

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD OCTOBER 6, 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  
Tim Elinski, Council Member  
Duane Kirby, Council Member  
Linda Norman, Council Member  
Terence Pratt, Council Member  
Darold Smith, Council Member

STAFF MEMBERS PRESENT

Marianne Jiménez, City Clerk	Steve Horton, City Attorney
Rudy Rodriguez, Finance Director	Tim Costello, City Engineer
Dan Lueder, Utilities Director	Tim Wills, Fire Captain
George Gehlert, Community Development Director	Mike Casson, Fire Chief
Charlie Scully, Planner	Iris Dobler, Personnel Manager

PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was led by Rachel Davidson Knapp, a student at American Heritage Academy.

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

Chief Casson stated there was to be an open house at the fire station Friday, from 5:30 to 9:30 p.m. in conjunction with Fire Prevention Week.

Council Member Kirby stated on Tuesday there had been a meeting with the Mayor and City Clerk regarding the Senior Commission. On Saturday the Pine Shadows residents' meeting was held in conjunction with a Coffee Talk. Jake Gonzalez had attended the NACOG Area Agency on Aging seminar in Flagstaff and he had been unable to attend.

Council Member Pratt stated on September 23 he attended the Verde Valley Transportation Planning Organization meeting at which Morgan Scott gave a report on the 12th Street

project. On Friday and Saturday he attended the Rhythm 'N Ribs Festival, and attendance was down, as it has been lately for all events in the Verde Valley.

Vice Mayor Pfeifer stated she had been a judge at the Rhythm 'N Ribs Festival. Friday there was a public service appreciation breakfast for fire fighters and police officers held by MatForce at the casino in Camp Verde.

Council Member Norman stated two weeks ago she attended a NAIPTA meeting in Flagstaff. It was hoped that November 9th would be the date for the grand opening of the new Cottonwood C.A.T. facility.

Council Member Smith stated he attended the Coffee Talk two weeks ago and no one from the public showed up. Today he attended the Town Hall meeting on transportation that was held at Yavapai College.

Mayor Joens stated she had attended the Rhythm 'N Ribs Festival. She and Council Member Smith met with residents of Cottonwood Ranch on the 29th for a Coffee Talk with staff. The City Clerk was working on our celebrating the third week of October as Cities & Towns Week. One activity to be sponsored was the 10 a.m. dedication and unveiling of the Brian Mickelsen Parkway signs on the 19th which the Council had instructed staff to prepare. On September 18 there had been a mayor-manager meeting for Yavapai County. The first annual Airport Appreciation Day will be held Saturday, October 17.

#### CALL TO THE PUBLIC

Mr. Ron Smith, of Del Webb, Cottonwood stated he was here because of a backflow letter sent out by the city water department. The letter stated people in the community had to have their backflows inspected and repaired. He had called the city water department and 1) told them they had quoted the wrong requirement, as it had been changed, 2) he was doubtful they had a cross-connection specialist on site that could deal with so-called cross-connection problems in the community, and 3) he had notified them that he had been from 1997 to 2005 the responsible party for Ajo, Arizona, water testing and backflow prevention. He had dealt with backflow for the better part of eight years and knew, based on the regulations and the way they are worded today in the Arizona Administrative Code 18-4-215, there was no requirement that people living in the community that he lived in were even required to have a backflow. This had come about when Del Webb Cottonwood Ranch was built back in 1995-6 and Mr. Garrison, who owned the water department at that time, supposedly required that. So all of the irrigation for Del Webb for some reason, they put in what we call a fertilizer injector into the line. Everyone he had talked to in Cottonwood Ranch had no idea what that was or where that was. It's in a box in the ground connected to your water line where you can unscrew a cap, inject fertilizer in there, turn on your sprinkler system, and water your grass, your trees, and your shrubs and it will get the fertilizer into the water and therefore spread it around. No one uses those things. Simple procedure, if that is a problem today, is to take the cap off there, put some PVC cement on it, screw it back on, and you'll never get it off again and you won't have that problem. Now, concerning the

backflow mechanism that's installed, it's above ground. It's two pipes connected by the backflow. That hasn't been tested in 12 years. With the water situation that we have in Cottonwood, there's all kinds of mineral buildup on that, so anyone that has one of those backflows is going to have to pay through the nose to have that mechanism inside the backflow replaced because of corrosion. Number one, it's going to cost about \$40 to have a backflow person that's qualified and certified by the California and Nevada testing regulation and authority. When they tear it apart and find out all the corrosion in there none of it's going to be working. They're going to have to replace it. I talked to the backflow person that did my neighbor's house, I think it was five months ago, when the letters first came to High Country, and he said a simple o-ring just the size of my thumbnail that goes in there costs about \$100. They're talking about possibility of \$200 or more per residence for a community of 527 houses. Now, if that is going to be required for Cottonwood Ranch then the entire valley is going to have to have those installed because we are getting the water from the same company. You cannot separate one community from all the other communities and just pick them out. You're asking for a lawsuit of un-magnitude size. That is not conducive to our current financial situation here in Cottonwood. We need to use that money in other places like to clean up that arsenic that is in the water. We are not in compliance with the State of Arizona at the present time, and I find that this is almost ludicrous because people have pump sprinklers in their back yard they have to have a backflow connected because there's a possibility of contamination to the main water supply because they put some fertilizer that's laying on the grass and then gets sucked up into the pump-up. That's not going to happen. When you turn on the pressure to water your lawn, that sprinkler pops up and it spreads the water. As soon as you lose pressure, turn it off, or have a water break out in front of your house, that pop thing goes right back down. You're not going to have any contamination in a sprinkler system. Now, the regulations say it's irrigation that's the big problem. Not sprinkler systems. Not a drip system. It's irrigation like you flood your fields.

Mr. Joseph Bauer, of Cottonwood Ranch, stated he was going to say essential the same thing and wanted the Council to know several others had received these letters. The threat by the water company that if you don't do what they say in the next month or so, they threaten to cut off your water. Now, no one has investigated all these things this gentleman said, so what right do they have just to start threatening people? The way they were passing these letters out on a street by street basis, it's a possibility I got the letter and two blocks down from me they never received the letter. The responsibility is placed on me before other citizens, so, I think that should be looked into also.

Mr. Robert Oliphant, of Cottonwood Ranch, stated he had provided the Council with the regulation and a copy of the letter. The first major concern among people he talked to yesterday and today was the turning off of water on November 6th of '09. He asked the City Attorney to take a very careful reading of the reference in the letter itself. He was confident that you will conclude that while he understands why the Utility Department interpreted it they way they did, he believes the City Attorney will interpret it differently. Then, as to Section C which is not mentioned once again, I brought that to the City Attorney's attention. I do believe that the cross-connection problem is one that has to be specifically identified.

He was confident that he will take a careful look at it but we do need to know right away: people are very frightened about their water being turned off. They don't know who these certified people are.

A short discussion occurred about whether it would be appropriate for the utilities director to reply to the previous comments.

Mr. Horton stated he was going to make his advice very conservative. The way he read this, with the open meeting law, it was probably better that Mr. Lueder not make a comment at this meeting.

