

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD JULY 20, 2010, 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  
Darold Smith, Council Member

COUNCIL MEMBER ABSENT

Terence Pratt, Council Member

STAFF MEMBERS PRESENT

Steve Horton, City Attorney	Tim Costello, City Engineer
Charlie Scully, Long Range Planner	John O'Neill, Library Director
Jody Fanning, Police Chief	Mike Casson Fire Chief
Joe Steinke, Building Official	Rick Contreras, Fire Marshal
Casey Rooney, Economic Development Director	Richard Smith, Deputy Clerk
Dan Lueder, Development Services General Manager	
Rudy Rodriguez, Administrative Services General Manager	
Richard Faust, Community Services General Manager	
Kyla Allen, Executive Assistant to the City Manager	

PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was led by Bobbie Jo Gooslin, a Board Member of the Cottonwood Community Garden. Mayor Joens presented Ms. Gooslin 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

Mayor Joens stated there would be a Coffee Talk tomorrow at 5 p.m. at the recreation center. Council Member Kirby and she would be there to discuss the community survey, roads, and whatever else people wanted to talk about.

Vice Mayor Pfeifer stated she had gone to the NAMWA meeting on Friday in Williams.

Council Member Kirby stated he had attended the Area Agency on Aging Advisory Council meeting in Flagstaff on July 14. On July 15 and today he participated in conference calls with Head Start. Thursday there would be a meeting of the Senior Commission at the Senior Center at 3:30 p.m. to which the public was invited to discuss senior issues.

Mayor Joens stated she had attended a sustainable agriculture meeting where returning the Verde Valley to its farming roots was discussed.

#### CALL TO THE PUBLIC

There were no comments from the public.

#### PRESENTATION OF PLAQUE TO FORMER AIRPORT COMMISSION MEMBER ALLYSON WAAK

Mayor Joens, Vice Mayor Pfeifer, and Mr. Costello presented Ms. Waak with a plaque from the city for her service on the Airport Commission.

#### PRESENTATION OF A PLAQUE OF APPRECIATION TO DR. JAY FLEISHMAN

Mayor Joens and Council Member Smith presented a plaque from the city honoring the late Dr. Jay Fleishman to Ms. Bobbie Jo Gooslin.

#### PRESENTATION OF THE ARIZONA WILDLIFE FEDERATION'S 2010 CONSERVATION ORGANIZATION OF THE YEAR AWARD TO THE STEWARDS OF PUBLIC LANDS

Mayor Joens and Council Member Norman presented the Arizona Wildlife Federation 2010 Conservation Organization of the Year Award to Stewards of the Land which was accepted by Mr. Lueder and Mr. Costello.

#### INTRODUCTION OF NEW EMPLOYEES

Chief Fanning introduced Patrol Officer Nathan Dorfman.

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

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

#### OLD BUSINESS

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; SECOND & FINAL READING

Mr. Lueder stated this was originally presented to the Council at a work session May 11. The first reading of the ordinance was held July 6. It would benefit citizens by lowering our Insurance Services Organization (ISO) rating which directly affected insurance rates. Most of it was administrative. The one significant change was the requirement that manufactured homes be fitted with automatic fire sprinkler systems.

Council Member Smith moved to approve Ordinance Number 564. Council Member Norman seconded the motion, which carried unanimously.

Mayor Joens asked the Deputy Clerk to read the second and final reading of Ordinance Number 564 by title only.

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.

CONSENT AGENDA

CONSIDERATION OF ACCEPTING A GRANT AWARD FROM THE YAVAPAI COUNTY COMMUNITY FOUNDATION TO BE USED FOR THE COTTONWOOD POLICE DEPARTMENT K-9 UNIT

NEW LIQUOR LICENSE APPLICATION FOR THE PILLSBURY WINE COMPANY (LISA PENDER, OWNER/APPLICANT) LOCATED AT 1012 NORTH MAIN STREET

APPLICATION FOR EXTENSION OF PREMISES/PATIO LIQUOR LICENSE PERMIT FOR PLAYERS SPORTS BAR & GRILL LOCATED AT 1100 SOUTH HIGHWAY 260

Mayor Joens stated item number #2 was pulled from the agenda and would not be considered. She asked if any Council Member or member of the public wished to pull any

other item from the consent agenda for discussion. There were no requests to do so.

