

*Mayor Diane Joens  
State of the City Address  
City of Cottonwood, Arizona  
October 3, 2008*

It's a beautiful day in the city of Cottonwood. October is my favorite month, because the weather is perfection. The Verde River runs through our community, a community that is unsurpassed in its beauty. Cottonwood was established in 1879 and named after 16 cottonwood trees located near the Verde River. The settlers grazed their herds of cattle on the tall grasses. Early pioneers raised vegetables and other produce for the neighboring towns of Jerome and Camp Verde. We became an incorporated town in 1960, and changed to a city in 1987.

Thank you very much for taking time out of your busy schedules to attend today's State of the City address. I'd like to thank our local Clarkdale Verde Kiwanis organization for hosting this event. These noble Kiwanis community volunteers are dedicated to changing the world, one child and one community at a time. Their fundraising efforts fund their Clothe a Child project in early December and provide a monetary reward to Strive for 5 at Mingus Union High School. They provide money to supplement teaching activity that directly supports and enhances the education of our communities' children. These people, members our communities who live in our neighborhoods, support the Key Club, a Kiwanis sponsored organization, and provide a scholarship to graduating seniors every year. Let's give them a big hand for their work in our community.

I wish to acknowledge my colleagues on the city council, Vice Mayor Karen Pfeifer, and council members Terence Pratt, Duane Kirby, Tim Elinski, Linda Norman and James Chapman. My colleagues represent a wide spectrum of philosophies and views, and what I love about working with this council on behalf of our citizens is that we are able to respectfully disagree. Just joking, but it's been said that if two people agree 100 percent of the time, one of them is not necessary. I applaud our city council for getting things done in a diplomatic manner. Each member devotes countless hours to the business of the city and takes the job very seriously. Council works hard to create good public policy based on citizen participation. Council members, thank you.

One policy change that council effected immediately after I became mayor was to move the call to the public from the end of our agenda to the beginning. It was the right thing to do.

I would also like to say "thank you" to our city staff. They provide excellent services to our citizens.

In my State of the City address, I would like to report to the citizens of Cottonwood that City Manager Doug Bartosh hit the ground running since being hired by the mayor and city council the end of January. Since he is at a MATForce event and not here to acquire a big head from hearing our praise, I am pleased to share that he has been a quick study for the manager's job. I appreciate his quick response to citizen issues, excellent leadership of his staff, and supportive response to the mayor and council. Hiring Doug Bartosh to be our city manager was a good city council decision.

As the level of government closest to the people, cities and towns have the duty to work with their citizens to create high quality, safe places for people to live and work. From community improvements to smart growth planning, municipalities perform many roles in fulfilling our responsibilities, and Mr. Bartosh ensures that his council's policies are quickly and efficiently enacted.

**Council Retreat**  
Updated verbally

## **Economic Development**

According to *The Role of Arizona Cities and Towns in the State's Economy*, authored by the University of Arizona, municipal residents make up more than 82% of the state's population and municipal economic activity contributes more than 91% of the state's income tax revenues. These numbers clearly demonstrate the vital role cities and towns play in the state's economy. It is imperative that state policy makers understand how crucial municipalities are to the state's well being and advocate policies that augment municipal strength. (League of Cities and Towns)

We are working on a Focus on Success project that is an advanced economic development planning process sponsored by APS. Communities that have been highly successful with past Focus Future planning efforts are eligible to request a Focus on Success project, which our Economic Development Director, Casey Rooney, assisted in bringing to Cottonwood. We are looking at Cottonwood's strengths and weaknesses, and we will be considering the labor force, transportation and market access, sites and buildings, utility and municipal services, and other issues deemed relevant to economic development. The process will focus on businesses, workforce, education, leadership and quality of life, or other topics that the participants will choose. We have a great deal of economic development occurring around the airport which brings economic value and jobs to the citizens of Cottonwood and the upper Verde Valley.

## **Finance**

The economy is very challenging right now for families and government. After two consecutive strong years, fiscal 2007-2008 brought some of the worst economic problems seen in more than 16 years, according to Finance Director Rudy Rodriguez. The downturn in the economy is expected to continue well into 2009. The most critical component of this fiscal decline has been the local sales tax which saw double digit decreases. It was quite a fiscal dilemma for our staff to wrestle with while compiling the draft budget to present to council.

