

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD JULY 6, 2010, AT 6:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

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

Doug Bartosh, City Manager	Steve Horton, City Attorney
Marianne Jiménez, City Clerk	Mike Casson, Fire Chief
Douglas LaSota, Magistrate	Ky Flagg, Fire Engineer
Janie Randall, Court Administrator	Scott Silvernagel, Police Patrol Sergeant
Joe Steinke, Building Official	Jody Makuch, Police Commander
Carol Brown, Budget Analyst	
Dan Lueder, Development Services General Manager	
Rudy Rodriguez, Administrative Services General Manager	
George Gehlert, Community Development Manager	
Sharon Caldwell, Utilities Administrative Assistant	
Kyla Allen, Executive Assistant to the City Manager	

PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was led by Ms. Janice Montgomery, a member of the Senior Commission. Mayor Joens presented Ms. Montgomery with a certificate for her participation.

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 made the following statements and announcements:

- Last week we hosted the first farmers market. They would continue to be held on Thursdays at 5 p.m. for the next month and a half.

- We hosted the Fourth of July fireworks show. Attendance was the largest ever, estimated at 5,300 people.
- There was a minor plane crash at the airport Friday. A single engine plane's gear collapsed on landing. There were no injuries and the public safety teams responded.
- The Arizona Department of Environmental Quality did an inspection of the wastewater plant, which passed with the flying colors. It was a very clean report. As clean as you can get related to wastewater.

Council Member Kirby stated he had attended the regular regional council meeting of the Northern Arizona Council of Governments and the regular quarterly meeting of Head Start.

Council Member Smith stated on July 4 he helped give food away at the city's fireworks event.

Mayor Joens made the following statements and announcements:

- On June 18 we had the opening of the all new outdoor pool. Vice Mayor Pfeifer and Council Member Norman also attended.
- She attended the Fit Kids meeting this month.
- She attended the quarterly Chamber of Commerce luncheon. Also in attendance were Vice Mayor Pfeifer, Council Member Norman, and Mr. Bartosh.
- On June 24 she set up a meeting that Ms. Allen and Mr. Casey Rooney also attended to discuss projects to submit for the Governor's Rural Economic Development Conference Success Story Awards.
- She attended her first ever kick boxing match at the Golden Cobra Center for Fitness which was trying to raise funds for a portable ring.
- She attended the sustainable agriculture meeting.
- She and Mr. Bartosh had an appointment with Sedona Vice Mayor Cliff Hamilton, to discuss the National Scenic Area (NSA) bill going through Congress. They met with Mayor Rob Adams, Vice Mayor Hamilton, and City Manager Tim Ernster. From that meeting we had a presentation coming up tonight from the Sedona City Council for our Council and the public.
- She attended the first farmers market of the year. It would be held every Thursday night at 5 p.m. until the autumn.
- July 5 she was invited by Pastor Dave Arden to see the River Community Church's project.
- She attended the ground breaking of the new Verde Valley Ambulance facility last night.
- Tomorrow she was headed to Phoenix to serve on a subcommittee of the League of Arizona Cities and Towns.
- On July 8, at 3 p.m., there would be a presentation from the Town of Clarkdale on the update of their sustainability park given here, in the Council chambers.
- It was very important for the Council and public to be aware that the Older Americans Act would be coming up for renewal next year and to support it.

- She expressed concern for Dr. Jay Fleishman, a former Library Board Member, who had been recently been diagnosed with cancer.

CALL TO THE PUBLIC

There were no comments from the public.

PRESENTATION OF THE EMPLOYEE OF THE QUARTER AWARD TO SHARON CALDWELL & KY FLAGG

A certificate and a check were presented to Ms. Caldwell and to Mr. Flagg in recognition of their jointly being selected as the employee of the quarter.

PRESENTATION OF THE QUARTERLY SAFETY AWARD TO SCOTT SILVERNAGEL

A certificate and a check were presented to Mr. Silvernagel in recognition of his being selected to receive the quarterly safety award.

RECOGNITION OF THE CITY OF COTTONWOOD AS A BLACKHAWK SPONSOR OF THE VERDE VALLEY BIRDING & NATURE FESTIVAL

Mayor Joens shared with the Council a plaque presented by the Verde Valley Birding Festival in thanks for the city's \$1,000 donation to its annual event.