Ms. Holly Maybery, of Verde Heights Drive, stated she wished to speak regarding the National Scenic Area designation which was currently being considered. At this time, Congresswoman Ann Kirkpatrick had begun drafting verbiage for the National Scenic Area. Her concern was this area designation comes within one quarter of a mile of the city limits of Cottonwood. Because of the vast expanse of this designation, it precludes and puts basically, Cottonwood in the cross-hairs of everything that the designation would prohibit. Currently we have Amendment XII, which is the Forest Service plan which prohibits land trades within that amendment area. Right now, with the consideration of the National Scenic Area, they are moving forward basically to include land all the way up to Bill Gray Road, Spring Creek Ranch, and out to SR179 all the way to almost I-17, including Beaver Head Flat. Where this concerns me is we have previous case law on the books nationally that has impacted surrounding communities around National Scenic Areas tremendously. These weren't lands that were within the National Scenic Area; it was on the outside. And things were prohibited from taking place that were a benefit to the community because of the National Scenic Area (NSA) designation. Because of those concerns she really felt that Cottonwood needs to perhaps make it known that while this is really close, the National Scenic Area designation is going to encompass 160,000 acres. Tomorrow night the City of Sedona, at a work session and meeting, is considering adoption of pushing forward the NSA to the Congresswoman. There are many people coming out against it, including utilities. This would prohibit any new utilities, prohibit new roads, which as we know, when it comes to fire, we need alternative routes and when Sedona had the fire a few years ago, they did not have an alternative route to SR89A and SR179. If any of you have an opportunity, please consider going and speaking at the meeting tomorrow evening in Sedona and just raising the question. The NSA designation of that 160,000 acres was brought on by a private group, which is Keep Sedona Beautiful. It was not pushed by government. It was not pushed by private industry. This was a small private group that pushed this forward as far as the land mass size and it has far reaching impacts on every resident in the Verde Valley, including water, our future businesses.

Mr. Bob Donahue, of Cornville, stated he wished to speak to the annexation issue of State Trust Land annexation. Regarding the last speaker; the information that it would be within a quarter mile of Cottonwood's boundaries is incorrect unless the annexation to the State Trust lands goes through. He had three questions to address to the Council: The first one involves the study by Coe & Van Loo dated April 28, 2009. If Council remembers, the issue

first came to the public in March of last year. This study is approximately two months after it came to public attention. The study itself cites that they collaborated with 13 different agencies. I don't think that study was done in a timeframe from March to April 28. Therefore, my question is, if it was done prior and this was not the subject of any Council meetings, then was this not something done by the Council in violation of the open meeting rules, and has this issue been addressed by the Council? Item number two, the proposal of the annexation is for approximately 10 square miles of State Trust Land that exists to the north of the city and that land is, as we all know, totally vacant, inhabited by antelope and jackrabbits, and cows and little else. The money that's been spent, however, has been spent out of the treasury of current Cottonwood residents, but what is the benefit to current residents of that expenditure and have they been brought into the process, and has this been discussed in an open fashion and put before the residents themselves or their representatives on this council to commit their money to something that will in no way benefit them but will have tremendous benefits for future developers. Question number three, I refer to the Spring Creek Ranch development and the City's purchase of the water rights there. If I recall what was going on about that time, the word on the street was the developer of Spring Creek Ranch was facing bankruptcy. Shortly thereafter the city acquired his well and water infrastructure for approximately \$1 million and the ramifications of that we have to wonder why did they acquire that? It's about six miles from the existing City of Cottonwood, perhaps farther, eight miles. The figure that sticks in my mind for a water transmission line is \$1 million a mile. That was what the City of Sedona estimated that it would cost them to pump their affluent at a time when they were trying to decide what to do with affluent. I imagine it would be the same to pump potable water. The question is, who is benefited by this again? A developer who is facing bankruptcy now has \$1 million in his pocket. What do the people of Cottonwood have? They have an expenditure of a \$1 million. They have a useless well to them because it would cost \$8 million for them to benefit from the water. What kind of a decision was this for the people of Cottonwood and how was it justified?

Mr. Bob Gilles, of Cottonwood, stated he wasn't aware of the NSA, the National Scenic Area, discussion that's coming up and quite frankly he was really scared. He was involved in the NSA proposal by perhaps the same group in Sedona, many years ago. As a result of that, he with a couple of other Forest Service representatives went to the Columbia River Gorge NSA to see what this was all about. Basically, what it did there, and you can expect this almost anywhere, it takes the area's future out of the hands of those who live here now, and of our grandchildren, and those who follow us because it makes decisions right now that you have to live with forever, regardless. Like many things that are made into law at the federal level, once you do it, you hardly ever get it changed. He really thought this was scary, and would encourage everybody that can, to look into it and get involved. It can be very threatening not only to those people who live and own property within the area but those people who are adjacent to it.

INTRODUCTION OF NEW EMPLOYEES—BEN KRAMER, FIRE INSPECTOR/FIRE-FIGHTER; LORI SCHNEIDER, HUMAN RESOURCES TECHNICIAN

Fire Inspector/Fire Fighter Ben Kramer, and Human Resources Technician, Lori Schneider were introduced.

RECOGNITION OF STEVEN & TREVOR FAUST FOR ASSISTING THE COTTONWOOD FIRE DEPARTMENT IN THE EVALUATION PROCESS FOR THE HIRING OF 12 NEW FIREFIGHTERS

Fire Captain Tim Wills and members of the Council presented plaques to Steven and Trevor Faust for their assistance to the Fire Department during the evaluation process for the hiring of 12 new fire fighters.

PRESENTATION TO FIREFIGHTER/PARAMEDIC, TROY HOKE, THE JASON SCHECHTERLE FIREFIGHTER OF THE YEAR AWARD

The presentation was tabled due to Mr. Hoke being unable to attend the meeting.

PROCLAMATION—FIRE PREVENTION WEEK AND ARIZONA CITIES & TOWNS WEEK

Mayor Joens proclaimed October 4-10, 2009, as Fire Prevention Week, and October 19-24 as Arizona Cities & Towns Week.

EMPLOYEE OF THE QUARTER AWARD—BRENT KINNEY, INFORMATION TECHNOLOGY TECHNICIAN

A certificate and a check were presented to Mr. Kinney in recognition of his being selected as the employee of the quarter.

QUARTERLY SAFETY AWARD—CHERYL MISKIEL, FIRE DEPARTMENT ADMINISTRATIVE ASSISTANT

A certificate and a check were presented to Ms. Miskiel in recognition of her being selected to receive the quarterly safety award.

PRESENTATION BY AIRPORT COMMISSION CHAIRMAN AL GRADIJAN REGARDING AIRPORT APPRECIATION DAY

Mr. Al Gradijan, Chairman of the Airport Commission, stated the goals decided upon were to promote the airport to the aviation community in the state and the area and to promote it to the citizens of Cottonwood. It was decided it would be a great time to promote some aviation local fellow. It was easy to decide who, since we have the only living World War II fighter ace in the state living here in Cottonwood. Saturday, at the Airport Appreciation Day event, there will be a missing man formation flown in honor of a colleague who died earlier this year in an accident at the airport. The event will be built around aviation. Events will start with hot balloon launches by the Phoenix Balloon Club. That will be followed by a pancake breakfast hosted by the Cottonwood Aircraft Users Association. There will also be classic vehicles and booths for local charitable organizations, and an afternoon barbeque and entertainment.