The city of Cottonwood has always prided itself on managing the city's affairs on local sales tax. Though successful in the past, circumstances may require citizens to further consider the notion that sales tax can provide quality services on a major source of revenue that is at the mercy of the economy. In October, 2001 the Morrison Institute for Public Policy at Arizona State University published an annual report called "Five Shoes Waiting to Drop on Arizona's Future." The "Fifth Shoe" was identified as "The Revenue Sieve." "Arizona's tax system is old and full of leaks." Wherever the discussion takes us in the future, our citizens will be in charge.

Difficult times brought difficult decisions for this year's budget. Even after going back to department heads for reductions, the original shortfall was more than \$2 million dollars. After a very public process, council adopted a budget that was based on a point eight (.8) percent sales tax increase which will become effective on Nov. 1. (For more information, please see the city's Web site, [www.ci.cottonwood.az.us](http://www.ci.cottonwood.az.us).)

This year's total final expenditures budget is \$88,545,340. It is an overall increase of \$10,372,445, with the difference largely attributed to the reallocation of resources for continuing projects, increase in some reserves, and long awaited capital projects that we had either saved for, or borrowed for, such as the Recreation and Aquatics Center. The rising cost of fuel is reflected in the general fund, as well as increases in Public Safety Personnel and Retirement. Our general fund budget this year is \$19,687,440.

The full budget is on the city's Web site if you would like more details, [www.ci.cottonwood.az.us](http://www.ci.cottonwood.az.us).

In discussing finance, the Government Finance Officers Association of the United States and Canada awarded the Distinguished Budget Presentation Award to the city of Cottonwood for its comprehensive annual financial report. Our excellent Finance Department is continuously recognized with awards for their professional management of the city's finances.

## **Streets, Sidewalks and Bike Accommodations**

The City has five capital improvement projects under contraction and three heading to design. Willard Street Extension: This \$1 million dollar project is half complete. The sides and top of the wash crossing box were placed Thursday--400 cubic yards of concrete in a single placement. The street should be complete on time in December.

Library: The \$2.5 million expansion project is wrapping up. The grand opening is scheduled for Oct. 15, 2008, at 5:15 p.m. So, mark your calendars. Introductory words will be shared by the Library Director John O'Neill and Board President, Dr. Jay Fleishman. Ribbon-cutting will be orchestrated by Mayor Diane Joens. Kyla Allen has talked with all the City Council members who will be there, according to Library Director John O'Neill.

The expansion area—entire children's and young adult collections—is currently closed until we get all the books on the shelf early next week. Call 634-7559 before you come so you don't waste a trip, Mr. O'Neill said. The view from the mezzanine is stunning.

Recreation Center: The voter-approved \$14.6 million facility is 75% designed. If the price comes in right, ground breaking could be in early 2009. Construction will take 15-18 months.

Airport: We have a \$240,000 airfield electrical upgrade project ongoing and a \$75,000 interior access road project just starting.

Upcoming road activities in the city are major reconstruction projects on West Mingus (89A to Willard), South 12th (Mingus to Birch) and South 12th St (89A to Fir). The city also plans a chip seal job for spring of 2009 in the Mingus and Main Street area.

### **Emergency Management**

The final of the updated Emergency Management plan is almost complete for council approval. If disaster strikes, the plan provides procedures to protect health, safety, property, ensure law and order, as well as security and control. This is not a new plan, but an update. Mayor Diane Joens and Vice Mayor Karen Pfeifer have both taken National Incident Management System training.

### **Trails**

The city of Cottonwood has been an active participant in the Verde Valley Regional Trails Plan Committee that has been meeting monthly since January of this year with the goal of producing a regional trail plan document by the summer of 2009. Yavapai County, through the support of Supervisor Chip Davis, has provided the facilitation of this process with mapping and overall coordination duties. The city of Cottonwood has provided staff representation, along with Yavapai County, Clarkdale, Camp Verde, Sedona, Coconino and Prescott National Forests, Arizona State Parks and several area groups, including Cornville and Beaver Creek, and several trail user groups, including Back Country Horsemen, Verde Valley Cyclists Coalition and Dead Horse Ranch Trails Coalition. Once a draft plan is completed, it will be presented to the various communities, city councils and other groups for further review and input, according to Cottonwood planner Charlie Scully. The plan is intended to identify opportunities, clarify inter-agency coordination issues and serve as a guide and resource for improving trail facilities throughout the Verde Valley; however, ultimately it will be up to each community and land agency to use these tools to make this happen in their communities. Staff is working to complete a long-awaited bicycle plan which should come before council within the month.