PRESENTATION BY THE CITY OF SEDONA REGARDING THE PROPOSED NATIONAL SCENIC AREA DESIGNATION AROUND THE CITY OF SEDONA

Sedona Vice Mayor Cliff Hamilton stated Congresswoman Ann Kirkpatrick had introduced a bill in Congress to designate 160,000 acres around the Sedona area as a National Scenic Area (NSA). The Sedona City Council unanimously passed a resolution supporting that legislation at its May 25 meeting and urged the creation of a Sedona Red Rocks National Scenic Area (SRRNSA). He asked for Cottonwood's endorsement and support.

Sedona Councilwoman Barbara Litrell gave a PowerPoint presentation and stated the scenic designation had been discussed for decades. Amendment 12 to the Coconino National Forest Plan, approved in 1998, marked the beginning of efforts to obtain the designation. House Bill 4823 was introduced March 11 in Congress to that end. June 10, Sedona Mayor Rob Adams attended a hearing before a House subcommittee, testifying in favor of the designation. At that same hearing, a representative from the U.S. Forest Service testified in favor of the National Scenic Area designation.

The establishment of SRRNSA in the Coconino National Forest would permanently restrict land exchanges involving Forest Service land from outside the area for land within the designated area which extended from West Fork to Page Springs Road, out to the canyon, through the Village of Oak Creek, to I-17. It basically coincided with the management area

designated by Amendment 12. It was chosen because it was a high recreation area and had special attributes such as ruins. It represented areas the Forest Service felt required special management. The designation would enhance the possibilities of obtaining recreational development grants from private sources and public organizations. It would protect open space between communities all of which had stated that as a goal. Tourism to Sedona was an important economic generator for the Verde Valley and the NSA designation would help protect what attracted tourists here. Over 5,000 personal petitions in favor of NSA designation had been received. Of those, 70 percent came from Sedona and 17 percent from surrounding communities. Unlike other NSA areas, state, municipal and private lands were not included in the regulations of this NSA. The bill specifically permitted local governments to negotiate with the Forest Service for infrastructure needs. The bill would have no effect on roads in the area.

Mayor Joens stated she had heard there was concern about constraining future generations.

Ms. Litrell stated if future generations chose to develop land and sell land for development, not having an NSA would allow them to do that and that was why they wanted an NSA so that did not happen.

Council Member Smith asked how an NSA would bring more people in to the area. He also felt the area was too large.

Ms. Litrell stated it was the same area protected by Amendment 12 for the last 12 years. The NSA designation would be a magnet to visitors who looked to visit special areas. The Columbia River Gorge had had an increase in tourism since it was designated an NSA. Such areas had a higher profile as a side benefit. The important thing was the protection of the land, permanently.

Mr. Bob Gillies, of Cottonwood, stated the NSA was a special thing and should be applied to protect something that was threatened. He did not see that with this. The land exchange issue had been conducted well by the Forest Service and Congressional legislation was overkill for this single issue. Sedona was being loved to death and we were wearing out the resources. We did not need to bring more people into the area. An NSA was a permanent action and would take an act of Congress to change.

Mr. Ron Volkman, of Yavapai County and of the Sedona-Verde Valley Association of Realtors, stated there was a system and process in place that had worked well for the past 12 years. He did not trust the Congress and Washington lobbyists to tinker with local issues. The NSA designation only would bring more confusion and pave the way for more litigation at tax payer expense. The legal precedence set forth by other NSAs was evidence. Land trades within this area had already been defined. This bill allowed the federal government to determine its boundaries after it has been passed, not before. It also only mentioned maintaining roads, not building or constructing them.

Ms. Litrell stated every NSA was unique. If you looked at a particular NSA that was being

sued because they did not allow roads, and you looked at the particular NSA legislation, it would say no roads would be permitted after this particular legislation was begun. You could see where some of those may have been generated because of the actual prohibition in the bill. That was not the case with the SRRNSA. There were lots of statements made that created fear of the future. We had to make decisions based on facts and systematic process based on information. She distributed handouts addressing issues raised by opponents of the NSA.

Vice Mayor Pfeifer stated she had mentioned fear of the future, but the NSA and people who were proponents of it were actually working the same page: fear of the future and what was going to happen if it was not an NSA. She asked if there was there any way this could be shrunk and whether the NSA needed to be as big as Amendment 12.