APPROVAL OF MINUTES—Special Meetings of 7/29/09, 8/25/09, 8/31/09; Regular Meetings of 9/8/09; & Work Session of 9/10/09

Mayor Joens stated regarding the Resolution Number 2472 item in the August 25 minutes, she sent these to Mr. Rodriguez since there were so many quotes he made and asked him to review them to ensure that he felt like that was what was said. He said that he would just explain some of the quotes that he made in the minutes on page 4.

Mr. Rodriguez stated, in third paragraph from the bottom when he mentioned the enterprise funds, being enterprise funds, it's kind of difficult to understand what an enterprise fund is. Basically, an enterprise fund, unlike governmental funds, is run like a business. You make sure you have enough money coming in to pay all your bills. It strictly stays within that organization, meaning, water money stays used for water; sewer money stays in sewer. With the general funds, pretty much everything that comes in goes to everybody, including such things as Library who has funds coming in, and HURF, because they need money, and we go ahead and subsidize them. That's the first clarification. When I'm talking enterprise funds being enterprise funds, I mean enterprise being run like a business.

The other thing was the original intent, way back in 1991 when we first started a sewer plant, was to make the enterprise fund self-sufficient, which is something we're attempting to do at the moment. While we have the one percent sales tax designated to sewer debt service and other capital projects, we went ahead and continued subsidizing the sewer on their capital projects end, not their maintenance and operations. That same paragraph says that we reallocated money from the sewer fund. Well, they didn't belong to the sewer fund to start with. The one percent sales tax, after July 1, was actually available to all funds. After November 1998, when the voters allowed us to go ahead any excess funds from that one percent sales tax; it was excess funds to be used for capital projects, not necessarily sewer and water, but capital projects and we still have quite a bit of those funds available. Hence, we're doing projects with them such as buying the court and redoing the court building. They are being paid through these capital funds that the voters allowed us to go ahead and set aside for capital projects. Again, I just want to remind you it was an allocation. It wasn't necessarily sewer funds that belonged there but we were trying to make them self-sufficient, so we went ahead and made sure that sales tax went to all of the funds except sewer, because at that point on it was no longer sewer money. I wanted to mention in the very last paragraph, where I say other funds are not self-sufficient, one of the things we did do with the one percent sales tax was we allocated some of that along with construction sales tax, dedicating it to our HURF fund because of the need we had for a lot of sick street projects.

On page 5, the very top paragraph, it says, "We had looked at these funds to become self-sufficient (the enterprise funds) and now was a good time to start building for the future though it was not a good time for a rate increase." We're talking about pre-July 1, 2007. We were already looking at making it into enterprise; we were already trying to figure out how we were going to do that. But at that time, it wasn't the time to do it. We still had resources coming in, so we weren't looking at doing rate increases at that time.

Mayor Joens said she had read them (the minutes) and they were kind of confusing. Since they are a permanent record, she wanted to make sure that they said what Mr. Rodriguez said that night.

Mr. Rodriguez stated, many times when he was up there speaking, he took it for granted that Council's been around as long as we have, and though things I say Council Member Pfeifer and the Mayor understand, other Council Members that don't have the experience and may not have been here, may not understand, and that's why I wanted to get up here and clarify some of these issues.

Mayor Joens asked if there were changes he would make in the minutes.

Mr. Rodriguez stated, in a sense they are accurate. He just wanted to make a clarification of the timelines and also what was discussed way back by previous Councils.

Mr. Horton stated the clarifications were now on the record.

Mayor Joens stated on page 10 of that it says "Mayor Joens asked if she thought that Mr. Horton had served the citizens of Cottonwood in a very honorable..." I don't think I asked, I think I stated that I felt that Mr. Horton had served the citizens of Cottonwood in a very honorable, trustworthy, and I think knowledgeable capacity". If you would check the tapes to see if I asked or stated and to see if I said "knowledgeable" or "knowledge".

Vice Mayor Pfeifer moved to accept the minutes of the special meeting of 7/29/09, 8/25/09, 8/31/09, and the regular meetings of 9/8/09, and work sessions of 9/10/09 with the clarifications. Council Member Pratt seconded the motion, which carried unanimously.

OLD BUSINESS—None.

#### CONSENT AGENDA

SPECIAL EVENT LIQUOR LICENSE APPLICATION FROM THE VERDE VALLEY FAIR ASSOCIATION FOR AN EVENT SCHEDULED ON NOVEMBER 22, 2009

WINE FESTIVAL LIQUOR LICENSE APPLICATIONS FROM ALCANTARA, L.L.C., JEROME WINERY, AND PAGE SPRINGS WINERY FOR THE WALKIN' ON MAIN EVENT SCHEDULED FOR NOVEMBER 14, 2009

AMENDMENT TO CONTRACT WITH YAVAPAI COUNTY LONG-TERM CARE FOR TRANSPORTATION SERVICES PROVIDED BY THE COTTONWOOD AREA TRANSIT

REVISED INTERGOVERNMENTAL AGREEMENT WITH THE TOWN OF JEROME (PREVIOUSLY APPROVED ON 6/16/09) FOR POLICE DISPATCHING SERVICES

APPROVAL OF ENGAGEMENT OF FORD AND HARRISON, LLP, TO REPRESENT THE COTTONWOOD POLICE DEPARTMENT DURING A CITY PERSONNEL BOARD HEARING

Mayor Joens asked Council Members and members of the public if they wanted any item pulled for discussion. There were no requests to do so.

Council Member Kirby moved to approve the consent agenda. The motion was seconded by Council Member Elinski, and carried unanimously.

NEW BUSINESS

AWARD OF AN UNDERGROUND PIPING JOB ORDER CONTRACTING BID FOR INSTALLATION OF A WATERLINE CROSSING UNDER HIGHWAY 89A AT CANDY LANE

Mr. Lueder stated in October 2007, staff presented an updated water system plan to the Council. One component of that was the conversion of the Clemenceau system from a pressurized to a gravity system. As we were planning the arsenic remediation, we determined that to meet current fire flow and engineering standards for Clemenceau would require an investment of up to \$1 million, with arsenic treatment on top of that. The water model showed that by connecting Clemenceau with three crossings under Highway 89A, we could convert it to a gravity system. It would substantially improve fire flows, eliminate the need for rehabilitation on three wells, one of which was drilled in 1913, and allow to more efficiently feed fire flows and volumes to the hospital, sufficient that they would be able to get on our system.

In January 2008, the Council authorized engineering consultants Coe & Van Loo to design this crossing. It has taken this long to get approval from the Department of Transportation and ADEQ approval. Plans are complete for the first crossing at Candy Lane. There will be additional crossings at Willard Street and Sixth Street. The specifications were drawn up and put out for bid to the three contractors for job order contracting, and Arizona Northern Equipment had the lowest price at \$97,700. That has been checked and determined to be accurate. Staff recommends the Council award this job order contract to Arizona Northern Equipment.