### **Boards and Commissions**

This year the city council created an Airport Commission and a Senior Commission. The study to create these commissions takes much time and effort, but we're progressing with the creation of a Judicial Commission, also.

## **Airport Commission**

The airport is an asset to the city, tourism, and the business community. The commission has created an operations manual and members have accomplished a great deal of work. The city now purchases and sells the gas, and sales have gone up. The Airport Commission created a Promotional Committee. They are discussing partnering with the Chamber of Commerce to further promote the airport.

## **Seniors and Youth**

The Cottonwood City Council created a Senior Commission early this year. Commission members are working hard to review and make recommendations to the mayor and city council regarding senior programs and services which operate within the city for the benefit of the city's senior population. The city approved funds to provide a phone at the Verde Valley Senior Center for senior information and referral purposes. The next step is to figure out how to get funding for a much needed information and referral specialist. On behalf of our citizens, the city council voted to fund our Senior Center at \$30,000, and if possible, we are going to try to allocate another \$15,000 to help pay for food for our seniors.

The Youth Advisory Commission is just getting geared up for the year's work. Council will appoint the members at our Oct. 7 meeting. The youth are a dynamic bunch whose motto is "Dream Big." They plan youth and children's activities, participating in Big Brother Big Sister Bowl-a-Thon, they plan Block and Rock dances at the school, they work with the Stewards of Public Lands, and practice philanthropy for non profit like the Food Bank, Verde Valley Sanctuary, Operation Graduation, and many others. They also participate in government events with the Governor of Arizona and the League of Cities and Towns.

Cottonwood Riverfront Dog Park Association is an amazing community group that has worked and raised funds to create an acre sized dog park. Talk about tenacity and determination! The grand opening will be sometime this month. Don't forget that there will be a doggie swimming part Oct. 25, and we hope you'll attend the fun. Rhythm and Ribs is coming up Oct. 11 and a great list of bands and delicious ribs will be featured. The Yavapai-Apache Nation is cosponsoring the event. Another group of citizens is working to create a community garden next year. Bravo to all of you who are involved in making a positive difference in our community. This type of volunteerism in the community is what makes the mayor's job so rewarding.

## **Planning and Zoning**

The council has met quarterly with the Planning and Zoning Commission to review the 2003 General Plan. Staff has worked diligently with businesses and the community on a sign code which the council recently passed. We also approved a residential rental maintenance program. We want Cottonwood to be a clean, beautiful community. If anyone is interested in creating a Cottonwood Beautiful Committee, please contact your mayor.

## **Police**

Cottonwood Police officers now have data terminal computers in their patrol vehicles, which allow them to spend more time in the city. The city experienced a reduction in certain crimes by 46%. MATForce and PANT have also made a big difference, according to City Manager Doug Bartosh.

## **Fire**

The city of Cottonwood is experiencing more calls than ever. According to the city manager, the city experiences the largest call volume of any Fire Department in the Verde Valley, including Sedona. We have plans to build a Fire Station on the northeast end of town, and we will need 12 more firefighters to staff it. All firefighters on the trucks are now paramedics. Congratulations to a top-notice department.

## **Coffee Talk Community Outreach**

The mayor, city council and city manager expanded the monthly coffee talks to outreach into the city's neighborhoods. Our city manager and staff give the greatest community updates, and citizens have an opportunity to ask questions and make suggestions on how we can better serve them. Oct. 22 at 5:30 p.m. we will meet at the Latin American Center, and Dec. 1 we will meet with the Crestview subdivision and the southwestern area of the city. That meeting will be held at the Public Safety Building, 6 p.m.

## **Annexation**

How does growth mesh with sustainable water, rivers and riparian areas, and quality of life? Citizens with a wide variety of ideals question, "Can we have it all?"

The city of Cottonwood in the early planning stages after receiving approval from the State Land Department and our city council to pursue the possibility of annexation of the state trust land parcels.

We know that State Trust Lands will be developed by the Arizona Land Department's mission: "To manage State Trust lands and resources to enhance value and optimize economic return for the Trust beneficiaries." The State Land Department has expressed a desire that Cottonwood annex these ten (10) sections. It is also important to the city of Cottonwood to be able to manage future development of this significant parcel of land to ensure for sustainable growth that meets the social, economic, and environmental expectations of our citizens.

