

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD MARCH 17, 2009, AT 6:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

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CALL TO ORDER AND ROLL CALL

Mayor Joens called the regular meeting to order at 6:00 p.m. Roll call was taken as follows:

COUNCIL MEMBERS PRESENT

Diane Joens, Mayor  
Karen Pfeifer, Vice Mayor  
James Chapman, Council Member  
Tim Elinski, Council Member  
Duane Kirby, Council Member  
Linda Norman, Council Member  
Terence Pratt, Council Member

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager	Jeff Dollins, City Attorney
Marianne Jiménez, City Clerk	Mike Casson, Fire Chief
Scott Mangarpan, Project Manager	Charlie Scully, Planner
Jody Fanning, Police Chief	Dan Lueder, Utility Director
Kyla Allen, Executive Assistant	

PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was led by Hilaree Naughton, a volunteer in the youth services department of the Cottonwood Library.

BRIEF SUMMARY OF CURRENT EVENTS BY MAYOR, CITY COUNCIL AND/OR CITY MANAGER--  
THE PUBLIC BODY DOES NOT PROPOSE, DISCUSS, DELIBERATE OR TAKE LEGAL ACTION ON  
ANY MATTER BROUGHT UP DURING THIS SUMMARY UNLESS THE SPECIFIC MATTER IS  
PROPERLY NOTICED FOR LEGAL ACTION

Mr. Bartosh introduced Jeff Dollins, a new attorney from Mangum, Wall, Stoops & Warden. There was something of an emergency with the old water tanks above Cactus Street. High winds have begun to strip debris from them and the ground underneath appeared to be eroded. Those tanks had now been removed in the interests of the safety of local residents.

Council Member Kirby stated he had attended an Elder Abuse Coalition meeting last Wednesday and, along with other Council Members, last Thursday he attended the joint work session with the Planning & Zoning Commission on housing.

Council Member Elinski stated he and the Mayor had attended the kick off of the Community

Garden last Sunday which had a large turnout of support.

Mayor Joens read a Letter to the Editor published in The Verde Independent by Carol & Chuck Adelsman: "This week we attended our first Coffee Talk with the Mayor, various city leaders and the public. How refreshing! Having lived in a number of cities, the intelligence, the forward looking mindset, and openness of our Cottonwood leaders is something of which to be very proud. Should anyone criticize them, it is probably because the critic hasn't taken advantage of their incredible openness to listen to and share often complicated information. They all ask citizens to call or come in whenever they have concerns. The transparency exhibited by these hard workers, as well as obvious love for their work for us, is impressive."

Mayor Joens also announced the following items:

On Wednesday, April 8, at 10 a.m., a Coffee Talk would be held at Catholic Charities and Wednesday, May 13, 9 a.m. we would meet at the Public Safety Building. Attendance had been pretty small. If Council Members could think of any way to boost that attendance, please let her know. She was impressed by the City Manager and the department heads that attended the Coffee Talks, and answered the public's questions.

On March 3rd, she and Vice Mayor Pfeifer accepted a check from APS representative Mike Johnson in the amount of \$9,400 as an incentive to offset the incremental cost of planning and design activities that had the potential to result in energy savings.

Tomorrow, she and Council Member Norman would meet with the Chairman of the School Board and present the check that the Council had decided to give the school which represented Proposition 202 local shared revenues.

On Saturday, March 7th, she attended with Casey Rooney, the Agricultural Renaissance meeting. This was the group that was working to make agriculture more prominent in the Verde Valley as it once was more than 100 years ago.

She also attended the first meeting of a new arts council with Council Member Pratt. It was something that Casey Rooney was also involved in. She attended with Council Member Elinski the Verde Valley Land Preservation Institute meeting last week. They were working on a GIS map with State Parks, allocating different parcels of land that would be good to preserve.

Sedona Recycles would hold a recycling event Thursday at 5:30 p.m. which members were encouraged to attend.

Mr. Bartosh stated March 28 would be the date for the third annual March on Meth. This year they would start at the fairgrounds and march to Riverfront Park. There would be food, booths, and educational presentations. The parade would start at 10:00.