Council Member Kirby moved to approve the amended consent agenda. Council Member Smith seconded the motion, which carried unanimously.

#### NEW BUSINESS

#### RESOLUTION NUMBERS 2523, 2524, & 2525--APPOINTING MEMBERS TO THE LIBRARY BOARD

Mr. O'Neill stated Library Board Members acted as ombudsmen or liaisons to the general public and administration of the library. They voted on policy developed by the director and advised the City Manager, Council, and Library Director. The three applicants had been on the Board a long time and done a good job. They wished to be re-appointed. Human Resources advertised these positions in June but there were no applicants from the general public. Ms. Lambard was in attendance, while Ms. Fisher and Mr. Harding had prior commitments and were unable to attend tonight's meeting.

Council Member Kirby moved to approve Resolution Numbers 2523, 2524, and 2525, inserting the names of Thelma Fisher, Tyler Harding, and Joan Lambard. Council Member Elinski seconded the motion, which carried unanimously.

Mayor Joens asked the Deputy Clerk to read Resolution Numbers 2523, 2524, and 2525 by title only.

#### RESOLUTION NUMBER 2523

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, APPOINTING THELMA FISHER A MEMBER OF THE LIBRARY BOARD OF THE CITY OF COTTONWOOD AND ESTABLISHING HER TERM OF OFFICE.

#### RESOLUTION NUMBER 2524

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, APPOINTING TYLER HARDING A MEMBER OF THE LIBRARY BOARD OF THE CITY OF COTTONWOOD AND ESTABLISHING HIS TERM OF OFFICE.

#### RESOLUTION NUMBER 2525

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, APPOINTING JOAN LAMBARD A MEMBER OF THE LIBRARY BOARD OF THE CITY OF COTTONWOOD AND ESTABLISHING HER TERM OF OFFICE.

### REQUEST TO CHANGE THE HOURS OF OPERATION OF THE COTTONWOOD LIBRARY

Mr. O'Neill stated he was forced by circumstances to do this. The circumstances being he had two positions frozen which he agreed with because the direction of the economy was nebulous enough and the finances of the city were uncertain enough for it to be good to open those positions up and not risk the probability or chance of having to reduce them once they were in place. He had tried to come up with something that would allow one change and one change only, whether the future brought a turnaround we wanted to accommodate by moving back to our schedule, if that was what everyone wanted, or stay with the one we chose to go to.

What he was proposing to do was to eliminate evening hours on Tuesday, Wednesday, and Thursday and close at 6 p.m. rather than 7:30 p.m. Instead of being open on Saturday from 9 a.m. to 4 p.m., the library would be open from 10 a.m. to 2 p.m. Tuesday through Friday it would be open from 9 a.m. to 6 p.m. Staff would be asked to work four nine-hour shifts and a four-hour shift. That way, staff would not run into the problems they had now where no one could count on having a continuous schedule during the week. They had to jump around day to day with lunch hours and that sort of thing. He wanted to be able to be in a situation where he did not have to worry about people out sick, or people on vacation or administrative leave. The full staff would be there at all times.

The community had another library two miles away at the college that was open in the evenings, Monday through Thursday until 8 p.m. Under the new operating system put in place in June, patrons of the Cottonwood Library could reserve books, even from our own library, and pick them up at the Yavapai College Library.

When he left the library at 5:30 this evening there were three people in the library reading or viewing videos and there were six people on computers. That was generally what they looked at in the evening. The graph in the Council packets having to do with transactions, check-outs and check-ins, and reference questions showed most business was done between 9 a.m. and 4:30 p.m. It was not feasible economically to keep doing that. In most communities once a pattern was set, you tended to stick to it because it was the way things had always been done. This was a case where circumstances were forcing staff to look at that and make some changes. The Prescott Valley Library, which had 22 full time equivalents to our 10, had gone on this same type of schedule with double the amount of people.

Vice Mayor Pfeifer stated it looked like it was really workable.

Council Member Kirby stated the Council should rely on staff for how best to operate the facility.

Council Member Smith stated his agreement and his surprise at how the number of people dropped off at the end of the day.