Through city annexation the following can be achieved:

- Managed future growth
- Open space and open space preservation
- Safe transportation alternatives
- Use of reclaimed water
- No septic systems
- Landscape requirements
- Rain water retention
- High efficiency fixtures
- Complimentary economic development
- More responsive police, fire, and EMS services.
- Planned trail systems
- Opportunity for public input
- Protection of forest lands

We anticipate that this will not be a quick process and there is still much work to do. In completing that work, our plan is to put together a group of stakeholders to work with the city and our consultant to not only respond to people's questions, but to also develop a plan that will work for the Verde Valley and be acceptable to the State Land Department. They have the final word based on their mandate to receive as much value as possible for the land. Our goal is to try to obtain as much open space concessions from the State Land Department as possible. As mayor, I would urge the city council to consider setting aside money for purchase of special lands, or supporting a citizen initiative to purchase some of the land for preservation if our open space desires are not acceptable to the State Land Department.

The reason that Cottonwood decided to pursue annexation at this time is because the land is contiguous to the city and we are very concerned about how this property develops. We currently have large sections of unincorporated land around the city that pose concerns related to wastewater and water as well as the impact on city services. We are already observing development in the area of the State Trust Land that is encompassing new wells and septic tanks that will have an environmental impact on us all.

The city council also voted on Sept. 16 to file annexation papers for eight square miles of Coconino National Forest, citing that if the Forest Service chooses to develop those lands, they should be in Cottonwood.

The big question is, "How can we manage water to meet human needs while also maintaining a desired level of ecosystem function?"

## **Water**

Taking control of its water future, the city of Cottonwood, in 2004, purchased three water companies: Clemenceau, Cores Lakes, and Verde Santa Fe. The city acquired Cottonwood Water Works in January 2006. In a very complicated purchase, the city bonded for Clarkdale, and in the spirit of cooperation, allowed Clarkdale to carry its water company as an asset. A goal, according to City Manager Doug Bartosh, by the end of this fiscal year 2008, is to separate the systems physically and operationally, but with valves and meters enabling the city and town to share water when needed-- with payments.

The city manager says bonding for the town of Clarkdale was a significant gesture by Cottonwood to help out a neighboring jurisdiction. It increases our debt but Clarkdale records the asset of the water company. This is something we are working to change as well. In essence, they would not have been able to purchase the water company without Cottonwood's willingness to bond for their company, according to the City Manager.

Cottonwood has provided operational, emergency and billing services to the town of Clarkdale, reducing their start-up costs, and bringing additional operational revenue to the Cottonwood system. Clarkdale began billing their own accounts in April 2008. Since the purchase of the companies, there have been no emergency notices sent to customers.

Owning its own water utility, the city of Cottonwood reduced costs by combining personnel, buildings and equipment, and reduced the total number of employees through consolidated ownership.

The city ensured efficient utilization of pumps, storage facilities and resources, installed new disinfection equipment on all wells to allow consistent and regulated control of water system chlorination, improved system pressure in certain areas through installation of variable drive booster pumps, completed an arsenic feasibility study, and bid remediation systems throughout the entire system.

With the ability to create a strong water conservation program and incentives, the city adopted a tiered rate structure to encourage conservation, developed a drought management plan, and is starting the process of a formal conservation program.

The city increased the use of reclaimed water for recharge and reuse projects, adopted ordinances requiring reclaimed water be used for construction watering, and has experienced significant increase in use of reclaimed water.

The city completed major electrical renovations throughout the Clemenceau well system, and completed a Vulnerability Assessment and Emergency Operations Plan for the entire system. We gained ability to obtain grants and supplemental funding available to public entities, which can assist with capital upgrades to the system.

Owning the water companies has provided more consistency in water rate use structures and billing. All Cottonwood customers are now on the same rate structure, versus the previous four different rate structures within our community.

Cottonwood Utilities added 1500 feet of waterline and three new hydrants in the Clemenceau area for increased fire protection, completed a waterline upgrade and fire hydrant installation in the Old Town area, and improved coordination for fire protection through the development review process.

In 2008 the city council created a Natural Resources Department. During the budget process, the council directed that Director Robert B. Hardy's work be focused solely on water issues. Mr. Hardy formerly wore many hats at one time, including assistant city manager and Webmaster. Mr. Hardy was appointed to the Statewide Water Advisory Group. SWAG has worked on legislation the past several years. Mr. Hardy says they hope for more progress this year—funding for the water infrastructure grant program, service area protection boundaries, toughening lot split regulations, and requiring accountability of private well proliferation. Mr. Hardy says, “It is slow going sometimes down at the legislature concerning these issues.”