CALL TO THE PUBLIC

Mr. Bob Oliphant, of 330 Desperado, stated he wanted to encourage the Council to begin thinking about changing its policy in regard to handling reserve accounts which appeared to be held for use only in the event of natural disasters. The unemployment of even a single city employee should be considered a natural disaster.

APPROVAL OF MINUTES—Regular Meetings of 2/17/09, and 3/3/09

Council Member Kirby moved to approve the minutes as written. Council Member Norman seconded the motion, which carried unanimously.

UNFINISHED BUSINESS

ORDINANCE NUMBER 542—AMENDING THE MUNICIPAL CODE OF THE CITY OF COTTONWOOD BY ADDING A NEW CHAPTER 8.52, REGULATION OF FIREPLACES AND WOOD-BURNING DEVICES, TO TITLE 8, HEALTH AND SAFETY; SECOND & FINAL READING

Mr. Scully stated this was the second reading of an ordinance that would add a new section to the Municipal Code regulating wood burning stoves and fireplaces. The main effect would be that wood burning stoves and fireplaces would have to meet EPA certification regarding smoke emissions. It was similar to regulations in the larger cities of the state imposed for air pollution control. This would affect conventional, masonry fireplace design which would now be required to have an insert with glass doors. These types of devices cost more, but there were impacts of air pollution which had a cost on people's health and on the economy. Passage of the ordinance tonight would cause it to become effective in 30 days.

Council Member Pratt stated his support for the ordinance because it helped the quality of life.

Mayor Joens asked for public comment. There was none.

Council Member Pratt moved to approve Ordinance Number 542. The motion was seconded by Council Member Kirby, and carried unanimously.

Mayor Joens asked the City Clerk to read Ordinance Number 542 by title only.

ORDINANCE NUMBER 542

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING THE MUNICIPAL CODE OF THE CITY OF COTTONWOOD BY ADDING A NEW CHAPTER 8.52, REGULATION OF FIREPLACES AND WOOD BURNING DEVICES, TO TITLE 8, HEALTH AND SAFETY.

ORDINANCE NUMBER 543—AMENDING THE MUNICIPAL CODE, CHAPTER 9.12, OFFENSES AGAINST PUBLIC PEACE, BY DELETING SECTION 9.12.010 NOISE, IN ITS ENTIRETY AND

ADDING A NEW SECTION 9.12.010, NOISE REGULATIONS; SECOND & FINAL READING

Mr. Scully stated this ordinance would delete the existing section in the Municipal Code related to noise and replace it with an expanded section that dealt with a series of policies and regulations related to noise, including nuisance noise and excessive noise. There are separate sections covering vehicles, animals, construction noise, commercial noises, and residential noises. It was intended to provide better tools for enforcement by the police department.

Council Member Kirbry stated his understanding was that this would bring us more in line with State Statute as far as noise ordinances, especially construction noise. He was concerned about early construction noise. It was difficult for workers not to want to go to work before the sun came up in the summertime and to stay after the sun went down, but at the same time those were periods of time that were usually sacrosanct to the people of the community. He did not believe it was strict enough.

Council Member Pratt stated it addressed, like the smoke ordinance, another quality of life issue. It was needed and had his support.

Mayor Joens asked for public comment. There was none.

Council Member Kirby moved to adopt Ordinance Number 543. The motion was seconded by Council Member Elinski, and carried unanimously.

Mayor Joens asked the City Clerk to read Ordinance Number 543 by title only.

ORDINANCE NUMBER 543

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING THE MUNICIPAL CODE OF THE CITY OF COTTONWOOD, BY DELETING SECTION 9.12.010, NOISE, IN ITS ENTIRETY AND ADDING A NEW SECTION 9.12.010, NOISE REGULATIONS.

ORDINANCE NUMBER 544—AMENDING THE CITY OF COTTONWOOD ZONING ORDINANCE BY DELETING SECTION 106., DEVELOPMENT REVIEW BOARD, IN ITS ENTIRETY; AND DELETING SECTION 104., PLANNING AND ZONING COMMISSION, IN ITS ENTIRETY AND REPLACING IT WITH A NEW SECTION 104. PLANNING AND ZONING COMMISSION; AND DELETING SECTION 304., DEVELOPMENT REVIEW, IN ITS ENTIRETY AND REPLACING IT WITH A NEW SECTION 304., DESIGN REVIEW; SECOND & FINAL READING

Mr. Scully stated the next two items were related. Ordinance Number 544 amended the Zoning Ordinance and had the effect of shifting the Design Review function to the Planning & Zoning Commission and at the same time deleting the Development Review Board. It also amended the Development Review section and expanded on Design Review which would be taken on by the Planning & Zoning Commission.