Mr. O'Neill stated staff was not turning away a community service that was absolutely essential. Yavapai Community College had always stressed their facilities were open to the general public. He did not believe there would be a land-rush of people sent up there to use their facilities. There would be 2 or 3 or 4. Most people would move their schedules. The people who needed to use the computers would come in when the library was open, which would still be 45½ hours a week.

Mayor Joens stated initially she was concerned about reducing services. Having seen the chart and read the information, the big issue was the department was down two people. Staff was really trying hard to meet the service they were doing. Without those two people, it was difficult. They were doing more with less and the community was still getting very good service.

Mayor Joens opened the floor to the public. There were no comments from the public.

Mr. O'Neill stated he got the sense after it had gone to the Community Services General Manager, the City Manager, and the Finance Director, that this issue should be readdressed in September rather than making it a permanent change.

Mayor Joens stated she would like that too; to see how it worked. She asked if a motion was needed.

Mr. Horton stated no.

The Council's consensus was to try it out and bring it back in September to report how it was working.

Mayor Joens asked that the next-to-last item, number 9, be moved up because the two presenters lived in Prescott and Prescott Valley.

REQUEST TO USE THE CITY'S FORMER COMMUNITY DEVELOPMENT BUILDING AS A BUSINESS ASSISTANCE CENTER AND FOR FUNDS TO REMODEL THE BUILDING AND PAY ONGOING UTILITY EXPENSES OF THE CENTER

Mr. Rooney stated the City of Prescott, Yavapai College, and the Northern Arizona Council of Governments (NACOG) partnered a business assistance center (BAC) in NACOG's office in Prescott. He thought there was merit in such a project in Cottonwood. The community development department had moved from its facility in Old Town leaving space for a BAC. The concept was for a business incubator.

In the Prescott model, business people could come to the BAC with its amazing technology: video conferencing, lap tops, desks, meeting space. If you had a home based business and you needed to have a meeting, you could come to our facility and use our conference room to have a meeting. Or you might need to do some video conferencing with somebody in Chicago. You may not have technology in your home and you were taking your business to

that next level. We could help bridge the gap between no technology and running a really successful business out of your home.

We were looking to partner, as Prescott did, with Yavapai College, the Cottonwood Development Council (CDC), and NACOG. A receptionist would be hired through NACOG, through a grant. There were grant opportunities but everyone was saying if we wanted to do this we needed to do it quickly because other people were looking at this opportunity as we were. The Mayor and City Manager had viewed the facility in Prescott and were impressed and had told him to go for it.

The requested action was to proceed with modified use of the old community development building as a business assistance center. As a back-up he wished to read an e-mail from Terri Drew, the Prescott director: "For your interest, my (work force investment) board is complete. They overwhelmingly approved the expansion to Cottonwood. In fact, Anita Paine from APS offered to supply us with furniture, computers, pictures, etc. Please let me know as soon as possible what the expected need is with detail on desks, chairs, computers, and all that. Afterwards, another member in the meeting piped up and asked for some too. Let me know when you go to Council. I would like to join if I can."

Terri was out of town and could not be here. Ginger Johnson was here to back him up on this. He would talk to Ginger and Bill Bolan, a friend of Cottonwood now working with the BAC in Prescott who was a great resource, along with Ginger. He provided services that would be free to us. NACOG provided money to the college to provide services to us. He would like to plan media announcements, signage, assignments, etc., with Bill & Ginger toward the end of the month.

Ms. Ginger Johnson, Yavapai College Project Manager for the Prescott BAC, stated one of the primary purposes with the college partnership was being able to use some of their equipment so there was lower overhead and, in addition, training, which was what they were experts at. They would do business assessments and discuss what kind of legal issues there were. There was a whole H.R. series for people that were new into business on how to do their hiring, and what they needed to do for taxes, and all those legal pieces. There would be workshops on-going, as well as meeting space, and a tech center they could use to do what they had to do. One big part of this project was job placement: to get people jobs. It was hoped the people in the businesses would do some hiring. That would be tracked along with the services of the partnership and other NACOG services.

Mr. Rooney stated he understood people were not charged to use the facility.

Ms. Johnson stated everything, all services, were free.