Council Member Elinski stated on this job order contract and the prior one the Council approved, Tiffany did not bid. He understood they did not feel they could come within the \$100,000 cap.

Mr. Lueder stated there was a \$100,000 cap on this. Tiffany felt they could not do it for less than \$100,000. In discussions with the company he learned they had a new estimator. We have felt they had been too conservative and would now be more in line with the other contractors in the future.

Council Member Elinski asked what happened if Tiffany didn't bid and one of the others didn't either.

Mr. Lueder stated if he received only one bid, staff would go back and revise the plans. He wanted at least one comparison price.

Council Member Elinski asked if he checked the numbers himself that they were within some margin of reasonableness.

Mr. Lueder stated this one required special drilling and piping. The one at Willard was expected to come in cheaper.

Council Member Kirby asked for an overview regarding of where this pipe was going and how it was being laid, which Mr. Lueder explained.

Council Member Kirby asked if the bid of \$97,700 was complete and would include everything necessary for the Candy crossing.

Mr. Lueder stated for the Candy crossing this was not only to do the jack-and-bore, but would install a pressure reducing valve because the pressure was higher on the other side of the street and would connect it to the Southwest Eye Center line where the Clemenceau system ended. Once the bore is complete, we will be able to discontinue using the Clemenceau system completely because there will be redundancy. That will also satisfy EPA's administrative order on the Clemenceau system.

Council Member Smith asked what would become of the old Clemenceau Water Works.

Mr. Lueder stated there were three facilities that would be decommissioned and taken out of service. There was talk of trading it for right-of-way on Mingus. If that didn't work out, the property would be auctioned off.

Mayor Joens asked if anyone from the public wished to speak on this matter. No one from the public chose to speak.

Council Member Elinski moved to award the job order contract bid to Arizona Northern Equipment for \$97,700. Vice Mayor Pfeifer seconded the motion, which carried unanimously.

ACCEPTANCE OF A FIREMAN'S FUND INSURANCE COMPANY HERITAGE GRANT IN THE AMOUNT OF \$5,000 TO PURCHASE FIRE DEPARTMENT TRAINING AND SAFETY VIDEOS & APPROVAL OF THE COMPLIANCE AGREEMENT FOR THE GRANT

Chief Casson stated the Fireman's Fund Heritage program was started in 2004 and has since awarded millions of dollars to fire departments and fire safety and burn prevention organizations throughout the country. These funds are provided for needed equipment, firefighter training, and community education programs. The Cottonwood Fire Department was nominated by local developer Terry Campbell from Campbell Hogue Associates. Subsequently, we were awarded a \$5,000 grant for the purchase of a variety of safety and

training videos. These cover a variety of subjects and will be invaluable training aids in the training of our 12 new firefighters. The check is expected to be received next week and purchases would be made after it has been received.

Council Member Pratt asked if any matching funds from the city were required.

Chief Casson stated no matching funds were required.

Mayor Joens invited Council Members Elinski and Pratt to present Chief Casson with a symbolic check to commemorate receipt of the grant funds.

Mayor Joens asked if anyone from the public wished to speak on this matter. No one from the public chose to speak.

Council Member Pratt moved to accept the Fireman's Fund Insurance Company Heritage Grant in the amount of \$5,000 to purchase Fire Department training and safety videos and approve the compliance agreement for the grant. Council Member Norman seconded the motion, which carried unanimously.

POSSIBLE TERMINATION OF THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY AND THE VERDE VALLEY FIRE DISTRICT FOR EMERGENCY SERVICES IN THE ANNEXED AREA KNOWN AS THE "BELSANTI ANNEXATION"

Mr. Rodriguez stated staff was requesting review and possible termination of the intergovernmental agreement (IGA) between the City of Cottonwood and the Verde Valley Fire District (VVFD) for emergency services in the Belsanti annexation area. The City entered into the agreement in 2005 because it was felt the city had inadequate resources to service the area. The City agreed to compensate the VVFD for their property tax loss as part of the agreement. One reason for this to be reviewed was the call data maintained by the Fire Department which indicated no calls have been made to the Belsanti area. Also, with the hiring of 12 new firefighters, we are now able to provide service to that area. The area would receive the benefit of service from Cottonwood and the City would no longer pay fees to the VVFD, which now amount to about \$24,000.

Council Member Kirby asked if any of the money we had paid to the VVFD would be refunded, and Mr. Rodriguez stated, no.

Council Member Smith asked if there were structures in the area, and Chief Casson stated there were no structures.

Council Member Smith asked if the only reason to be called out there would be an accident or a brush fire.

Chief Casson stated, yes. The highway (SR260) that runs along that property is not in the annexation area and would continue to be served by the VVFD.

Chief Doerksen, of the VVFD, stated it would be nice to get your ideas about the IGA to present to the VVFD Board so that they could respond and we could work together. We have two organizations that work together well and he didn't want politics to affect performance. If both agreed on something it showed strength to provide service to protect our communities. All the property was private and there was really not a lot of activity. It was all vacant except for the APS yard.

Council Member Elinski stated he assumed the VVFD Board counted on the revenue to some degree for their budget, so it made sense to give them a heads up out of courtesy.

Mayor Joens stated we had already paid for this year and we were essentially giving a year's notice because of the 90 day notice clause.

Mr. Rodriguez stated we could give the 90 notice and go ahead and meet with their Board.

Mayor Joens stated she believed the City Manager was working with Chief Doerksen on a business model that would allow us to work more closely together politically.

Chief Doerksen stated they had not met yet but were still interested to do so. How do we secure a good solid future for the safety of our community, all the way up to Page Springs and all the way down to Steve Coury? If we could work together on those and work on the security of our firefighters so that they can have secure jobs and secure futures.

Mayor Joens opened the floor to the public.

Mr. Bob Oliphant, of Cottonwood, stated the notes to staff noted the response time is going to be an additional four to five minutes. If someone running out there has a heart attack, what is the difference in response time, once this agreement is in effect? How many minutes difference will it be total between as it now exists and after the contract is signed?

Chief Casson stated it would be a six to eight minute response time from Station No. 31 with four to five men.

Mr. Oliphant asked what the implication for person with a heart attack of those four minutes was, and Chief Casson stated it was significant.

Mayor Joens asked what type of fire safety mechanisms the APS building that was being constructed there would have and if it would be sprinklered.

Chief Casson stated that building would meet all the code requirements that exist in the City of Cottonwood. It would be a completely enclosed building, sprinklered, built primarily of steel. According to APS, there will be minimal fire hazard on that property. In fact less, since they will clear the wild land and reduce that hazard.

Mayor Joens stated they will have sprinklers, but were they doing anything about having a

fire reservoir and questioned how it would work in case of a fire.

Chief Casson stated there was water there. As part of the project, they had to establish fire hydrants in proximity of the buildings, in accordance with our fire code. There is a water supply being established there and they cannot have combustibles on site until that water supply is established.

Council Member Norman asked if it was going to be a warehouse there or would offices be moved out there.