Mayor Joens asked for public comment. There was none.

Council Member Pratt moved to adopt Ordinance Number 544. The motion was seconded by Council Member Norman, and carried unanimously.

Mayor Joens asked the City Clerk to read Ordinance Number 544 by title only.

ORDINANCE NUMBER 544

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING THE CITY OF COTTONWOOD ZONING ORDINANCE BY DELETING SECTION 106., DEVELOPMENT REVIEW BOARD, IN ITS ENTIRETY; AND DELETING SECTION 104., PLANNING AND ZONING COMMISSION, IN ITS ENTIRETY AND REPLACING IT WITH A NEW SECTION 104. PLANNING AND ZONING COMMISSION; AND DELETING SECTION 104., DEVELOPMENT REVIEW, IN ITS ENTIRETY AND REPLACING IT WITH A NEW SECTION 304., DESIGN REVIEW.

ORDINANCE NUMBER 545—AMENDING TITLE 2, ADMINISTRATION AND PERSONNEL, OF THE MUNICIPAL CODE OF THE CITY OF COTTONWOOD BY AMENDING CHAPTER 2.56 PLANNING AND ZONING COMMISSION, SECTION 2.56.010 ESTABLISHED-COMPOSITION-MEMBERSHIP; AND SECTION 2.56.020 POWERS AND DUTIES; AND BY DELETING CHAPTER 2.60 DEVELOPMENT REVIEW BOARD, IN ITS ENTIRETY; SECOND & FINAL READING

Mr. Scully stated Ordinance Number 545 did much the same things as Ordinance Number 544 but changed the Municipal Code sections dealing with the establishment, composition, and membership of the Planning & Zoning Commission, and referred to their powers and duties as having Design Review functions and deleted the section in the Code referring to the Development Review Board.

Mayor Joens asked for public comment. There was none.

Council Member Pratt moved to approve Ordinance Number 545. The motion was seconded by Council Member Kirby, and carried unanimously.

Mayor Joens asked the City Clerk to read Ordinance Number 545 by title only.

ORDINANCE NUMBER 545

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING TITLE 2, ADMINISTRATION AND PERSONNEL, OF THE MUNICIPAL CODE OF THE CITY OF COTTONWOOD BY AMENDING CHAPTER 2.56 PLANNING AND ZONING COMMISSION, SECTION 2.56.010 ESTABLISHED-COMPOSITION-MEMBERSHIP; AND SECTION

2.56.020 POWERS AND DUTIES; AND BY DELETING CHAPTER 2.60  
DEVELOPMENT REVIEW BOARD, IN ITS ENTIRETY.

CONSENT AGENDA—The following items were considered to be routine and non-controversial by the Council and would be approved by one motion. There would be no separate discussion of these items unless a Council Member or a citizen so requested, in which case the item would be removed from the Consent Agenda and considered in its normal sequence on the Agenda.

APPROVAL OF PAY APPLICATION NUMBER 2 FOR THE RECREATION CENTER PROJECT

Mr. Bartosh stated Mr. Mangarpan was present and the Council could receive a quick update in conjunction with this item.

Mayor Joens requested the item be pulled from the Consent Agenda for discussion, without dissent from other Council Members.

Mr. Mangarpan stated progress was proceeding well. The repaving of Paula Street was completed today, a month and a half ahead of schedule. Once the parking lot was completed, the fence would be moved so that the parking lot could be used by patrons of the tennis courts. Co-ordination for the building's underground utilities was underway. The pad was done and footings being started.

Vice Mayor Pfeifer stated she had been contacted by someone who complained about not being able to get into the library.

