will begin down at the Town Hall Parking Lot and head up Tilbury Road to Alden Road and the parade starts at 6pm.

They are requesting assistance for a road closure on Alden Road from our local Police Department between the Police Department and the Pinal County Building for the Winter Festival activities until 10:00 PM.

Motion by Vice Mayor Radcliffe, **second** by Councilmember Flores to approve the Copper Basin Chamber of Commerce request for road closures and police assistance for the Winter Festival December 7th, 2019. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion. **MOTION PASSED.**

SAN CARLOS IRRIGATION PROJECT REQUEST FOR APPROVAL OF EASEMENT

Information was provided regarding the relocation of poles that the San Carlos Irrigation Project is requesting approval of an easement. There will be three poles placed in the Kearny easement right across from the APS station on highway 177.

A signed "Right-of-Entry Agreement" to enter the area the property to inspect the feasibility of electrical transmission lines and fiber optic cable from Zayo company is available. The map was provided that describes the existing area marked in black and the proposed reroute in red.

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Johnny Federico, Electrical Engineer Supervisor, for the San Carlos Irrigation Project was there to answer any questions for the town council.

Motion by Councilmember Stephenson, **second** by Councilmember Flores to approve San Carlos Irrigation Project request for approval of Easement. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion. **MOTION PASSED.**

APPROVAL OF DONATION OF A VEHICLE FOR THE KEARNY POLICE DEPARTMENT

A donation of a patrol vehicle from Sahuarita Police Department for the Kearny Police Department is a 2010 Chevy Tahoe. The vehicle is complete except for the department graphics.

Chief Kenney was in attendance to answer any questions the council may have.

Motion by Councilmember Stephenson, **second** by Vice Mayor Radcliffe to approve the donation of a patrol vehicle from Sahuarita Police Department for the Kearny Police Department. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion. **MOTION PASSED.**

INFORMATIONAL ITEMS

Employee Appreciation Luncheon is December 5th, 2019

Copper Basin Chamber of Commerce Winter Festival Parade entry.

Kearny Police Department Bully Awareness Fun Night was a success.

The Church of the Latter-Day Saints made Copper Railway Park, Across the Highway and the Living Word Chapel cleaned up near Family Dollar look amazing by cleaning up trash and cutting weeds. We are so thankful to them.

REPORTS

- | | |
|---------------------------|--------------------------|
| a. Town Financial Reports | e. Recreation Department |
| b. Police Department | f. Kearny Airport |
| c. Library | g. Ambulance |
| d. Fire Department | |

NO QUESTIONS ABOUT THE REPORTS AT THIS TIME.

Motion by Councilmember Hinojos, **second** by Vice Mayor Radcliff to approve the Reports from the Town Departments. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Rudy Flores and Nancy Hinojos all voted in favor of the motion. **MOTION PASSED.**

ADJOURNMENT

Motion by Vice Mayor Radcliff, **second** by Councilmember Floress to adjourn. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Sheila Stephenson, Nancy Hinojos and Rudy Flores all voted in favor of the motion. **MOTION PASSED.**

Meeting was adjourned at 7:50 p.m.

Debra Sommers
Debra Sommers, Mayor

Anna Flores
Anna Flores, Town Manager

ATTEST:

Martina Burnam
Martina Burnam, Town Clerk