

A G E N D A

SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, TO BE HELD JUNE 13, 2011, AT 2:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING LOCATED AT 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

I. CALL TO ORDER

II. ROLL CALL

The following items are for Council discussion, consideration, and possible legal action.

III. AUTHORIZATION FOR STAFF TO PURCHASE A GENERAC SG 275 ELECTRICAL GENERATOR FOR LIFT STATION FOUR FROM AGM SALES AND SERVICE.

IV. AUTHORIZATION OF THE USE OF A PORTION OF THE FUNDS INITIALLY BUDGETED FOR THE EMPLOYEE MERIT PROGRAM IN FISCAL YEAR 2011 FOR AN ALTERNATIVE, ONE-TIME PAYMENT OF UP TO 2.5 PERCENT OF AN ELIGIBLE EMPLOYEE'S BASE SALARY, WITHOUT ADJUSTMENT TO THE BASE SALARY.

V. AUTHORIZATION TO USE COUNCIL CONTINGENCY FUNDS FOR THE PURCHASE OF CITY PINS AND OTHER MEMORABILIA.

VI. ADJOURNMENT

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A G E N D A

BUDGET WORK SESSION OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, TO BE HELD IMMEDIATELY FOLLOWING THE SPECIAL MEETING SCHEDULED ABOVE.

I. CALL TO ORDER

II. ROLL CALL

III. DEPARTMENTAL BUDGETS

1. Fire
2. Police
3. Animal Control
4. Communications
5. Library
6. Parks & Recreation
7. Recreation Center
8. Cemetery
9. Pool
10. Custodial

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IV. FUNDING OF OUTSIDE AGENCIES THAT PROVIDE CORE SERVICES

1. Old Town Association
2. Humane Society
3. Veterans Van
4. Catholic Charities
5. Senior Center

V. BUDGET WRAP-UP

VI. ADJOURNMENT

Pursuant to A.R.S. § 38-431.03.(A) the Council may vote to go into executive session on any agenda item pursuant to A.R.S. § 38-431.03.(A)(3) Discussion or consultation for legal advice with the attorney or attorneys of the public body.

The Cottonwood Council Chambers is accessible to the disabled in accordance with Federal "504" and "ADA" laws. Those with needs for special typeface print or hearing devices may request these from the City Clerk (TDD 634-5526.) All requests must be made 24 hours prior to the meeting.

Members of the City Council will attend either in person or by telephone conference call

City of Cottonwood, Arizona  
City Council Agenda Communication



Meeting Date: June 7, 2011

**Subject: Lift Station Four Generator Emergency Purchase**

Department: Development Services

From: Dan Lueder

**REQUESTED ACTION**

Consider approval of the emergency purchase of an electrical generator for Lift Station Four.

If the Council desires to approve this item the suggested motion is:

**Pursuant to Section VI-C of the City's Financial Operations Guide, I move that the Council find that due to extenuating circumstances, it is in the City's best interests to purchase a Generac SG 275 electrical generator for lift station four from AGM Sales and Service in the amount of \$72,209; and to authorize staff to make that purchase.**

**BACKGROUND**

Lift station four is a critical component of the City's wastewater collection system, and pumps approximately 900,000 gallons of raw sewage per day to the treatment plant on Mingus Avenue. This lift station is equipped with an emergency electrical generator that supplies power to the lift station when the APS supply is lost or compromised. The existing generator is approximately twenty years old, has been increasingly problematic recently and is a major concern to staff. Replacement parts are no longer readily available and in several cases replacement parts have had to be fabricated to keep the unit operable. Additionally, our contracted service company has advised us that it can no longer remove several of the spark plugs as they are not able to loosen them utilizing standard methods and they fear that if they attempt more drastic methods the plugs may snap and render the generator inoperable. After consultation with the city manager, city attorney and administrative services general manger, it was determined that this situation was in fact time-critical and the best option to remedy this situation was to bypass the normal bid process and solicit quotes from generator suppliers. Generator specifications were sent to seven (7) vendors which included Arizona Diesel Power, Empire Power Systems, AGM Equipment, Gentech, Loftin Equipment, Cummins Rocky

Mountain and Simonsen Generator. All of these vendors initially indicated that they intended to supply a quote, however to staff's knowledge at the time the original staff report was completed for the June 7, 2011 Council meeting only AGM and Empire Power Systems returned quotes by the deadline. On June 7, 2011 at 2:47 PM an email was received from Shaun Kitto at Cummins Rocky Mountain indicating that he had submitted a quote prior to the deadline however it was not reflected in the original staff report. On advice of the city attorney, because staff did not have sufficient time to investigate this claim it was recommended to the City council that they vote to table this item which they did.

Staff has still not been successful in locating the missing quote so we requested Mr. Kitto resubmit his firms quote which he did. All quotes were checked and found to comply with the specifications. AGM quoted \$72,209, Cummins Rocky Mountain quoted \$108,880 and Empire quoted \$187,999. AGM is a local company and has been the maintenance service contractor for the City over the past several years.

### **JUSTIFICATION/BENEFITS/ISSUES**

Section VI-C of the City's Financial Operations Guide authorizes Council to waive normal procurement procedures when the Council finds that it is in the City's best interest to do so. That section is shown below:

C. Waiver by City Council. The City Council may waive any provision or requirement of this Procurement Policy upon a finding that doing so is in the best interests of the City. Circumstances justifying waiver include, but are not limited to situations in which timing/expediency is critical; special or unique qualifications of an individual, firm, vendor or item(s); the procurement of additional goods or services under an existing contract; or to comply with specific requirements of a gift or grant.