Mr. Mangarpan stated access to the paved parking lot had always been maintained though people tended to prefer to access the library via the dirt lot. Access had shifted from Sixth Street to Mingus Avenue as work on Paula Street has been completed in phases to ensure library access. Photographs were being made and supplied to I.T. so that progress could be monitored on the City's website.

Mayor Joens asked for questions and comments from the public. There were none.

Council Member Norman moved to pay Application Number 2 for the Recreation Center project. Council Member Elinski seconded the motion, which carried unanimously.

NEW BUSINESS—The following items were for Council discussion, consideration, and possible legal action.

Mayor Joens requested moving item 7 (Appointment of a member to the Senior Commission) up for discussion. There were no objections to doing so.

RESOLUTION NUMBER 2433—APPOINTING A MEMBER TO THE SENIOR COMMISSION

Ms. Jiménez stated the Senior Commission had had a vacancy since James Strande resigned last fall. He had represented the general interest member on the commission. There was also an open position for a provider representative that had not been filled. A request had been received to consider filling this open general interest position at this meeting, prior to the commission meeting next week. One application had been received from Mr. Jake Gonzales.

Ms. Beth Carrigan, Chair of the Senior Commission, asked Mr. Gonzales to address the Council and explain why he wanted to become part of the Senior Commission and what he would bring to it.

Mr. Gonzales stated first, he was a senior, and he served as an alternate member on the Regional Advisory Council on Ageing and was a member of the Area Agency on Ageing. There are over 2,661 people in the city over the age of 60 with several hundred living in poverty which he wanted to help alleviate.

Mayor Joens stated the Council appointed the Senior Commission a year ago and was very interested to see it succeed. It had gone through its challenges this first year but she knew it had very dedicated people who would bring their enthusiasm, knowledge, education, background, and care for seniors and help the commission. With the help of two dedicated Council Members, Norman and Kirby, she predicted a very successful Senior Commission. She believed Mr. Gonzales would make a wonderful member.

Mayor Joens asked for public comment. There was none.

Council Member Pratt stated he supported the Mayor's opinion.

Council Member Kirby stated his support. He moved to adopt Resolution Number 2433 appointing a member to the Senior Commission. Vice Mayor Pfeifer seconded the motion, which carried unanimously.

Mayor Joens asked the City Clerk to read Resolution Number 2433 by title only, inserting the name of Mr. Jake Gonzales.

#### RESOLUTION NUMBER 2433

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, APPOINTING JAKE GONZALES A MEMBER OF THE COTTONWOOD SENIOR COMMISSION AND ESTABLISHING HIS TERM OF OFFICE.

#### ENTERING INTO A NEW LEASE AGREEMENT WITH VERDE VALLEY AMBULANCE COMPANY FOR THE CITY-OWNED BUILDING LOCATED AT 345 EAST MINGUS AVENUE

Mr. Lueder stated the City Utilities Department owned the facility at 345 East Mingus which

used to be the former fire station and for several years had housed the Verde Valley Ambulance Company (VVAC). Previously, the lease rate was \$2,450 a month and the City paid water, sewer, and electrical charges. When the lease expired, we contracted with a commercial appraiser who did a detailed evaluation and determined that the fair market value lease for that property now was \$3,200 a month. We split off the electrical service from lift station 4, so VVAC would now be responsible for their portion of the electric bill. The City would continue to pay the sewer and water for the facility. Provisions had been added that would require VVAC to seek City approval before making any building alternations and to obtain proper City permits for that. Staff felt the lease was in the best interest of the City and the VVAC provided a very important service. Staff recommended Council approval of the new lease and authorization be given to the Mayor to sign the lease agreement for an initial one year period, with two annual renewal options of the lease.

Council Member Kirby asked if there was agreement with the ambulance company for the \$3,200 a month.

Mr. Lueder stated they were in agreement with it.

Council Member Pratt asked what the water bill was there a month.

Mr. Lueder stated about \$40 - \$50 a month. The reason sewer and water were initially paid was because of the proximity of lift station 4. It was felt very little additional flow was added to the lift station.

Council Member Elinski asked if there would be any increase in the lease amount connected to its annual extensions.

Mr. Lueder stated, no.

Council Member Elinski mentioned several typographical errors in the agreement which needed correction.

