

CITY OF WILLIAMS CITY COUNCIL

**WORK SESSION
AGENDA ITEM**

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**MARCH 31, 2011
COUNCIL ACTION**

I. PROCEDURES:

- A. Call to Order Mayor Moore called the meeting to order at 5: 01 p.m.
- B. Roll Call Mayor John Moore, Vice Mayor Don Dent and Councilmen Bernie Hiemenz, Frank McNelly, Bill Miller and James Wurgler were present. Councilman Lee Payne was absent.
Present from City Staff were Interim City Manager/Finance Director Joe Duffy, Public Works Director, and City Clerk/HR Director Susan Kerley.
Present from Mangum, Wall, Stoops, and Warden were Kellie Peterson and Jeff Dollins.
- C. Adopt Agenda Councilman Miller made a motion to adopt the Agenda. The motion was seconded by Councilman Hiemenz, and it carried 5-0.

II. WORK SESSION ITEMS

- A. Discussion and review of proposed Medical Marijuana Ordinance No. 916 with the City's Attorney (Mangum, Wall, Stoops, and Warden), City Council, and Staff. Jeff Dollins of Mangum, Wall, Stoops, and Warden had two suggested changes to Ordinance No. 916:
- Page 6, Item (7) (A). change "renewal of the City Business License" to "review of the City Business License."
 - Page 4, Item (5). (B).insert "500" as the square footage limit for the secure storage area.
- Mayor Moore said he has reviewed Ordinance No. 916 and finds this not much different than any other business venture. He believes the City must proceed as it would for a drugstore or grocery store. It comes down to a Conditional Use Permit. He commended the attorneys for doing a great job and including all current State laws.
- Attorney Dollins said he believes the Ordinance will allow an orderly process and adheres to State laws and strict rules. In Arizona there is a much more controlled and regulated environment than in other places.
- Councilman McNelly asked about the limitation of licensing of dispensaries to non-profit entities. Attorney Dollins replied that the entities would have to be organized as 501(c) (3) organizations.
- Attorney Dollins offered to bring their firm's tax expert, Kathy Munro, to address questions Council might have about non-profit and not-for-profit organizations. He said he was not aware of any requirements of local law enforcement agencies. They will be highly regulated businesses, and the regulation will be at the State level through licensing of doctors who write recommendations. The separation requirements are consistent with the State laws set for distances from schools and educational facilities.
- A member of the public noted that the only remaining issue seemed to be hours of operation. He suggested changing hours of operation from 8:00 a.m. to 6:00 to noon to 8:00 p.m. so working people could get in.

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Attorney Lee Phillips introduced himself and three others. Mr. Phillips said he represents a number of groups that want to open dispensaries. He noted that the hours of operation in Flagstaff will be 8:00 a.m. until 7:00 p.m. and in Coconino County 8:00 a.m. until 8:00 p.m.

Council directed the Attorneys to make the changes to Ordinance No. 916 that Attorney Dollins suggested and to extend the hours of operation to 7:00 p.m.

I. B. Discussion regarding Impact Fee Public Report Update, including population projections, capital projections, and other items that may affect this report.

Mayor Moore did not believe a lot of time should be spent on this before the State takes action. He asked Joe Duffy and Kellie Peterson to discuss the alternatives.

Joe Duffy reviewed the packets he had distributed, beginning with the Annual Report. He said that Impact Fees were started in 2005, but that the City has had impact fees in the Water Department for years.

Mr. Duffy reviewed an agreement that was entered with the Grand Canyon Railway to build a road and improve the area around their business. Anything they built, they got credit for Impact Fees. Currently, there is a credit in the fund of \$610,776.00 for them to build a motel. Mr. Duffy said he doesn't know how to correct for that, since the motel was never built.

He then reviewed the timeline he had developed for constructing an Impact Fee Public Report Update. First, Council needs to project the population over the next ten years and estimate capital needs. They need to review and approve allocation methods. Mr. Duffy and Building Inspector Tim Pettit will need to update data.

Next will come the review of the first draft of the Report and publication of a Notice of Intention. After 60 days a public hearing is held. Once the new Impact Fees are adopted, 75 days must pass before they go into effect. It is a process that takes a lot of work, and Council needs to take the lead. In the short term, Council can be thinking of population estimates and commercial development.

Mayor Moore was concerned that if they pursue this process aggressively, the State will make changes. He felt the best thing to do as Council is to continue to investigate and determine what they want to do.

Councilman Miller stated that we are seven years into a plan developed in 2004 that has not come about. He asked how could what has already been done be justified. While there have been no gains in population but have a debt for the waste water treatment plant. It is almost cost-prohibitive for existing residents to put in a garage that doesn't impact anything. He would like to see Council take a look at capital improvement projects on the list and reach consensus.

Councilman Dent agreed with Councilman Miller. He said they need to start through the capital improvements list after the projected

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population and discuss allocations. Then, at least, they would be moving through this. He does not want to wait on the Legislature. The City would not be rewriting the Study but would be correcting the numbers to match reality.

Councilman Wurgler asked Council could put this into effect and the following points were made:

- ❖ Study Joe’s numbers and pencil in what you think.
- ❖ Review lists, note thoughts, and come to the table to reach consensus.
- ❖ If better ideas for allocation come up, bring them back.
- ❖ Things needing to be looked at include garages that seem to have no impact and rooms with fixtures that will have some impact.
- ❖ Sewage charges need to be adjusted on the commercial side as to what actual use is.
- ❖ If population projections reduce to 4,000 I ten years, capital needs will shrink. It will be helpful to prioritize future projects.

The Mayor and Council members agreed to study these documents and to discuss the issue on April 14, 2011, at the next regularly scheduled Council meeting.

III. ADJOURN:

Kent Jones, Chairperson of the Williams-Grand Canyon Chamber of Commerce’s Board of Directors, announced that an emergency Board meeting had been called for April 1st to ratify the selection of a new President/CEO made by the Selection Committee.

Councilman Dent made a motion to adjourn, seconded by Councilman Miller. The Work Session was adjourned at 6:16 p.m.

Mayor John Moore

City Clerk

ATTEST