Due to the critical nature of lift station four and the potential for significant environmental contamination, as well as the cleanup and regulatory costs that would be associated with a failure of the station, it is clearly in the City's best interests to replace this generator as expeditiously as possible. Staff has acquired a backup generator to power the lift station should the main generator fail before a replacement is operable, however, there are significant cost and operational issues associated with this unit which make expediency a priority.

### **COST/FUNDING SOURCE**

Sewer enterprise fund

### **REVIEWED BY:**

City Manager: \_\_\_\_\_

City Attorney: \_\_\_\_\_

### **ATTACHMENTS**

City of Cottonwood, Arizona  
City Council Agenda Communication



Meeting Date: June 13, 2011

**Subject: One-time Discretionary Payment to City Staff for FY 2011**

Department: Finance Department

From: Jesus R. Rodriguez, CGFM - Administrative Services General Manager

**REQUESTED ACTION**

Staff is requesting approval by the City Council of a 2.5% one-time disbursement to all current full time employees.

**If the Council desires to approve this item the suggested motion is:**

I move to approve that the City of Cottonwood do a one-time 2.5% disbursement to all current full time employees based on the criteria outlined in the communication.

**BACKGROUND**

Over the past nearly four fiscal years, the City of Cottonwood has done everything it can to keep its employees fully employed. During these trying economic times the City has reorganized, cutback on capital equipment purchases, cut operational costs and frozen some positions in order to reduce costs. Though the City has filled some vacancies during these times, all those positions were evaluated and the jobs descriptions were modified to make them more versatile and cross over into various departments.

This fiscal year the City decided to hold off on offering any type of increased compensation, COLA, and merit until late into the year. This move was to ensure that all core services were covered and that there were sufficient revenues to meet all the reserve requirements.

As the budget for FY 2012 was being developed, talks again arose about employee compensation with respect to how well employees are handling their jobs and the lack of noise from all the added work due to frozen positions. The City Manager and Administrative Service General Manager discussed the matter at length and proposed several compensation

models to council at the April 12<sup>th</sup> Goal Setting Work Session. At that meeting, City Council requested that Administration go back and review the models and bring back a recommended model during the budget process if feasible.

That brings us to the recommendation made at the June 6<sup>th</sup> and June 8<sup>th</sup> budget workshops. The following are the guidelines for the compensation recommendation:

-  One-time discretionary payment to all current full time City employees.
-  The amount of the discretionary payment is equal to 2.5% of their annual salary.
-  Employees hired during the fiscal year will be subject to a prorated payment based on full months worked.
-  The discretionary payment will not become part of an employee's on-going salary.
-  The discretionary payment will be subject to all the applicable taxes and retirement deductions.
-  Will be paid out before June 30, 2011.

### **JUSTIFICATION/BENEFITS/ISSUES**

Even with the reorganization, which is still ongoing, many employees have taken on roles that are not part of their daily responsibilities. The City is also conscious of the fact that costs have gone up and workloads have increased.

In recent years we have seen substantial increases in health insurance premiums, retirement contributions and taxes. This 2.5% one-time discretionary payment by no means covers the burden of the increased costs to which employees are being subjected.

The strong support and the dedication that employees have for the City of Cottonwood is evident in the amount of work these individuals are taking on and the lack of grumbling coming from them. We just continue to add more responsibilities and duties without a single complaint documented.

With this in mind, Administration would like the City Council to strongly consider the request for a 2.5% one-time discretionary payment as outlined above.

### **COST/FUNDING SOURCE**

Funding for some sort of compensation was originally budgeted at \$450,000 in the FY 2011 final budget. The amount being proposed is \$240,000 and currently is included in the revised FY 2011 portion of the FY 2012 proposed budget. The difference will be placed back into the fund balance and reallocated for FY 2012.

### **REVIEWED BY:**

City Manager: \_\_\_\_\_

City Attorney: \_\_\_\_\_

### **ATTACHMENTS**

None

City of Cottonwood, Arizona  
City Council Agenda Communication



Meeting Date: June 13, 2011  
**Subject: Purchase of City Pins and Other Memorabilia**  
Department: City Clerk  
From: Marianne Jiménez, City Clerk

**REQUESTED ACTION**

Council consideration of designating Council contingency funds for the purchase of city logo pins and other memorabilia.

**If the Council desires to approve this item the recommended motion is:**

“I move to approve \$\_\_\_\_\_ of Council contingency funds for the purchase of city logo pins and other memorabilia.”

**BACKGROUND**

It has been seven years since the Council approved funds for the purchase of city logo pins and other memorabilia such as tote bags, pens, key chains, and mugs which have been given out as souvenirs to visitors and for use during the League of Arizona Cities & Towns conference. The supplies of the items that I have on hand are almost exhausted and Mayor Joens would like the Council to consider purchasing more items.

The cost to purchase these types of souvenirs range from sixty-five cents for post-it notes, to \$4.65 for cotton tote bags, with a required minimum order of 50-100 per item. The cost for city logo pins is approximately \$2.95 each with a minimum order of 500 required.

**JUSTIFICATION/BENEFIT/ISSUES**

Souvenir items promote the city and are nice mementos the Mayor and Council can give to government officials and others who visit the city.

**COST/FUNDING SOURCE**

Funding to purchase the memorabilia is being requested from the Council's contingency funds from the current fiscal year.

**REVIEWED BY**

City Manager: \_\_\_\_\_

City Attorney: \_\_\_\_\_

**ATTACHMENTS**

None.