Mr. Lueder stated he and the City Clerk would make the necessary changes.

Mayor Joens asked the Council members if they agreed the price should be locked in for three years.

Discussion among Council Members determined that the price should not be increased since VVAC would now pay its own electric bills and because annual renewals of the lease were at the discretion of the Council.

Mayor Joens asked how the City tracked that VVAC complied with the lease's insurance requirements.

Mr. Lueder stated they were required to supply him with a copy of their insurance certificate

with the City as an additional insured which would be kept by the Risk Management Department. It was a provision required of all contractors.

Mayor Joens asked if there was any public comment.

Mr. Frank Henry, of 2550 West State Route 89A, asked if this would cause an increase in fees to people who used the ambulance service.

Mayor Joens stated the ambulance company was a non-profit. The City Council had nothing to say about the fees they charge.

Fire Chief Casson stated, as a member of the ambulance board, the rate increase had been anticipated for quite some time and would not affect rates since it was considerably less than had been anticipated.

Council Member Kirby moved to authorize the Mayor to sign the lease. Council Member Pratt seconded the motion, which carried unanimously.

#### CITY PARTICIPATION IN A REGIONAL WASTE WATER PLAN

Mr. Bartosh stated at the last intergovernmental meeting in Sedona there had been a question about looking at a regional wastewater plant. The idea was to reduce the number of septic tanks through the creation of a regional plan and for that to be brought back to the Council for discussion. It was not a matter of mitigating problems with the City's wastewater system as had been alleged.

Mr. Lueder stated in July 2007 a proposal was made to the Council for satellite plants, instead of a regional plant and for locating the satellite plants in areas where the reclaimed water could be reused quickly and easily. Part of the plan was for satellites to be located in low areas and reduce dependency on lift stations. Now, we pumped 900,000 gallons daily through lift station 4. It was not the usual practice to locate wastewater facilities at the highest points of a city. The Council favored satellite plants because topography favored smaller plants because they did not require lift stations and associated capital and operating costs, especially electricity. There was also the added risk of spills because everything was pressurized. Another issue was the distance between where the wastewater was generated and where it was processed. The greater the distance the longer the time before processing, which resulted in degradation issues such as Sedona now experiences where because of degradation, it must be treated to a higher standard. After treatment, there was the issue of moving reclaimed water to where it was needed, and those associated costs. This was an issue Sedona faced now; they did not have an outlet for their reclaimed water. Satellite facilities could be designed for specific uses. How the water was to be used could determine how much treatment for it was required. Staff and City Council had held a series of discussions about this issue. The proposed Bella Montaña plant which the Council authorized design on, was located based on the ability to pipe reclaimed water to the biggest user, which was the Verde Santa Fe Golf Course. There was more to it than

just the best engineering and the best deal on the land. It was where the reclaimed water could be sold, because it was a commodity. Bio-solids produced by this facility would be composted in vessel composting. If a market could not be found for it, it could be used by Parks and Recreation. Also, the golf course had expressed an interest in using it. With regard to the proposed annexation of state lands, instead of one large regional plant, smaller plants located where the reclaimed water could be used would be a benefit. This city and its council were the leaders in wastewater treatment and disposal in the Verde Valley. The Council had supported planning facilities and upgrading them. A regional plan would take a lot of control out of our hands and not allow the options we had now. We fully supported regional cooperation, the exchange of technology, and long term planning. Staff felt that regional wastewater treatment effluent reuse and disposal was not an option the city should pursue at this time. Effluent pumping costs were huge and required high maintenance. In the future, bio-solids disposal may be found to lend itself to a regional solution. Using bio-solid for energy production required huge up-front capital investment and were complex to operate because of the explosive nature of methane. To be economically efficient we would require a lot larger volume than currently was available. A regional plant was not considered to be beneficial for the city. We were currently in compliance with all requirements and were adequately planning for the future, which was not necessarily the case with our neighbors. It had been suggested that economic stimulus funds might be made available for a regional facility. Our research showed such funds were not easily available. Even if obtained, those funds would be subject to shared control between five principals.

Vice Mayor Pfeifer stated her impression from the intergovernmental meeting was that our neighboring communities had a lot they could learn from us regarding satellite plants. A regional plant would not be so beneficial to Cottonwood.