Mr. Rooney stated what he would like to see happen was the Wine Consortium. The city would give them an office for six months, and then negotiate a lease beyond that. He wanted to get the usage going and make sure we got the Wine Consortium, which was growing the economy, in there. There might be some opportunities for some other small

businesses that wanted to have an office. We might be able to rent that to them in the future. The thought now was to get people in there free of charge so citizens listening to this, if they had a business at home and they needed to use technology, could have it.

Vice Mayor Pfeifer stated ten years ago Council Member Randy Lowe had tried to get the police substation in Old Town made into a small business incubator. It did not happen, so this was a good idea.

Mr. Rooney stated it was not just an idea any more. They were actually doing it in Prescott. He would have been leery of sticking his neck out if he had not already seen the success that was happening. They were a bigger community than we are but they were being successful and he saw a lot of small businesses in the community that could use it.

Council Member Elinski asked how this would be marketed.

Ms. Johnson stated every opportunity she had she got out and talked to folks at Chamber meetings. They had done pamphlets and inserts. There was a client base that was already coming in to the location at NACOG and they told people. It was all word of mouth in communities like this.

Mr. Rooney stated he felt confident on this based on the support he was getting from NACOG and Yavapai College, who were really good partners to make this happen. Ms. Johnson would be the project manager. Dr. Horton, the president of the college, was behind this.

Mayor Joens stated it would be the perfect location in Old Town.

Council Member Elinski stated his concern that the building was in retched shape.

Mr. Rooney stated they had started painting it. He had taken the remaining portion of his budget, about \$3,500, and transferred it to Mr. Lueder's account so the painting could be finished. Quotes were being obtained. The carpet needed work. We had the technology and phone system. We would want to put wi-fi in so users of the facility would not have to tap into the city's network. There would be some hidden things he had not quite figured out yet. He had put together a list of everything needed, as much as he knew. A lot of it was cosmetic. It could be cleaned and doctored up to look really nice without spending a ton of money. If we could replace the carpet and finish painting it, we would have a nice facility. It was bigger than what was in Prescott. If we did not do something before too long, it would be filled with staff. We either followed up on this opportunity or we would lose it to staff.

Vice Mayor Pfeifer moved to give direction to Casey Rooney to utilize the Old Town Planning & Zoning building for the BAC in conjunction with the college and NACOG and everything Casey has talked about and do it as soon as possible.

Council Member Kirby stated there should be included in the motion that the business

assistance center would use funds to remodel the building and pay ongoing utility expenses.

Council Member Smith stated he assumed the city owned that building and would have to continue to maintain it.

Mayor Joens seconded the motion of Vice Mayor Pfeifer as amended by Council Member Kirby, which carried unanimously.

PUBLIC HEARING REGARDING THE ADOPTION OF THE CITY'S FINAL BUDGET FOR FISCAL YEAR 2010-2011

Mr. Rodriguez stated before adopting the final budget the floor would be open for public comment on it. It had been posted on the city's website and published in the local newspaper.

Mayor Joens opened the floor to the public.

Mr. Bob Oliphant, of Cottonwood Ranch, stated he had three related questions about the final budget. He asked: (1) if the public could be informed at this public hearing of the total amount in reserves in this final budget, fund by fund, and name by name; (2) could the public be informed of the source for each of these reserve funds; (3) could the public be informed for each reserve that was named whether it had been restricted by state or federal law to capital expenditures.

Mr. Rodriguez stated all those funds were in the budget document itself. If you went by department it told you the carry forward amounts we had. In the Council's budget were all the restricted funds we had. A couple of funds were totally restricted. One was the HURF fund. Its money could not be moved to any other fund. The other funds were those held as fiduciary funds which were the employee benefits fund, the firefighters' volunteer pension fund, and \$2.5 million restricted by covenant for debt service in the wastewater treatment fund. Those were restricted. Outside of that, all other restricted we had were restricted by the Council. Text was inside the document. Most grants received were spent so we seldom had any other money that was restricted, but any grant that came in was restricted to grant expenditures.

There being no other comments from the public, Mayor Joens closed the floor to the public.

