

Dictionary, does not allow any discretion. It is an order. The ordinance has been delayed for months; the City should move forward with this ordinance and make modifications later. On another point, how much difference is there in the cost of a gallon of fuel between businesses inside the City and those from out of town? **Wilkinson** stated that it is usually only a penny a gallon. **Johnson** said that giving a 5% local preference means local businesses can put four cents in their pockets and win the bid against out of town bidders, making taxpayers pay 4 cents per gallon too much. This will affect many different industries and vendors, but the City Council shouldn't get into that level of micromanagement. One revision that needs to be made is to change the wording so the City does not have to give 5% specifically, when a .05% would be enough to keep the work local.

Wilkinson stated that the wording in the ordinance says the City "may award up to a 5% local preference," so the City does not have to automatically grant the full 5%. The City has two missions relevant to this issue: Buy local, but also be good stewards of City taxpayer money. The City has run up against this in the past and denied local preference to bidders whose bids were extravagant – way above what others were bidding.

Johnson made another point. If a person lives in the City, they pay property taxes on their home assessed at a rate of 10% of the theoretical value of their home. If a person owns a business in the City, they pay an assessed rate of 20-25% of the theoretical value of their commercial property – considerably more than for a home. This money flows into the City's treasury. Businesses with offices outside the City limits are not paying those taxes and they are not collecting sales taxes, both of which puts them at a competitive advantage over someone doing the same business inside the City limits.

Beeson asked that a rider be included in the ordinance tomorrow, providing that the City Council review the ordinance in six months. **Wilkinson** noted that a rider is unnecessary. If the City Council wants to revisit the ordinance in six months or even three months, he will see to it. He will be revisiting it the day after its approval with the Chamber of Commerce.

Agenda Item VIII: Yuma City Charter Article VII, Section 10 - City Council Power to Investigate and related items

- A. This item is to discuss and possibly take action on City Charter, Article VII, Section 10: City Council Power to Investigate**
- B. Retain the Law Firm of Gust Rosenfeld, P.L.C., to assist the City Council in the power to investigate pursuant to City Charter Article VII, Section 10.**

Mayor Krieger questioned how the above Section B became a part of the agenda; who initiated its inclusion? It appeared on the agenda sometime after noon today and he had no notice of it other than the standard notification given to all. A chairman should have some opportunity to discuss the inclusion of an item on the agenda and, especially, in this case, since there's been no direction from Council to proceed with soliciting or directing staff to solicit bids or bid proposals.

Wilkinson stated that staff has not solicited any bids or proposals. **Mayor Krieger** asked if the law firm had been contacted. **Wilkinson** stated that he had talked to the law firm to confirm they could provide the expertise needed, should the matter move forward. No other law firms were contacted. Gust Rosenfeld is a respected Arizona law firm and the City has had no dealings with the firm other

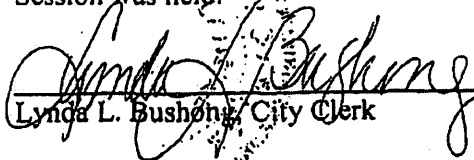
than limited bonding services. Mayor Krieger: It's confusing. Why would the City Administrator move to this level without direction from the City Council? This seems preemptive in nature and it presents a serious problem. The City Administrator, the City Attorney and everyone on staff who was involved in the conversation now has a conflict in this matter. Wilkinson: No other City personnel spoke to Gust Rosenfeld. Mayor Krieger: Gust Rosenfeld is now poisoned simply because he, as Mayor, was not privy to the conversation. This creates a conflicting situation between the City Administrator, the other City Councilmembers and himself. The Agenda heading refers only to the power of the City Council to investigate. Wilkinson: Certain City Councilmembers have requested the opportunity to consult with counsel, since the City Attorney has declared a conflict of interest and, therefore, can't advise individual City Councilmembers in this regard. Other City Councilmembers have asked that the City obtain an independent firm to assist.

Mayor Krieger: That is reasonable; however, the retention of a law firm should be a separate City Council action item that is discussed in the open. This presents a question of whether there was a quorum violation. Wilkinson: No quorum violation occurred. Mayor Krieger: The current situation brings to light the fact that the City Council does not have the representation it once expected. He is not in disagreement that this body needs representation – that's why practically all the other cities and towns in Arizona have a City Attorney that works at the pleasure of the council. This is a question to be discussed in the future; it would require a change in the Charter, which requires voter approval.

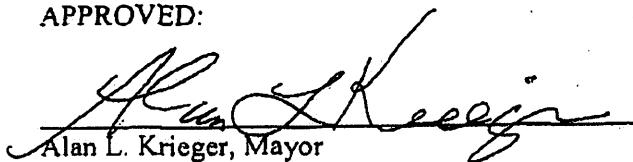
II. ADDITIONAL ITEMS FOR POSSIBLE DISCUSSION - none

III. ADJOURNMENT/EXECUTIVE SESSION

There being no further business, Mayor Krieger adjourned the meeting at 5:53 p.m. No Executive Session was held.


Lynda L. Bushong, City Clerk

APPROVED:


Alan L. Krieger, Mayor

Approved at the City Council Meeting of:
March 21, 2012
City Clerk: 