Council Member Kirby stated his impression from the meeting was that Sedona was worried they were running out places to put their water and their water quality was such it could not be put anywhere else. They wanted us to form a regional partnership to give them more places to put their dirty water. We've come to the conclusion that processing our water to the point where we do has made it possible for us to sell that water to all kinds of projects and places, and they don't have that ability. They talked about how many millions of dollars it would cost them to bring their program into compliance so that they could use that water properly. Those are all problems we all face and we just sometimes had to bite the bullet and not expect neighbors to do it for us.

Council Member Pratt stated he trusted the experts. It seemed like what was being asked was whether the Council would recommend that staff participate in a regional wastewater plan.

Mr. Lueder stated he had taken to Sedona about 80 pages of information on pharmaceuticals, personal care products, etc. He had talked about the benefits of a constructed wetlands treatment and lifecycle cost versus mechanical. An exchange of ideas was always beneficial and he fully supported planning. The way it was presented by

mentioning we had a lot of septic tanks, made it appear they would want us to take over service in that area. We took the first step by taking a trip to Sedona. As an exchange of ideas and information it was a good idea. If the concept truly was to send their effluent here it was a different matter.

Council Member Pratt stated it was a good idea to meet and talk but not to commit to any obligation to any regional wastewater plan. We had the most sophisticated system now and were in better shape than other communities and certainly could not bail them out.

Vice Mayor Pfeifer stated if annexation of state lands went through we would accept no less a standard than what we had. Even if Sedona upgraded their effluent we would not have to accept anything that did not meet our standards.

Mr. Lueder stated he had provided them the state required list of guidelines for annexation which seemed to surprise them, primarily because of cost issues. We supported helping them out but he was reluctant to spend user fee money to help someone out of their problem.

Mayor Joens stated regionalism was wonderful, but she did not see where it would benefit the citizens of Cottonwood to slow down any of the plans that we had. This Council had already stated that we wanted to do state-of-the-art reclamation of water so that we could reuse it and we were conservation minded. It seemed the distance would be a huge issue. Supposedly there were funds, but did we want to take our staff and put them on an effort that was questionable with the end result, when we were already short of people. Or, she asked, did we want our staff to concentrate on what the Council had already set out as our priorities for wastewater.

Council Member Pratt stated he would reiterate, if we were in a sense giving direction as a council, he would say talk but don't commit.

Mr. Lueder stated he would be happy to arrange a meeting and take several staff members to discuss with NACOG what we could and could not do before they proceeded further if Council wished.

Mayor Joens and Council Member Pratt endorsed the suggestion.

Council Member Kirby stated Camp Verde had a sanitary system that at one time was the thing to look at in the '80s.

Mr. Lueder stated it would get better when they got the \$300,000 to fix the leak over the Verde River. They had definite issues. The problem was like Sedona's water situation. While there was a quasi-governmental agency it was not really answerable to the Camp Verde city council. We had provided them with information and policies. They were hurting because of things that had happened recently which made regulatory people suspicious. We were happy to assist them.

Mr. Bartosh stated he had a conversation with Tim Costello, who currently sat on the NACOG Wastewater Committee, and had been told we currently had a 208 Plan which included Cottonwood and any area we would bring into the city. That may be a policy issue for the Council to look at as well, to decide if there was the desire to provide these kinds of services outside of the city.

Mayor Joens directed Mr. Lueder to go to Mr. Sweet at NACOG and have a conversation about regionalism and share some of Cottonwood's future needs and goals and plans with them and then to let us know if we needed to do something more after that discussion with NACOG. We would keep the line of communication open and do whatever we could to be good neighbors and be supportive but she saw it as being a huge challenge to take an area the size of the Verde Valley and try to pump wastewater around.

Mr. Lueder stated while we served about 40 percent of our water service outside the city boundaries, with a few exceptions, we did not provide wastewater service outside the city. The view outside the city may be that because we provided water service we should also provide wastewater service. That was a policy decision made many years ago. Retrofitting would be very, very, challenging.

#### PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FISCAL YEAR ENDING JUNE 30, 2008

Mr. Bartosh stated this was an annual report that was in essence our audit. There were some minor issues to be cleaned up. Mr. Rodriguez had previously explained what the CAFR was, what it did for us, and how it was broken down.

Council Member Pratt stated the final line of the audit read "the City had complied in all material respects with the aforementioned requirements for the fiscal year ending June 2008." That said a lot about Mr. Rodriguez's leadership.

Mr. Bartosh stated there was a comment about not having an asset inventory. That was something that had been budgeted but had been cut because we could not afford it. Brent was currently writing the required manual for the I.T. department, even though he was the sole employee in I.T. Tracking receivables would be easier once the water and wastewater bills were combined.

Council Member Pratt moved to accept the City's Comprehensive Annual Financial Report. Vice Mayor Pfeifer seconded the motion, which carried unanimously.

#### ENTERING INTO AN AGREEMENT WITH BOND LOGISTIX, LLC, TO PROVIDE ARBITRAGE CONSULTING SERVICES

Mr. Bartosh stated there was a requirement by the I.R.S. every five years to determine essentially whether we had made too much profit on our investments. If so, we had to pay

the I.R.S. for those investments because, theoretically, the city was a non-profit. The arbitrage process was to help us balance our investments against our costs to avoid paying penalties.

Council Member Pratt asked if we were in any hot water with the I.R.S. over this.

Mr. Bartosh stated not as this point, so long as we get it done.

Council Member Kirby stated if we owed it, we had to pay it. We needed to be just as forthright as the people we were serving and make an example and pay our share.

Mr. Bartosh stated we would make sure this was on our tickler file so we got this done every 5 years. We were piggy-backing on another municipality's contract and getting a good price on it, and getting somebody on board just as quickly as we could.

Council Member Pratt asked if essentially there was a regulation somewhere that said municipalities could not make more on their investments than the interest they paid on their borrowings.

Mr. Bartosh stated, yes.

Council Member Pratt stated his only concern was that we appeared to contract with companies from time to time without putting out bids. He asked the reason we would just contract with this company without putting out a bid and whether there were other companies who could do arbitrage and do it more cheaply.

Mr. Bartosh stated this was a common practice across the state. We also used State contracts and Mohave County contracts. In essence, it had been put out to bid; it just wasn't us that did it. This was a Scottsdale contract that allowed other jurisdictions to jump on it. It was not so much a cost selection as it was one of qualifications. It was a Request for Qualifications (RFQ).

Council Member Pratt stated he needed to pay attention to any contracts that were not sent out to bid since it had been brought to his attention that it was thought to occur.

Mr. Bartosh stated this had been put out to bid. They had narrowed down the most qualified, now we would negotiate the price.

Mayor Joens stated it was really difficult for Council to understand the RFQ requirements. It would behoove us to have a work session and have someone explain the differences in our Municipal Code and how they applied.

Mr. Bartosh stated our city attorneys could do that for us.

Council Member Kirby stated it would be better to educate the public.

Mayor Joens stated there was agreement it should be done.

Council Member Pratt moved to enter into an agreement with Bond Logistix. The motion was seconded by Council Member Elinski, and carried unanimously.

ENTERING INTO A SERVICE AGREEMENT WITH MINGUS UNION HIGH SCHOOL (MUHS) FOR THE COTTONWOOD POLICE DEPARTMENT TO PROVIDE A SCHOOL RESOURCE OFFICER FOR MUHS

Chief Fanning stated this was a request to enter into an agreement with MUHS for the School Resource Officer (SRO) currently provided there. We had had such agreements in the past but they had expired. Our officer was placed there which MUHS funded for 11 months. Currently, Officer Matt Watson was there and reports of his abilities were extremely favorable.

Council Member Chapman asked how often the SROs changed.

Chief Fanning stated, recently, there had been some rather rapid turnover. Typically though, officers were there four or five years.

Council Member Pratt stated it was one of the greatest things we did as a city for our school, and it was an incredibly valuable service.

Chief Fanning stated school funding came from a grant from the Governor's Office and the agreement was needed in order for the school to obtain the grant.

Mayor Joens asked if there were any public comments. There were none.

Council Member Elinski moved to approve the service agreement between MUHS and the City of Cottonwood for the School Resource Officer. The motion was seconded by Council Member Norman, and carried unanimously.