Chief Casson stated he understood it would be a warehouse. It was to be sub-station yard for their equipment and supplies.

Council Member Smith stated with the APS building it would be more likely that there would be an EMS call rather than a fire call. On EMS calls the minutes were terribly important. He questioned Chief Doerksen if they had made any calls to Coury in the last year.

Chief Doerksen stated that had been several for accidents. Our Board wants to be fair to our taxpayers for the collection of some kind of compensation for being in that area.

Mayor Joens asked if their ambulance would be answering calls in Belsanti.

Chief Casson stated the ambulance would still be provided by the VVFD.

Mayor Joens stated, in talking about fairness, the citizens of Cottonwood have paid out almost \$24,000 since 2005. Would there be a contract where if they would answer a call for us we could pay for it? It would be a lot less than \$25,000.

Mr. Rodriguez stated there were options available if we did away with this agreement. If this was terminated we had 90 days to come up with another method of compensation if they did make a call there.

Chief Casson stated we have already paid until October 2010. They would be obligated to serve until that time, or the City would be eligible for a reimbursement for unspent coverage time.

Council Member Pratt stated the 2010 payment was over \$8,000, so it comes to \$6,000 a year.

Mayor Joens stated that was a lot of money for Cottonwood citizens.

Council Member Pratt stated considering there would still be EMS service provided by the VVFD there, and the only structure was the new APS one, it seemed a no-brainer to eliminate this IGA and we would have a full year to negotiate and get together with the VVFD on this.

Council Member Norman moved that the City of Cottonwood terminate the IGA between the City of Cottonwood and the Verde Valley Fire District for emergency services in the Belsanti annexation area. The motion was seconded by Council Member Pratt, and carried unanimously.

AMENDMENT TO THE AGREEMENT WITH THE VERDE VALLEY HUMANE SOCIETY (VVHS) TO PROVIDE AN INCREASE IN THE AMOUNT OF FEES PAID BY THE CITY TO THE VVHS FOR VARIOUS ANIMAL CONTROL AND SHELTER SERVICES

Mr. Rodriguez stated the Verde Valley Humane Society (VVHS) provided animal control and shelter services for the City. The City currently leased the property they were on to them for \$1 per year for 25-35 years. We have been paying them \$2,432 a month. It was asked that this be increased to \$3,255 which was previously approved in the budget process. This would finalize the amounts in an agreement. Part of the budget process allocated \$10,000 to them after January 1, 2010, if the economy held up and we met our estimates. Staff will come back to the Council to request those funds in January, as a one time funding measure, to give them seed money for the building they are trying to construct and get up and running.

Mayor Joens asked if anyone from the public wished to speak. No one from the public chose to speak.

Council Member Smith moved to approve the amendment to the agreement with the Verde Valley Humane Society to provide an increase in the amount of fees paid by the City to the VVHS for animal control and shelter services. Council Member Norman seconded the motion, which carried unanimously.

AGREEMENT WITH THE VERDE VALLEY SENIOR CITIZENS ASSOCIATION TO PROVIDE FUNDING TO SUPPLEMENT THE SENIOR SERVICES AND PROGRAMMING OFFERED AT THE VERDE VALLEY SENIOR CENTER

Mr. Rodriguez stated this agreement was similar to that of the VVHS. Funding last year was increased from \$30,000 to \$45,000. That increase would continue this year and be put in writing and make some adjustments to the agreement. Among them was a timeline in which to submit reports. If it is not met the quarterly payment will not be paid.

Ms. Jiménez stated that Elaine Bremner, VVSC President, could not attend the meeting but she had reviewed with Ms. Bremner the changes to the agreement and she was in agreement with those changes and would present it for approval to the VVSC Board in November.

Mayor Joens stated on page 2B, the funding available for this agreement was for certain expenditures. In previous discussions it seemed to her we had allowed the utilities to be paid from these funds, with the idea that the most important thing was to keep that building in operation. If they wished to use this for utilities, we felt we would be doing our part, as the building was located in the City. She was surprised there was no allowance for that

possibility in this agreement.

Mr. Rodriguez stated he did not recall anything in the original agreement specifically saying utilities, but he did not see a problem with them actually using it for utilities. The intent of the agreement was to continue providing and augmenting the Senior Center services. How they did that was not our specific concern, but our general concern was they would have the operational funds to continue providing those services.

Mr. Horton stated that was consistent with the wording and the original intent. The language is there that allows its use for providing office space and support structure.

Council Member Kirby stated the original increase was to provide additional meals. The way they co-mingle funds it was impossible to delineate exactly where all those dollars went. When they get money they use it for whatever was necessary. They were doing a good job.

Mayor Joens said along with the VVHS and long-term care transportation services, it showed Cottonwood was a regional player. The intent was to make sure Cottonwood residents were taken care of.

Mayor Joens then asked if anyone from the public wished to speak on this matter. No one from the public chose to speak.

Council Member Kirby moved to approve the agreement with the Verde Valley Senior Citizens Association to provide funding to supplement the senior services and programming offered at the Cottonwood Senior Center. The motion was seconded by Council Member Elinski, and carried unanimously.

ORDINANCE NUMBER 550--AMENDING TITLE 2, ADMINISTRATION AND PERSONNEL, CHAPTER 2.104, SENIOR COMMISSION, OF THE MUNICIPAL CODE OF THE CITY OF COTTONWOOD; BY DELETING SECTION 2.104.040 NUMBER AND COMPOSITION OF VOTING MEMBERS, AND REPLACING IT WITH A NEW SECTION 2.104.040 NUMBER AND COMPOSITION OF VOTING MEMBERS; AND DELETING SECTION 2.104.060 TERMS OF OFFICE, AND REPLACING IT WITH A NEW SECTION 2.104.060 TERMS OF OFFICE; FIRST READING

Ms. Jiménez stated following a meeting with the Mayor and members of the Senior Commission, it was suggested changing the composition of the Senior Commission. These amendments had been put before the Board of the Senior Commission which approved them. Those changes were that the Board still consist of seven voting members, all at least 18 years of age who reside in the Verde Valley. In addition, four of the seven voting members should be at least 55 years of age and at least two voting members shall be involved in providing services for senior citizens. The previous requirements for Board members had been found to be too restrictive. Previously, three members had to be providers but they were the toughest seats to fill. It was suggested the changes be made in hopes that we generate more interest in the membership. It also eliminates the restriction

of some of the Board members having to live within the city limits.

Mayor Joens stated it would be possible to have a Senior Commission with no Cottonwood residents on it.

Mayor Joens asked if it was the opinion of the members of the commission that opening up the board this way would benefit the board because you would have more applicants to serve on it and keep it going. Taking care of seniors was a regional effort.

Council Member Norman stated the members had heard that the requirements for membership on the Youth Commission had been made easier and they asked why they couldn't do that too. Now we have five commission members because two have resigned. Of those five, one lives in the city limits.

Mayor Joens asked if the two ad hoc Council Members would continue serving the commission.

Council Member Norman stated, yes.

Mayor Joens stated it had been discussed to add a staff member to the commission.

Ms. Jiménez stated it had come up that this was the only commission that did not have a staff representative on the commission for such purposes as record keeping.

Mayor Joens asked if it was the commission's recommendation not to add a staff member.

Ms. Jiménez stated she did not bring it up at the board meeting and it had not been discussed.

Council Member Kirby stated it was something that could be added later.

Mayor Joens asked Mr. Horton if that would be a substantial change.

Mr. Horton stated if you were going to do that within the ordinance and within the Code, you would have to change the City Code to require there be a staff member. If you were simply going to give direction that a staff member be assigned to assist the commission outside the ordinance, then you could read the ordinance and adopt it.

Mayor Joens stated at our meeting Ms. Jiménez volunteered to serve on the commission, and Council Member Norman has offered to continue to create the agendas and take minutes.

Mayor Joens asked if anyone from the public wished to speak on this matter. No one from the public chose to speak.

Mayor Joens asked the City Clerk to read the first reading of Ordinance Number 550 by title only.

Ms. Jiménez stated that the two open positions on the commission had been advertised. After three weeks there had been one applicant who would come up for approval by the Council at its next meeting on October 20th.

#### ORDINANCE NUMBER 550

AN ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE 2, ADMINISTRATION AND PERSONNEL, CHAPTER 2.104, SENIOR COMMISSION, OF THE MUNICIPAL CODE OF THE CITY OF COTTONWOOD; BY DELETING SECTION 2.104.040 NUMBER AND COMPOSITION OF VOTING MEMBERS. AND REPLACING IT WITH A NEW SECTION 2.104.040 NUMBER AND COMPOSITION OF VOTING MEMBERS; AND DELETING SECTION 2.104.060 TERMS OF OFFICE, AND REPLACING IT WITH A NEW SECTION 2.104.060 TERMS OF OFFICE.

#### AMENDMENT TO THE AGREEMENT WITH THE OLD TOWN ASSOCIATION (PREVIOUSLY APPROVED ON SEPTEMBER 8, 2009)

Ms. Jiménez stated the Council previously approved an agreement with the Old Town Association (OTA) on September 8, 2009. Following its approval, Lisa Pender, President of the OTA, e-mailed City Manager Doug Bartosh and requested two changes to the agreement. One was to Section 2. A. 3. (Collecting, analyzing, and maintaining relevant data to support economic development efforts) to be deleted because it was not something the OTA could accomplish due to having no paid staff. Also requested was that under Section 2. A. 5., the Walkin' on Main event be replaced with the Art Walk, as Walkin' on Main was a City event. In addition, reporting requirements were added as was done with the Humane Society and the Senior Center. They must submit reports on a quarterly basis. If they do not do so within the stipulated time period, funding for the quarter would not be paid.

Mayor Joens asked if we had been very clear with all these organizations that if they did not turn in their reports on time, there would be no money. She was concerned they wouldn't understand that and were not focusing on that in the agreement.

Council Member Pratt stated if they signed the agreement they were liable for everything in the agreement. The two changes that were most important were the quarterly report because this makes us fair because we were treating all these other organizations that way, and the removal of Walkin' on Main Street event since that is a Parks & Recreation event.

Mayor Joens asked if anyone from the public wished to speak on this matter. No one from the public chose to speak.

Council Member Pratt moved to approve the amended agreement between the City of Cottonwood and the Old Town Association. The motion was seconded by Council Member Elinski, and carried unanimously.

RESOLUTION NUMBER 2474--DECLARING, FOR PURPOSES OF SECTION 1.150-2 OF THE FEDERAL TREASURY REGULATIONS, OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES RELATING TO THE "RECONSTRUCTION OF MINGUS AVENUE FROM 89A TO WILLARD STREET"

Mr. Rodriguez stated several similar resolutions had been brought to the Council recently for approval. Basically, what this did for the City of Cottonwood was to prepare us in case we do go ahead and decide to find financing mechanisms for a lot of projects that we have. The estimated cost of the Mingus Avenue reconstruction from Willard to Highway 89A is approximately \$1.48 million, initially to be paid out of our HURF fund. This and the next item are reimbursement resolutions. What these two items will basically do for us is we will eliminate what little capital we do have in the HURF fund. The Council has shown an interest to continue street projects and this will kind of set us up for the future when we do financing and go ahead and reimburse the HURF funds and continue doing a lot of our other street projects.

Mayor Joens was absent for the dais, and Vice Mayor Pfeifer asked if anyone from the public wished to speak. No one from the public chose to speak.

Council Member Pratt moved to approve Resolution Number 2474 reimbursing the Highway User Revenue Fund for the cost associated with the Mingus Avenue reconstruction from 89A to Willard Street. The motion was seconded by Council Member Kirby and carried. Mayor Joens was absent for the vote.

Vice Mayor Pfeifer asked the City Clerk to read Resolution Number 2474 by title only.

RESOLUTION NUMBER 2474

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, DECLARING FOR PURPOSES OF SECTION 1.150-2 OF THE FEDERAL TREASURY REGULATIONS, OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES RELATING TO THE "RECONSTRUCTION OF MINGUS AVENUE FROM 89A TO WILLARD STREET".

RESOLUTION NUMBER 2478--DECLARING, FOR PURPOSES OF SECTION 1.150-2 OF THE FEDERAL TREASURY REGULATIONS, OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES RELATING TO THE "RECONSTRUCTION OF 12TH STREET 89A TO FIR STREET"

Mr. Rodriguez stated, again, this reimbursement resolution is also an intent that possibly in the future Cottonwood will reimburse itself for the HURF funds for the 12th Street

reconstruction. That's the larger section from 89A to 12th Street. Right now, we were basically completing the design phase of 12th Street. It will involve not only streets, but also some extensive utility work.

Council Member Smith stated you say we were going to reimburse ourself. The HURF fund was not a grant.

Mr. Rodriguez stated, no, that is state shared revenues.

Council Member Smith asked if we had to reimburse them.

Mr. Rodriguez stated the HURF fund was part of the City. The HURF fund is Highway User Revenue Funds. We get HURF funds. We also contribute one percent of our construction sales tax to the HURF fund. That money is what we use for strictly streets and transit.

Council Member Smith asked why we had to reimburse it, and what are we reimbursing.

Mr. Rodriguez stated when we build this particular project it will cost us \$2.3 million. That plus Willard Street are pretty aggressive for the amount of money that we have. By building these two projects, which are some of our top priorities, it would take us a number of years to even begin to really start building up funds to build any sizable project. The whole idea behind this was to set ourselves up so that we can start spending money on these big projects with the intent that in the future we can go ahead and find some sort of financing and put that money back in HURF and then continue building other projects.

Council Member Smith asked what this would ultimately cost us. If we have to borrow the money, we have to pay interest on it, what will these deals wind up costing us?

Mr. Rodriguez stated our financial advisors, Stone & Youngberg are looking at sub-three percent financing at the moment, which, in a sense, is relatively inexpensive. These two projects are the two top priorities and were also very expensive and that's why we're trying to set some mechanism in place. If the Council wishes to continue street projects into the future, we will probably need to find some sort of financing for these big projects so we can continue them.