Owning its own water utility allows control of growth patterns within the city. Municipal ownership increases ability to use water availability in land use decisions, system improvements are targeted to support existing neighborhoods, and developers contribute to the value of the public system versus increasing the value of private companies.

In November 2006 the mayor and city council passed a Drought and Water Shortage Preparedness Plan. May through September, outside watering is regulated to even/odd days, on even/odd streets.

The city completed an impact fee study and adoption of the fees to make new development pay its own way for water and wastewater infrastructure. We completed a program to locate, exercise and plot every mainline water valve in our four systems. This allowed replacement of defective valves and the ability to quickly isolate leaks and “stop the bleeding,” which saves a substantial amount of water. We have replaced in excess of 6000 feet of defective and leaking waterlines, and continue to install fire hydrants throughout city systems to increase fire protection. We are in the process of replacing the old, inefficient booster pumps with much more economical and efficient variable drive booster packs. This allows us to pump water with consistent pressure and volumes while significantly reducing energy consumption, according to Utilities Director Dan Lueder.

The city of Cottonwood works hard to do our share to protect our water resources for people and the environment.

The Verde River is a significant water supply and recreation corridor. Beyond its physical importance, the future condition of the Verde River will eventually represent how successful Arizona is in finding accommodation for all the roles that rivers play. (*Verde River Almanac*, Carol Erwin, U.S. Bureau of Reclamation.)

“No pessimist ever discovered the secrets of the stars...or sailed to an uncharted land... or opened a new heaven to the human spirit.” --Helen Keller

The city of Cottonwood continues to aggressively pursue and expand its water resource, water management and water conservation programs. These actions will allow our region to develop, but only with sound planning practices and with protection of our water supplies and riparian/environmental habitats. A major focus is to assure the community's access to a long term physical and legal supply of water.

The city continues to participate in regional scientific studies, committees and groups to identify, discuss, and develop regional solutions to the many environmental and natural resource challenges we face. Additionally, the City of Cottonwood is very active at the legislative level and is assisting with drafting rural water related legislation which will support our strategic water management plans.

### **Regionalism, Working Together**

Verde River Basin Partnership: We funded \$10,900 to the VRBP this year for a well-testing study, collaborating with Clarkdale, Jerome and Camp Verde. Not a complete list by any means, some of the regional and statewide committees and subcommittees we are directly represented on: Yavapai County Water Advisory Committee, WAC; Northern Arizona Municipal Water Users Association, NAMWUA; Verde River Basin Partnership, VRBP; Central Yavapai Highlands Water Resource

Management Study (CYHWRMS) Verde Watershed Association, VWA; Statewide Water Advisory Group, SWAG; SWAG – Wells subcommittee, SWAG – Lot Split subcommittee, Central Arizona Water Conservation District CAWCD-ADD WATER, Coconino Plateau Water Advisory Committee, WAC. And more...

#### **Franchise Tax, UNS Gas, Election Nov. 4**

The city of Cottonwood's franchise with UNS gas has expired after 25 years, and will go back to the voters Nov. 4. UNS gas collects a 2 percent fee from gas customers. The taxes are forwarded to the city of Cottonwood. These funds can be used for projects, like the Fir Street repaving project. This franchise essentially allows utilities to work and lay their infrastructure in the city's rights of way. If the voters do not approve the franchise tax, future negotiations for projects will have to be on a project-by-project basis. This has the potential to create high legal fees for both the city and the gas company. This question will be on the Nov. 4 ballot, and UniSource will be providing the voters with information.

#### **In Conclusion**

What can you do to help your city? Stay involved. Come to Council meetings, and as Margaret Mead said, "Never doubt that a small group of thoughtful committed citizens can change the world: indeed, it's the only thing that ever has."

In closing, I'd like to ask that we all spend time today thinking about the men and women who are serving in the military, protecting our freedom.

In spite of these challenging economic times, I still believe in America. We still have opportunities and freedom. Even in rough times, the United States of America is a wonderful place to be.

The honor of being your mayor is the most rewarding experience I've had in my life, and thank you for the opportunity. Cottonwood is the perfect place to build our dreams. Let freedom ring.