RESOLUTION NUMBER 2526—ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2011 AND ESTABLISHING AN EXPENDITURE LIMITATION

Council Member Smith stated he had a question about the recreation center. Its overall budget was \$1,370,435 and the recovery rate has been reduced to 40-60 percent. Debt service was not put in on the actual cost. In other words, the actual cost of the recreation center per year was \$2.9 million. That really did not show when you said we were recovering \$500,000. He asked what covered the other \$2.4 million.

Mr. Rodriguez stated the 1 percent sales tax.

Council Member Smith asked how much the city got on that tax.

Mr. Rodriguez stated \$4 million a year. It was broken up into different areas. First and foremost was debt service for the recreation center. The second part was for any shortfall the recreation center had which was covered by the 2 percent, and the remaining used to be split up between HURF and the General Fund. Because of the economy, the Council had retracted a lot of that back to the General Fund. The 1 percent sales tax was spent on debt service for the recreation center and any shortfall it might have and then the General Fund for maintenance and operations and capital reserves.

Council Member Smith asked if in Section VII, the \$5.5 million set aside for a new city hall had been budgeted.

Mr. Rodriguez stated it had been budgeted. The Council requested it be budgeted in case the opportunity came up to acquire some other building throughout the city we might be able to use as a city hall.

Mayor Joens stated for the benefit of the television public the Council had been working on the budget for five meetings where it was discussed in detail, part by part. It may look like it was simple tonight but the Council had put a lot time, effort, and reading into it to this point tonight. Two of the most necessary projects that citizens would be most excited about in this budget were the West Mingus Avenue reconstruction and the Twelfth Street reconstruction from SR89A to Fir Street. There would be studies for wastewater issues, up to \$500,000 in well improvements, \$500,000 in fire flow upgrades, valves for \$25,000, and upgrades to the Hwy 260 water system. We were working hard to ensure transit busses could keep carrying passengers. We were looking at a possible fire station design and at getting a possible mobile data computing connectivity grant. There was \$250,000 for arsenic mitigation. The public could read all of this on the city's website [www.cottonwoodaz.gov](http://www.cottonwoodaz.gov).

Mr. Rodriguez stated in the budget, items that were in revenues or other financing sources titled carryovers or reserves, or monies that were left over from year to the following year were listed. In the budget, page 92, it was pretty specific what we anticipated to end up with at the end of this year with our reserves. All of these reserves were set by the Council. If the Council wished they could be moved or spent down. Funds had a carry forward line and a reserve line and were easily located within the document itself.

Mayor Joens stated that would assist Mr. Oliphant with his requests.

Mr. Rodriguez stated what the document did not address was what was statutory and what was not. That was why he had explained what he had.

Mayor Joens stated another big thing on this year's budget was refinancing the city's water

bonds.

Council Member Elinski moved to approve Resolution Number 2526. Council Member Kirby seconded the motion, which carried unanimously.

Mayor Joens asked the Deputy Clerk to read Resolution Number 2526 by title only.

RESOLUTION NUMBER 2526

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2011 AND ESTABLISHING AN EXPENDITURE LIMITATION.

RESOLUTION NUMBER 2527--AMENDING THE CITY'S FINANCIAL OPERATIONS GUIDE BY DELETING SECTION IV, PROCUREMENT, OF THE FINANCIAL OPERATIONS GUIDE, AND ADOPTING A NEW SECTION IV, PROCUREMENT

Mr. Rodriguez stated this was pretty much a total rewrite. Limits were still the same. Departments had the option to procure items up to \$5,000 in cost just by shopping for them. Anything from \$5,000 to \$20,000 at a minimum would have oral quotes taken. From \$20,000 to \$50,000 we required at least 3 written quotes which would be kept on file. Any procurement exceeding \$50,000 had to be publically advertised, tabulated, and come before the Council. Traditionally we posted them on the city's website and advertised in the local paper. The city had the right to waive any minor informality, error, and reject any or all bids. Change orders over \$50,000 could be authorized by the City Manager provided the amount did not exceed 5 percent of the original contract. Purchase orders would be issued for anything over \$5,000. We also supplied blanket purchase orders for those things we constantly bought. Some vendors required purchase orders regardless of the amount of the item.

There was an error on page 4 with the lettering stating with "b" instead of "a". It had been corrected.