After further discussion regarding the funding mechanisms and the costs for the projects, Mayor Joens stated this Council has directed staff that these projects are so needed and so important that we want to build them. We understood when we directed staff that that we didn't have the funds and that we would probably have to borrow them.

Council Member Pratt stated all this does is bring us in compliance with the Federal Treasury regulations so that we can do that.

Council Member Smith moved to approve the Resolution Number 2478 reimbursing the Highway User Revenue Fund for the cost associated with the 12th Street reconstruction

from 89A to Fir Street. The motion was seconded by Council Member Kirby and carried unanimously after Mayor Joens asked if anyone from the public wished to speak and no one from the public chose to speak.

Mayor Joens asked the City Clerk to read Resolution Number 2478 by title only.

RESOLUTION NUMBER 2478

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, DECLARING FOR PURPOSES OF SECTION 1.150-2 OF THE FEDERAL TREASURY REGULATIONS, OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES RELATING TO THE "RECONSTRUCTION OF 12TH STREET FROM 89A TO FIR STREET".

RESOLUTION NUMBER 2477--AMENDING THE CITY'S FINANCIAL OPERATIONS GUIDE BY ADDING A NEW SECTION XVI, FRAUD POLICY; AND PROVIDING FOR AN EFFECTIVE DATE

Mr. Rodriguez stated other cities had been struggling with issues of fraud, not so much in finance departments but in other areas. It was not felt there were any issues at this point in the city, but we would like to go ahead and get a fraud policy in place in case anything does happen. The policy provides procedures and outlines responsibilities for reporting an incident and how to handle something reported to you. We need an acknowledgement form to ensure that employees understand the policy.

Council Member Pratt stated this was a great policy. It was pro-active rather than reactive and it had the acknowledgement form, and questioned if we had one for computer use.

Mr. Rodriguez stated we had one for internet use. Social networking has now become an issue. That would be coming forward in the future. One of the other things we want to do with this is every employee has to sign the acknowledgement form. We will be conducting training, trying to get as many employees in on the fraud policy and other policies, such as the internet policy, to make sure they understand what is in there.

Council Member Elinski asked if City Council Members would have to sign this form.

Mr. Horton stated it was written for employees. He did not think the scope was that broad, but it didn't mean it couldn't be changed.

Mayor Joens stated she saw where there were a lot of different areas. She didn't see where the Mayor and Council were involved, and maybe they should be because they hire the judge. On page 8 it says, "Final determination regarding action against an employee, vendor, recipient, or other person found to have committed fraud or corruption, will be made by the City Manager or the City Council if the City Manager is involved." But we also hire a judge, a city clerk, and a city attorney directly and she didn't see throughout the policy where that was addressed.

Mr. Rodriguez stated the issues as far as they were concerned, if they were going to come to the City Manager first, then he will make contact with you. Even though they were under your realm, the City Manager needs to know what's happening in the organization, then he can go ahead and bring it to you. If someone is doing illegal activities, or whatever, he needs to be aware and his responsibility is to you.

Mayor Joens stated it sounded like they were thinking ahead. We haven't had any incidents such as this and you're just trying to create a policy to help employees understand what's acceptable and not acceptable.

Mayor Joens then asked if anyone from the public wished to speak on this matter. No one from the public chose to speak.

Council Member Kirby moved to approve Resolution Number 2477 approving the adoption of the new Section XVI, Fraud Policy, to the City's Financial Operations Guide. Council Member Norman seconded the motion, which carried unanimously.

Mayor Joens asked the City Clerk to read Resolution Number 2477 by title only.

RESOLUTION NUMBER 2477

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING THE CITY'S FINANCIAL OPERATIONS GUIDE BY ADDING A NEW SECTION XVI, FRAUD POLICY; AND PROVIDING FOR AN EFFECTIVE DATE.

RESOLUTION NUMBER 2476--SUPPORTING THE PUBLIC PLANNING EFFORTS REGARDING THE FUTURE USE AND MANAGEMENT OF THE AREA DESCRIBED AS THE VERDE FRONT OF THE PRESCOTT NATIONAL FOREST AND THE GREENWAY CORRIDOR OF THE MIDDLE VERDE RIVER

Mr. Scully stated the Council was being asked to approve this resolution for this planning effort for the Prescott National Forest. Copies of a similar resolution have been sent to all communities in the Verde Valley as well as the Yavapai-Apache Nation, and Yavapai County. State Parks and the Verde Ranger District are also involved. The Verde Front is what they're calling this portion of the Verde Ranger District that's essentially accessed from down here in the Verde Valley from up around Jerome to about Beasley Flat which is down past Camp Verde; from the Verde River up to the top of the peaks on the mountain range here. It got expanded through the preliminary group that was helping put this program together to incorporate all of the Verde River Greenway and crosses part of the river into part of the Coconino National Forest. They wanted to draw the boundaries to include communities so that it was clear that this was something that was an opportunity for all the communities to be working together to look at the future of this area and essentially this portion of the Prescott National Forest and the Verde Ranger District. The significance of that is for decades this area has essentially been by-passed in some ways and overlooked. It's really a big change for the Forest Service to step forward and say they are ready to put some money

into the planning, work with people, and start looking at what people would really like to see in terms of these various facilities and what could be there. I've put a list of that, just to point out that there are, actually, some areas that are identified as recreational facilities existing in this area. There's about 15 places you can just point out that are picnic areas, fishing areas, there's trailheads, there's some areas like that. That would certainly be part of what this process is going to entail. It's not going to be a long drawn out process. We're really looking now at two meetings in the Cottonwood area next month; November 2 and December 7. The same week the Verde Ranger Station in Camp Verde would have similar meetings, in a workshop format. They're trying to get as many people involved to look at all the different possibilities. They do have some ideas themselves about some of these existing areas that need work. I think they pointed out some of what could be priorities in the near future but there are also opportunities. In Cottonwood we have some great opportunities to work with the Forest Service on these areas immediately next to Cottonwood and west of here, in particularly in the west Mingus Avenue area. That's the area the Stewards for Public Land got their start working on. That's been a real cooperative effort. It took many years to clean it up but it's a revolving door. It keeps getting trashed at the shooting range. In this whole area down here there's really a combination of things that go on: illegal dumping, shooting, how they manage the off-road use, as well as provide the facilities for people that live here, places that people will go and feel comfortable. This is really the opportunity that has not presented itself before.

Council Member Pratt stated his support for the resolution because of its importance in bringing our communities together in a regional effort.

Mayor Joens stated the exciting thing that's going on too is that we have the Prescott National Forest actually saying they want to do something. They want to build trails. We want to build a trail. Whoever could meet should meet because when the Forest Service says they want to really get on this, and actually take some action, it's very exciting. We should support it.

Mayor Joens asked if anyone from the public wished to speak on this matter. No one from the public chose to speak.

Council Member Smith moved to approve Resolution Number 2476 declaring support for the Verde Front planning effort, bringing together communities, organizations, and residents of the Verde Valley to consider project-based strategic planning for the Verde Ranger District of the Prescott National Forest. The motion was seconded by Council Member Pratt, and carried 6-1, with Council Member Kirby dissenting.

Mayor Joens asked the City Clerk to read Resolution Number 2478 by title only.