Ms. Litrell stated this protected that entire area from the land trades. It was subdivided into 12 management areas each with its own unique features but all high recreation areas. The question about the boundaries being set after the bill or designation you will see a map is referenced and followed. Afterwards, if there was any error that needed to be corrected it should be corrected. That was what they were talking about. The map and boundaries were already established. It would be firmed up when the designation was done. It was the normal routine. As far as shrinking it, it had not come up and the Forest Service was happy to endorse this designation.

Vice Mayor Pfeifer asked if it had to include all the land.

Ms. Litrell stated yes, because those were the lands that had been designated as important areas to protect.

Vice Mayor Pfeifer stated she did not trust Congress with any of our properties even though they owned them. What little local control would be totally gone. With Amendment 12 it was not totally gone. With an NSA it would be up to Congress.

Mr. Hamilton stated nothing would change about local control in terms of all the things locals wanted to do, whether it was the use of private land, the effects on state lands or county lands. The bill stated all those things stayed in place including the same management plan and the same management processes for setting plans by the Forest Service. The degree of local control that existed now stayed with or without the NSA.

Council Member Kirby asked what the need was if all things stayed the same.

Mr. Hamilton stated what would be permanently protected would be the red rocks which were the essence of the whole Sedona area from land trades. Amendment 12 was an administrative process and did not permanently protect from land trades.

Mayor Joens stated it seemed to her sometimes trades were good such as when we got Tavasci Marsh. She had read that those kinds of trades may still be possible if there was something good that would benefit the area.

Ms. Litrell stated if the city, county, fire district, or school district had a need for infrastructure, needs for public uses, then they would go through the same process they went through now. They would contact the Forest Service, let them know what they wanted and work through an NEPA process. You had to demonstrate need and purpose. What this did not allow was land trades for private development.

Council Member Norman stated it had been pointed out the NSA referred to the maintenance of public, private, and Forest Service roads. She asked if it said anything about new roads and could they still be built.

Ms. Litrell stated yes. The way you would build new roads was the way you would build them now. You would go to the Forest service, go through the EPA process, and show purpose and need.

APPROVAL OF MINUTES—Work Sessions of May 25, 26, and June 3 & 8, 2010, Special Meeting of June 8, 2010 & Regular Meeting of June 15, 2010

Mayor Joens moved to table the minutes. The motion was seconded by Council Member Kirby and carried unanimously.

OLD BUSINESS—None

CONSENT AGENDA

RESOLUTION NUMBER 2519—APPROVING AN AGREEMENT WITH THE NORTHERN ARIZONA COUNCIL OF GOVERNMENTS (NACOG) TO PROVIDE FUNDING FOR TRANSIT SERVICE BY COTTONWOOD AREA TRANSIT

Council Member Kirby moved to approve the consent agenda. Vice Mayor Pfeifer seconded the motion which carried unanimously.

Mayor Joens asked the City Clerk to read Resolution Number 2519 by title only.

RESOLUTION NUMBER 2519

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, APPROVING AN AGREEMENT WITH THE NORTHERN ARIZONA COUNCIL OF GOVERNMENTS FOR THE USE OF COMMUNITY SERVICE BLOCK GRANT FUNDS AND SOCIAL SERVICES BLOCK GRANT FUNDS FOR THE COTTONWOOD AREA TRANSIT.

NEW BUSINESS

PUBLIC HEARING REGARDING ADOPTION OF THE CITY'S TENTATIVE BUDGET FOR FISCAL YEAR 2010-11

Mr. Rodriguez stated every year before we adopted the tentative budget we allowed the public to make comments.

Mayor Joens stated she was opening the public hearing process.

Mr. Bob Oliphant, of Cottonwood Ranch, stated the Council should put a priority on funding the employee merit program, by utilizing the funds allocated to the recreation center reserve. A policy decision should not be made regarding cost of living (COLA) increases until this was placed in the budget. The finance technician position should be unfrozen and funded from General Fund reserves. The water technician position should be funded from wastewater or water reserves.

There were no further comments from the public, and Mayor Joens closed the floor to the public.