CANVASS OF PRIMARY ELECTION HELD ON MARCH 10, 2009, & APPROVAL OF RESOLUTION NUMBER 2432, DECLARING AND ADOPTING THE RESULTS OF THE PRIMARY ELECTION

Ms. Jiménez stated we held our regular primary election on March 10 for the purpose of nominating, or electing outright, candidates for four upcoming vacancies on the Council. We received the unofficial final results from the Yavapai County Elections Department. These would become the official final results once the Council canvassed the results. In order to be elected outright, a candidate had to have received more than 50 percent of the total ballots cast. Four candidates received more than 954 ballots, which represented 50 percent plus one of the 1,906 ballots cast. Those candidates were: Tim Elinski, Linda Norman, Karen Pfeifer, and Darold Smith. Votes cast for candidates were as follows:

Tim Elinski, 1,126 votes; Ruben Jauregui, 1,086 votes; Linda Norman 1,241 votes; Karen Pfeifer, 1,313 votes; and Darold Smith, 1,090 votes. Four candidates were elected outright. There was a total of 4 votes difference in the ballots cast for Ruben Jauregui and Darold Smith. A.R.S. § 16-661 pertained to the automatic recount required in the case of a difference between candidates. The calculation had to be less than or equal to either one tenth of one percent of the total votes cast for the two candidates, or 10 votes. The total votes cast for the two candidates were 2,176 votes. One tenth of one percent of that was 2.176. The 4 vote margin was not less than the 2 votes that it would have had to have been in order to have an automatic recount. An elector, but not the City, had the right to request the superior court order a recount.

Mr. Frank Henry, of 2550 West State Route 89A, stated there was a problem because we had no way of verifying the machines in the County that counted the ballots gave an accurate count. No verification count was made. He asked if the canvassing board could in good conscience verify the correctness of these numbers.

Ms. Jiménez stated the County conducted accuracy tests prior to the election on a limited number of ballots, but we basically took the word of the County Election Department unless there were differences which legally would require a recount.

Mr. Henry stated the test ballots were all accurately filled out. Machines may not accurately count ballots that weren't marked correctly. We had no assurance that the machines accurately counted all the ballots. In order to go to superior court, one had to meet a set of criteria.

Ms. Jiménez stated this was the City's first all mail ballot election. There were 5,412 registered voters, and 1,906 ballots were returned, resulting in a turnout of 35.22 percent. To compare to previous City elections, in the March 2007 primary there were 5,255 registered voters and 951 ballots cast, resulting in an 18.1 percent turnout. In the May 15, 2007, general election there were 5,317 registered voters and 582 ballots cast, resulting in a 10.95 percent turnout.

Council Member Kirby asked if they gave her a count of spoiled ballots: ones sent in but not counted.

Ms. Jiménez stated there were 29 rejected ballots, but no reason was given for their rejection.

Council Member Kirby moved to accept the final results of the City's March 10, 2009, primary election as submitted by the Yavapai County Elections Department and approve Resolution Number 2432 declaring and adopting the results of the election. The motion was seconded by Mayor Joens and carried unanimously.

Mayor Joens asked the City Clerk to read Resolution Number 2432 by title only.

RESOLUTION NUMBER 2432

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, DECLARING AND ADOPTING THE RESULTS OF THE PRIMARY ELECTION HELD ON MARCH 10, 2009.

CLAIMS & ADJUSTMENTS

Council Member Norman moved to pay the claims. Council Member Kirby seconded the motion, which carried unanimously.

ADJOURNMENT

Mayor Joens moved to adjourn. Council Member Kirby seconded the motion, which carried unanimously.

The regular meeting adjourned at 7:58 p.m.

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Diane Joens, Mayor

\_\_\_\_\_  
Marianne Jiménez, City Clerk

CERTIFICATION OF MINUTES

I hereby certify that the attached is a true and correct copy of the minutes of a regular meeting of the City Council of the City of Cottonwood held on March 17, 2009. I further certify that the meeting was duly called, and that a quorum was present.

\_\_\_\_\_  
Marianne Jiménez, City Clerk

\_\_\_\_\_  
Date