There were exceptions to these procurement policies which included any type of government contract or cooperative agreements we had or if we were able to ride on another entity's contract and they were sole source procurements. There was a waiver when staff had to acquire items on an emergency basis, usually at times of natural disaster when policies could be circumvented and then brought before the Council within 48 hours for approval.

Mr. Horton stated there was another item where we were going to eliminate an archaic provision of the Municipal Code and this carried forward into the Financial Operations Guide (FOG). It had to do with the ability not to be tied by the provision that in some case the Council may not want to be bound to for some extenuating circumstance. Staff could come to the Council and say "we want to do it differently for these important reasons" and Council would have the opportunity to authorize it.

Mayor Joens stated she like that in there because the Council had found in the last couple of years it was very necessary and to have it stated was excellent.

Mr. Horton stated or it could lead to unnecessary litigation and claims the city was bound by things that the Council and staff had no intent to be bound by.

Mr. Rodriguez stated if the Council approved this tonight it would be posted on the city's website and in the FOG.

Council Member Elinski asked if there was anything on the website now for people in the community, vendors, or contractors who would like to work for the city so they could find out the ways, and when the deadlines were, as far as purchase orders were concerned.

Mr. Rodriguez stated all there was now was the FOG and a procurement section where people could look on a regular basis and see what was out for bid. Because we were decentralized, if something came to him and asked to be put on a vendor list, it would be sent to the appropriate general manager. Procurement lists were sent around and everyone had their own set of lists. There was not a central list that was available.

Mr. Horton stated in the particular case of construction, almost all construction work was governed by State Statute. There were procurements the city was allowed to regulate but it deferred to Title 34, unless done in-house.

Council Member Kirby stated in that regard the city did training sessions for contractors a while back for how to bid on city contracts and fulfill their obligations under the contract. He asked if there was any way that kind of educational material could be posted on the website where the contract items going out for bid were located. In addition to the dates and times of the contracts being bid, there would be some information on how to do it.

Mr. Horton stated when one of those procurements was done, there was a Request for Proposal or Request for Qualifications with a package, an important part of which was a set of instructions for bidders. Each solicitation would have a recipe and be posted on the website and in the newspaper. All a contractor needed to do was to follow those instructions for submitting after first determining if they were able to and compete for that work.

Council Member Kirby moved to approve Resolution Number 2527 replacing Section IV, Procurement of the Financial Operations Guide, with a new Section IV, Procurement Policy. Council Member Norman seconded the motion, which carried unanimously.

Mayor Joens asked the Deputy Clerk to read Ordinance Number 2527 by title only.

RESOLUTION NUMBER 2527

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF

COTTONWOOD, ARIZONA, AMENDING THE CITY'S FINANCIAL OPERATIONS GUIDE BY REPEALING EXISTING SECTION IV, PROCUREMENT POLICY; AND ADOPTING A NEW SECTION IV, PROCUREMENT POLICY; AND PROVIDING FOR AN EFFECTIVE DATE.

ORDINANCE NUMBER 565--AMENDING THE MUNICIPAL CODE OF THE CITY OF COTTONWOOD BY REPEALING SECTION 2.88.020, CONTRACT PROCEDURES FOR PROFESSIONAL SERVICES; FIRST READING

Mr. Horton stated this was a first reading of an ordinance related to the previous resolution. As we were trying to consolidate and clarify procurement practices, there were a number of anachronistic, inapplicable provisions of the Municipal Code. One of them was Section 2.88.020 which had resulted in litigation for the city which went to the Court of Appeals who had determined the city had done nothing wrong. It created confusion because it was in the Municipal Code and was managed and attended to with staff who did not have the resources now for each department or area of the city to be maintaining the procurement of professional services. In our case the Code required departments maintain lists of professionals who would be available. Then, based on the estimated cost of the project, procurements would be conducted with increasing levels of formality. The city had found it was unwieldy, given the resources it had currently. It had been able to conduct those types of procurements under the procedures outlined in the Financial Operations Guide (FOG) without resort to that provision of the municipal Code. What was wanted was to eliminate any potential for confusion by anybody, by having the Council consider repealing that archaic section of the Municipal Code until there were the resources to implement it.

Mayor Joens stated this was the section where the Council could waive any provision.

Mr. