

CITY OF WILLIAMS CITY COUNCIL

SPECIAL MEETING  
ANNOTATED MINUTES  
AGENDA ITEM

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SEPTEMBER 25, 2012  
COUNCIL ACTION

**I. PROCEDURES:**

- A. Call to Order Mayor Moore called the meeting to order at 7:00 p.m.
- B. Roll Call Mayor John Moore and Councilmen Craig Fritsinger, Bernie Hiemenz, Frank McNelly, and Lee Payne were present and constituted a quorum. Councilman Wurgler joined telephonically for the first part of the meeting, and Vice-Mayor Dent was absent. Present from City Staff were Brandon Buchanan, City Manager, Julie Walker, Interim Finance Director, and City Clerk/HR Director Susan Kerley. City Attorney Kellie Peterson was present.
- C. Adoption of Agenda Councilman Hiemenz made a motion to adopt the Agenda as presented. Councilman Payne seconded the motion, and it carried 4-0

**II. SPECIAL MEETING AGENDA ITEM**

- A. Council will discuss and may make a decision to instruct the City Clerk to rescind Ordinance No. 929 due to insufficient notice:  
B. Buchanan/K. Peterson
- Brandon Buchanan reported that there are two issues related to the passing of the sales tax Ordinance in July. The intent was to increase the entire bundle of privilege taxes, including construction, telecommunications, etc. Budget numbers reflect the intent to increase the whole bundle. The budget was produced based on the entire bundle. Only the sales tax portion of the bundle was increased. This means collection projections are inaccurate. Along with this issue is insufficient notice given that differed from part of the State statute posted in an obscure location, requiring that tax change ordinances be posted on the website *home page* 60 days before a vote is taken. We posted the Ordinance for 35 days, not 60 days. We did not meet the strict requirements of the law. This would invalidate the Ordinance that was passed. So the sales tax rates that are supposed to go into effect on Monday, October 1<sup>st</sup> are invalid. Because of the issue of notifying the public with 60 days' notice before Council votes on the Ordinance, March 1<sup>st</sup> would be the first we could begin collecting the comprehensive tax. The shortage is about \$350,000. The lion's share can be made up through the Street Department. If we take the \$272,000 from the HURF budget, there will still be about \$76,000 we have to make up from the general budget. \$272,000 is a big chunk we were planning to spend on streets. Even at \$138,500 in street funding, we are almost double where we were last year. Street work continues on Route 66 and Plum Street through grant funding. Kellie Peterson spoke with the Department of Revenue about notifications they require and their plan to make certain no penalties are assessed for those who miss collecting the appropriate taxes.

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Brandon Buchanan added that there was an error in nomenclature: "privilege tax" should have been used to cover all categories. So, the food tax will be in effect until March 1, 2013, and the retail sales tax will remain @ 3% until March 1, 2013.

Councilman McNelly made a motion to approve Resolution No. 1286 which rescinds Ordinance No. 929. Councilman Fritsinger seconded the motion, and a roll call vote was taken:

Councilman Fritsinger	Yes
Councilman Hiemenz	Yes
Councilman McNelly	Yes
Councilman Payne	Yes
Mayor Moore	Yes

The motion carried 5-0.

B. Council may direct Counsel and Staff to create and post a notice to the City's website that will start a 60-day clock as soon as possible and to create another ordinance regarding the tax rates in lieu of Ordinance 929.

Councilman McNelly made a motion, instructing Staff to make a new ordinance to reflect the true meaning of what we intend. Councilman Payne seconded the motion, and a roll call vote was taken.

Councilman Fritsinger	Yes
Councilman Hiemenz	Yes
Councilman McNelly	Yes
Councilman Payne	Yes
Mayor Moore	Yes

The motion carried 5-0.

**III. ADJOURN:** Gioia Goodrum volunteered to send an email to Chamber members if Brandon Buchanan would provide one regarding the tax rate changes.

Councilman Payne made a motion to adjourn, and it was seconded by Councilman Fritsinger. The meeting adjourned at 7:20 p.m.

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Mayor John Moore

ATTEST:

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City Clerk