#### RESOLUTION NUMBER 2476

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COTTONWOOD,  
YAVAPAI COUNTY, ARIZONA, SUPPORTING THE PUBLIC PLANNING EFFORTS

REGARDING THE FUTURE USE AND MANAGEMENT OF THE AREA DESCRIBED AS THE VERDE FRONT OF THE PRESCOTT NATIONAL FOREST AND THE GREENWAY CORRIDOR OF THE MIDDLE VERDE RIVER.

#### CLAIMS & ADJUSTMENTS

Council Member Smith asked Mr. Lueder what Arizona Northern Equipment was paid \$105,000 for.

Mr. Lueder stated it was a combination of projects to procure sites at well 7 for joint treatment.

Council Member Norman moved to pay the claims and adjustments. The motion was seconded by Council Member Kirby, and carried unanimously.

#### EXECUTIVE SESSION-PURSUANT TO ARIZONA REVISED STATUTES SECTION 38-431.03(A)(3), THE CITY COUNCIL MAY VOTE TO CONVENE IN EXECUTIVE SESSION TO CONSULT WITH THE CITY ATTORNEY AND RECEIVE LEGAL ADVICE REGARDING A PENDING PETITION TO ANNEX A PARCEL OF FEDERAL FOREST LAND INTO THE CITY

Mayor Joens moved to go into executive session. Council Member Smith seconded the motion, which carried with a dissenting vote by Council Member Pratt.

The Council moved to the police sub-station meeting room for the executive session.

After returning to the Council Chambers after meeting under executive session, Council Member Pratt moved to resolve out of executive session. Council Member Smith seconded the motion, which carried. Mayor Joens was not present for the vote.

#### DISCUSSION AND POSSIBLE LEGAL ACTION/DIRECTION TO STAFF REGARDING THE PENDING FEDERAL FOREST LAND ANNEXATION

Council Member Pratt stated the Council should hold off on the annexation and try to work with Clarkdale to see if we can achieve some kind of agreement to ensure those Forest Service lands remain open space.

Council Member Smith stated his recommendation was to go ahead with the annexation.

Council Member Kirby stated the Council should go ahead with the annexation. He saw no reason to delay.

Council Member Elinski stated he was more in favor of trying to work with Clarkdale and holding back on the annexation.

Vice Mayor Pfeifer stated if we could get the same results from border agreements or intergovernmental agreements, without spending the money, we should do that. If we go ahead with the annexation, it will be challenged and it will cost money. If we can continue to have the Forest Service open space by doing border agreements and intergovernmental agreements (IGA), we achieve what we say we really want which is to keep it open, without spending the money or going to court. That's the way she would like to see it go.

Council Member Norman stated Clarkdale wanted us to do an IGA in the beginning. We need to sit down and work very seriously with them and have our attorney draw up something to keep the boundaries and to keep it open space. We do not need to spend the money if it is challenged.

Council Member Smith stated he did not understand why we had to have an IGA with Clarkdale if Clarkdale cannot annex the property. He favored continuing the annexation. We were willing to spend \$30,000 to \$50,000 on studies, let's spend the money and get this annexation done.

Mayor Joens stated working on boundary agreements, as the Vice Mayor suggested, was a point she understood. She would like to see the Council ask the Town of Clarkdale to work on an agreement with the Ruskin lands to where the City of Cottonwood would have a seat at the table for any type of planning for that, as that land is in our view-shed. If we were going to work on an agreement of any kind, all of the Forest Service lands should be discussed.

Council Member Pratt stated the whole issue should be tabled.

Vice Mayor Pfeifer stated it all could be put into the boundary agreement. With the communities working together for future planning, it would be innovative to get the town and city together to where they would be willing to make those kinds of agreements to include each other in future planning. This could include future planning as well as the Ruskin lands.

Council Member Kirby moved to table this matter for further discussion. Council Member Pratt seconded the motion, which carried with a dissenting vote by Council Member Smith.

Mayor Joens opened the floor to the public.

Mr. Curtis Lindner, of Jerome, stated he wished to see a public participation element more involved for the future of the 8.5 square miles of Forest Service land. It should be opened to the public to let them have their say. He asked Council Member Smith earlier why the Council was annexing this property and whether it was because it was part of a developer agreement. Mr. Smith did not respond because it was a matter discussed in executive session. To him, that was not how executive session was supposed to be used. He encouraged everyone to work together to come up with a contractual arrangement to

preserve that land. Mayor Joens was quoted in the paper as saying the annexation was to preserve it.

Mayor Joens stated the Council had unanimously passed a resolution to do so.

Mr. Lindner stated a resolution was just a resolution. If someone had property the Forest Service wanted, it could still initiate a trade. Regardless of a resolution to preserve the land, the Forest Service would still use it for a trade if they wanted to trade it. The Council could vote to trade it if it was in its interest, even though it had previously passed a resolution to preserve it.

Mayor Joens stated the Council had no say over what happened to Forest Service land.

Council Member Pratt stated the resolution expressed the Council's intent but it was non-binding.

Mr. Linder stated he wanted these lands preserved and the public to participate.

Mayor Joens stated she did not think she would be out of line to say that there's absolutely no development interest in that property, there has been no developer approach the city, we have not been seeking any. There was nothing and I don't think that was ever discussed in executive session.

Council Member Smith stated I understood him (Mr. Lindner) to be talking about State Trust Land at the time.

Mr. Lindner stated I thought he had addressed that forest land was part of a discussion that they had in executive session, so that wasn't clear.

Mr. Bob Gillies stated he had questions for the Council to answer. Why was the Council pursuing annexation? Why was the Council not working with the Forest Service to come up with alternative plans? Has the Council considered the consequences of no action? That was a question he had always had to address in his planning processes. What were the actual short-term and long-term benefits of this action? He understood the Forest Service had not been well involved in this process. They had expected to make a presentation at the last public hearing but were told they had been invited to attend only to respond to questions. His experience with the earlier annexation of Forest Service lands by Highway 260 was similar in that the Planning and Zoning head had stated he felt no need to meet with Forest Service representatives. By tabling this matter, it meant it would come up again. He would like the Forest Service to be invited to be a part of any discussion on this matter. National Forests always try to work with communities.

Mayor Joens stated the City had tried to contact Ms. Heather Provencio but sometimes the Forest Service was just unresponsive. We want to work with them. Heather has twice said she wasn't called but our staff says differently.

Council Member Pratt stated in the future we will invite them to discuss the issues.

Mr. Gillies stated with something of this magnitude you should try to get everybody involved.

Mayor Joens stated it's a great idea. We could direct the City Clerk to ensure that they are notified; put them on our agenda list if they aren't already to make sure they get a copy of the agenda if it impacts them.

Mr. Gillies stated he felt the Council needed to be well informed before making a decision and he just didn't feel like it was completely. Hopefully it will be before the final decision. I believe in getting with your neighbors. If the neighbors can work with each other, some pretty good things will happen.

#### ADJOURNMENT

Council Member Smith moved to adjourn. Council Member Norman seconded the motion, which carried unanimously. The regular meeting adjourned at 10:07 p.m.