Mr. Rodriguez stated those reserves were buffers and were not in the budget because they were going to be spent. There was no guarantee they would materialize. They were place holders, but were there if money materialized. Then the priority would be to take care of employees. The merit program had priority over COLA. One could be added if revenue streams exceeded expectations and the Council then chose to take such action. Knowing the economic situation we were posed with now, it would not be fiscally responsible to add positions at a cost of \$60,000 to \$70,000.

ADOPTION OF THE CITY'S TENTATIVE BUDGET & EXPENDITURE LIMITATION FOR FISCAL YEAR 2010-11

Mr. Rodriguez stated the tentative budget was \$100,876,950. The big item was \$32 million to try to refinance the 2004-2006 MPC water bonds. A motion would set the expenditure limitation. Between now and the next two weeks when the final budget would be brought to the Council, we could still make modifications provided the \$100 million threshold was not broken. The Council would also be approving the temporary discontinuation of funding the city's merit program. If revenues came in, staff would ask the Council to release those funds for the merit program. If revenues did not come in as planned, Council would be asked to do away with it this year and to review it at the next budget process.

Mr. Bartosh stated next year would be the first year we did not plan to give merit increases. Most other jurisdictions had not done so for two or even three years.

Mayor Joens stated employees were grateful for their good jobs which the city made a priority of protecting. No one had been laid off because of the economy. Many of the capital projects were to assist staff to provide citizens with reliable services.

Mr. Rodriguez stated along with the motion to approve this budget, the Council would be continuing with the frozen positions as discussed in work study sessions. The Council would be approving no reclassifications or salary adjustments, as discussed in work sessions. Also

being approved was that no changes would be made to employee contributions to standard health care coverage. Permission would be given to purchase any budgeted equipment on a delayed schedule. The Council would allow acquisitions, planning and/or construction of budgeted capital projects using established guidelines and would be accepting expenses as noted in the budget document.

Added under Special Revenues Fund Expenditures was \$458,000 for solar panels at the airport. Under HURF \$811,000 was for changes in the budget for the CAT program. There was an \$8 million change to capital improvement projects for the Riverfront reclamation project. Of the \$8.5 million cost, only \$500,000 would be transferred this year. The additional \$8 million would not be needed until next year and would be retained this year in the capital improvement plan until it was needed for construction. In the enterprise fund there was a new \$4 million item set up as budget authority for possible sewer bonding.

Council Member Smith asked why the ADEQ Gardner cleanup came out of sewer.

Mr. Rodriguez stated because they would be the purchasers of that property. It would then be traded for parking in exchange for another parcel in Riverfront Park to be used for reclamation.

Council Member Smith moved to adopt the fiscal year 2011 tentative budget and establish the 2011 fiscal year expenditure limitation as presented. Council Member Kirby seconded the motion, which carried unanimously.

NOTICE OF INTENT TO ADJUST WATER FEES AND CHARGES FOR THE CITY OF COTTONWOOD WATER UTILITY

Mr. Lueder stated in April the Council discussed at a work session keeping rates the same for low water users. The Council was asked to adopt a Notice of Intent and select which of three options presented it favored. Option #1 was an 8 percent increase across the board. Option #2 would be an 8 percent increase for use above 4,000 gallons per month. Option #3 increased rates for use above 5,000 gallons per month. It was a conservation based rate system where low users were rewarded and higher users would pay more. If option #2 or #3 were chosen, the current 3-tier rate structure would change to 4 tiers, with increasing rates for 5,000, 10,000, 20,000, and above 20,000 gallons per month of usage. Should the Council adopt a Notice of Intent, a public hearing would be held August 17. Should the Council adopt a rate change at that time, the rate increases would become effective no sooner than September 17.

Mr. Rodriguez stated revenue under the current rate structure was calculated to be \$1,736,000. Calculations for the various rate structure options were based on obtaining an 8 percent increase in revenues. Since use below 4,000 or 5,000 gallons per month would have no rate changes under Options #2 and #3, higher usage rates increase with each tier level to obtain the desired revenue and were therefore higher than 8 percent.

Council Member Smith stated he preferred Option #3.

Council Member Kirby stated he favored Option #2.

Mr. Rodriguez stated with Option #3, the rate increases fell on just 2,200 users whose rate increases would be about 16 percent.

Council Member Elinski stated he preferred Option #2 because it would encourage more conservation.

Mayor Joens asked what if conservation resulted in a revenue shortfall.

Mr. Lueder stated most of the high water users were commercial accounts which had to use the volumes they did.

Mayor Joens asked if this would hurt businesses.

Mr. Lueder stated we were not talking a huge increase here. Our rates were lower than those in Clarkdale and there were not a large number of businesses which required large volumes of water. It was a cost of doing business both for them and for the city as a supplier. While the increases would not offer strong incentives to conserve, they sent a message that the city supported conservation and those who had trouble making ends meet. From a utility manager's standpoint, the bottom line was the same from any of the three options. It was a really a political and social decision for the Council to make. In the future he wanted to look at rate increases annually during the budget process. Regular small increases were more palatable than a large increase. Rates had not been increased in six years.

Council Member Pratt stated he supported Option #3.

Mr. Lueder stated the difference between Option #2 and Option #3 for a user of 4,000 gallons would be 29 cents for the additional 1,000 gallons.

Mayor Joens asked if we would run into some unintended consequences down the road.

Mr. Lueder stated this could be reviewed every budget year.

Mr. Bob Gillies, of Cottonwood, asked why an 8 percent rate increase was decided on or needed. When the city acquired the water company his rate had increased 300 percent.

Mr. Lueder stated the initial rate structure was performed by a consulting firm. A copy of that document could be supplied to Mr. Gillies if he desired. The rate increase, while substantial was not 300 percent. The water company's previous owner, Mr. Garrison, published a My Turn article in the Verde Independent stating his belief that had he not sold to the city his rates would have had to increase as much, if not more. Arsenic remediation

was a huge reason for that as well as a lack of reinvestment in the system for a number of years. The city had invested millions of dollars in improved wells, pumps, and pipes. This had resulted in lowering the projected annual cost of arsenic remediation from \$1 million to \$650,000. Two million dollars had already been invested for arsenic remediation. Rates would have gone up regardless of who owned the water companies. Because the city bought four companies and combined services and it could realize economies of scale and some of the increased costs could be minimized. The 8 percent figure was determined by a consultant and presented to the Council for approval. The increase was first requested in 2007 and would have been higher had it been implemented then.

Mayor Joens stated the city had repaired in excess of 800 leaks, replaced over 10,000 feet of defective water main and service lines, step tested all wells, replaced pumps, electrical circuits, added fire hydrants in Verde Village, and reduced per household use from 11,000 gallons per month to 8,000 gallons per month. We had bonded for about \$8 million. Arsenic remediation used a large portion of that because it was required. We had made every effort to manage our costs and had not raised rates for six years. Even now, the rate increase was modest. We also had our obligation to bond holders and were currently below required ratios for bonding.

Mr. Lueder stated all this had been done while reducing by 30 percent the amount of ground water drawn from local aquifers.

Council Member Pratt stated any action tonight would only be a Notice of Intent to increase rates. There would be a public hearing August 17 at the regular Council meeting.

Mr. Bob Oliphant, of Cottonwood Ranch, stated families in Cottonwood paid the second highest water rate in northern Arizona. Citizens had suffered for three years from the current recession during which time the city increased its sales tax as had the state. The rate increase would have an adverse impact on citizens. Last year the city had a \$10 million water enterprise reserve.

Mayor Joens stated all citizens, regardless of how well to do they were or not, required water. The city had been extremely responsible in budgeting for it and would continue to do so.

Council Member Norman stated she was partial to Option #2.

Council Member Pratt moved to adopt a Notice of Intent for an increase to the City of Cottonwood water rate schedule as outlined in Option #2, and set a public hearing date for August 17 at the regular Council meeting. The motion was seconded by Vice Mayor Pfeifer, and carried with a dissenting vote by Council Member Smith.

RESOLUTION NUMBER 2521--APPOINTING A MEMBER TO THE PLANNING & ZONING COMMISSION

Mr. Gehlert stated there was an opening on the Planning & Zoning Commission following the passing of Commissioner Kevin in April. The position had been advertised, resulting in three applicants, one of whom was in attendance.

The Council then interviewed Ms. Jean Wilder.

Vice Mayor Pfeifer moved to approve Resolution Number 2521 appointing Jean Wilder to the Planning and Zoning Commission for a term which expired December 31, 2012. The motion was seconded by Mayor Joens, and carried unanimously.

Mayor Joens asked the City Clerk to read Resolution Number 2521 by title only.

RESOLUTION NUMBER 2521

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, APPOINTING JEAN ELLEN WILDER A MEMBER OF THE PLANNING AND ZONING COMMISSION AND ESTABLISHING HER TERM OF OFFICE.

RESOLUTION NUMBER 2522--APPOINTING JANIE B. RANDALL AS AN ASSOCIATE CITY MAGISTRATE AND ESTABLISHING HER TERM OF OFFICE

Judge LaSota stated Ms. Janie Randall, recently appointed by the Council as a civil traffic hearing officer, was now before the Council for appointment as an associate magistrate. While there were other associate magistrates, they were not always available. On short notice situations it was more convenient to have someone who was already in the court to be able to step in. This gave greater public service for cases when victims came in and needed orders of protection, since someone would always be there for that or when police officers required complaints be signed. There would be a cost savings not having to have a pro tem come in if he were sick or on vacation. Ms. Randall had 14 years experience in limited jurisdiction courts on a full time basis; seven as court administrator. He read a letter from Mary Hamm, Seligman Justice of the Peace, supporting Ms. Randall's appointment, and mentioning the court efficiencies and cost savings the appointment would bring. He noted her Hispanic background and language skills would broaden diversity in the court and asked the Council to approve her appointment.

Council Member Pratt expressed his support for the appointment.

Mayor Joens asked that variants on such appointments be discussed.

Mr. Horton stated within the last ten years there had been a proposition affecting justice courts allowing pro tem Justices of the Peace to be non-lawyers. There was some divergence of opinion about municipal courts and the requirement that the judges serving in those be lawyers. This would not be the only community to have a non-lawyer as a magistrate. The administrative office of the Supreme Court appeared to take the position that magistrates

did not need to be members of the bar, nor was there a city requirement for it.

Council Member Kirby expressed his approval for the appointment.

Council Member Smith moved to approve Resolution Number 2522 appointing Miss Janie B. Randall as an Associate Magistrate. The motion was seconded by Council Member Pratt and carried unanimously.

Mayor Joens asked the City Clerk to read Resolution Number 2522 by title only.

RESOLUTION NUMBER 2522

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, APPOINTING JANIE B. RANDALL AS AN ASSOCIATE CITY MAGISTRATE AND ESTABLISHING HER TERM OF OFFICE.

RESOLUTION NUMBER 2512--DECLARING AS A PUBLIC RECORD THOSE CERTAIN DOCUMENTS FILED WITH THE CITY CLERK AND ENTITLED: ADMINISTRATION OF THE INTERNATIONAL BUILDING CODE, 2009 EDITION; INTERNATIONAL BUILDING CODE, 2009 EDITION; INTERNATIONAL RESIDENTIAL CODE, 2009 EDITION; INTERNATIONAL FUEL GAS CODE, 2009 EDITION; INTERNATIONAL PLUMBING CODE; 2009 EDITION; NATIONAL ELECTRICAL CODE, 2008 EDITION; INTERNATIONAL MECHANICAL CODE, 2009 EDITION; AND INTERNATIONAL FIRE CODE, 2009 EDITION

Mr. Lueder stated this item had been presented to the Council in a work session May 11. The city was currently operating under the 2003 Building Code. One of the biggest detriments doing so was the Insurance Service Organization rating of our Building Codes would go up substantially if the new codes were not adopted. One of the major changes would be the requirement for all manufactured homes to have automatic fire sprinkler systems installed. The Council was asked to adopt the Resolution and conduct the first reading of the Ordinance.

Council Member Kirby moved to approve Resolution Number 2512. Council Member Norman seconded the motion, which carried unanimously.

Mayor Joens asked the City Clerk to read Resolution Number 2512 by title only.

RESOLUTION NUMBER 2512

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD THOSE CERTAIN DOCUMENTS FILED WITH THE CITY CLERK AND ENTITLED: ADMINISTRATION OF THE INTERNATIONAL BUILDING CODE, 2009 EDITION; INTERNATIONAL BUILDING CODE, 2009 EDITION; INTERNATIONAL RESIDENTIAL CODE, 2009 EDITION; INTERNATIONAL FUEL GAS CODE, 2009

EDITION; INTERNATIONAL PLUMBING CODE; 2009 EDITION; NATIONAL ELECTRICAL CODE, 2008 EDITION; INTERNATIONAL MECHANICAL CODE, 2009 EDITION; AND INTERNATIONAL FIRE CODE, 2009 EDITION.

ORDINANCE NUMBER 564—AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, AMENDING THE MUNICIPAL CODE BY ADDING A NEW SECTION TITLED ADMINISTRATION OF THE INTERNATIONAL BUILDING CODE, 2009 EDITION, TO CHAPTER 15.08 BUILDING CODE, AND AMENDING CHAPTER 15.08 BUILDING CODE, SECTIONS 15.08.010 INTERNATIONAL BUILDING CODE, 15.08.050, INTERNATIONAL RESIDENTIAL CODE, AND SECTION 15.08.060 INTERNATIONAL FUEL GAS CODE; CHAPTER 15.12 PLUMBING CODE, CHAPTER 15.16 ELECTRICAL CODE, CHAPTER 15.20 MECHANICAL CODE, AND CHAPTER 15.24 FIRE CODE, OF TITLE 15, BUILDINGS AND CONSTRUCTION, OF THE COTTONWOOD MUNICIPAL CODE; FIRST READING

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

Mayor Joens asked the City Clerk to read the first reading of Ordinance Number 564.

ORDINANCE NUMBER 564

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, AMENDING THE MUNICIPAL CODE BY ADDING A NEW SECTION TITLED ADMINISTRATION OF THE INTERNATIONAL BUILDING CODE, 2009 EDITION, TO CHAPTER 15.08 BUILDING CODE, AND AMENDING CHAPTER 15.08 BUILDING CODE, SECTIONS 15.08.010 INTERNATIONAL BUILDING CODE, 15.08.050, INTERNATIONAL RESIDENTIAL CODE, AND SECTION 15.08.060 INTERNATIONAL FUEL GAS CODE; CHAPTER 15.12 PLUMBING CODE, CHAPTER 15.16 ELECTRICAL CODE, CHAPTER 15.20 MECHANICAL CODE, AND CHAPTER 15.24 FIRE CODE, OF TITLE 15, BUILDINGS AND CONSTRUCTION, OF THE COTTONWOOD MUNICIPAL CODE.

FINAL CONDOMINIUM PLAT FOR HIGH FIVE HANGARS LOCATED ALONG THE SOUTHWEST PORTION OF THE COTTONWOOD AIRPORT

Mr. Gehlert stated this was a request for approval of a final plat for a condominium style complex located at the south terminus of Airpark Road, southeast of the Cottonwood Airport. Cottonwood subdivision regulations required a final plat be filed just like any other subdivision approved by the Planning & Zoning Commission (P&ZC) and City Council for condominium style subdivisions. This would be a subdivision of airspace only within the existing five-plex hanger located on Lot 135 as part of the second phase of the airpark subdivision approved by the Council in 2006. The structure was reviewed and approved by the Design Review Board in 2008. The P&ZC reviewed and approved it June 21, 2010, subject to the stipulations outlined in the Council's staff memo. It was owned by the City of Cottonwood and leased to Backus Family Investments to form a property owners association, High Five Hangars, to sublet the airspace inside the hangers to subsequent

leaseholders. The Council may in the future be asked to respond to a declaration of condominium, establishing the whole relationship. Staff recommended approval, subject to the stipulations outlined in Council memos.

Mr. Bob Backus, of Cottonwood, the applicant, stated the airport layout plan approved by the city and FAA in 2006 had this property designated for aviation related buildings. The association would have responsibility for everything except the interior space and the Council would only have to deal with one entity.

Mr. Bob Oliphant, of Cottonwood Ranch, stated the terms of the agreement should be rewritten to give the city and its citizens fair return by providing employment for local residents. He recommended an annual ground lease payment of \$3,000 be set for each hanger offset by \$600 for each full time employee who worked there.

Mr. Backus stated the suggestion for \$3,000 payments was not going to happen. He did provide employment and the development would bring visitors and more money into the community. The construction of the hangers had provided employment and represented economic development.

Mayor Joens stated the hangers offered opportunities to recruit businesses. Airplane owners generally had the means to contribute to a community.

Council Member Elinski moved to approve the final plat to enable a condominium style leasing arrangement for a 5-plex hangar system located at the Cottonwood Airport, subject to the following four stipulations: 1) That the proposal conforms to the Final Plat dated May 6, 2010, as may be further modified by the Council; 2) That the plat proposal and associated lease agreement(s) also be approved by the City Council; 3) That any required plat revisions be accomplished, subject to approval by the City Attorney, prior to recording the final plat; 4) That the final plat be recorded within one year of Council approval (as required by Code), followed by submittal of all other required documents (ADRE report, final CCRs, etc.).

The motion was seconded by Council Member Pratt and carried unanimously.

RELOCATION OF THE MIDDLE SCHOOL RECYCLING DROP-OFF SITE

Mr. Lueder stated the Cottonwood Middle School informed the city the area currently used for a regional recycling drop-off spot for the city was needed for additional parking and would no longer be available for its current use. Staff consensus for an alternate site was the city yard on Sixth Street near Highway 89A. It was fenced and not being utilized now. Staff sought direction for the site which was highly visible and had good access.

Mr. Bartosh stated this move was consistent with the state's Safe Routes to School program.

Council Member Kirby stated good advertising would be necessary to inform people of the move.

Mr. Lueder stated realtor style maps could be provided.

The Council's direction was to proceed with relocation of the recycle center to the proposed new location.

ADDENDUM TO THE OPERATING AGREEMENT WITH WASTE MANAGEMENT FOR THE COTTONWOOD WASTE TRANSFER STATION

Mr. Bartosh stated we were in the process of pursuing a strategic initiative related to solid waste collection. A survey was sent out looking at recycling and solid waste clean-up. Our agreement with Waste Management to operate the Mingus Avenue transfer station expired. Rather than re-bid it immediately, we wanted to make sure we would be doing the public's preference for solid waste pick-up. While we did that analysis what we would like to do was extend the agreement with Waste Management to operate the transfer station for another six months. This would give us the opportunity to finish our analysis of what direction to recommend to the Council. If we chose to continue providing the transfer station, it would give us an opportunity within that time to rebid it. In exchange for that, Waste Management had indicated their costs had gone up and for the extension would like the rate increase which was included in the packet.

Council Member Pratt moved to approve the proposed amendment with Waste Management including the proposed rate increases. The motion was seconded by Council Member Elinski and carried unanimously.

CLAIMS & ADJUSTMENTS

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

ANNUAL REVIEW OF THE CITY CLERK—PURSUANT TO A.R.S. § 38-431.03.(A)(1) DISCUSSION OR CONSIDERATION OF EMPLOYMENT, ASSIGNMENT, APPOINTMENT, PROMOTION, DEMOTION, DISMISSAL, SALARIES, DISCIPLINING OR RESIGNATION OF A PUBLIC OFFICER, APPOINTEE OR EMPLOYEE OF ANY PUBLIC BODY, EXCEPT THAT, WITH THE EXCEPTION OF SALARY DISCUSSIONS, AN OFFICER, APPOINTEE OR EMPLOYEE MAY DEMAND THAT THE DISCUSSION OR CONSIDERATION OCCUR AT A PUBLIC MEETING; THE COUNCIL MAY VOTE TO CONVENE INTO EXECUTIVE SESSION SUBJECT TO THE CITY CLERK'S RIGHT TO COMPEL THE COUNCIL TO DISCUSS THIS MATTER IN OPEN MEETING

Mayor Joens stated in response to a letter sent to the City Clerk, she had indicated her desire to participate in an executive session.

Mayor Joens moved to move into executive session. The motion was seconded by Council

Member Smith, which carried unanimously.

Mayor Joens called for a short break prior to entering into executive session.

Council Member Pratt moved to convene into regular session. Council Member Elinski seconded the motion, which carried unanimously.

DISCUSSION, CONSIDERATION & POSSIBLE ACTION REGARDING APPROVING AN EMPLOYMENT AGREEMENT WITH THE CITY CLERK

Council Member Norman moved to approve the contract agreement with the City Clerk. Council Member Smith seconded the motion, which carried unanimously.

ADJOURNMENT

Council Member Norman moved to adjourn. The motion was seconded by Council Member Kirby. The regular meeting adjourned at 10:32 p.m.

Diane Joens, Mayor

Marianne Jiménez, City Clerk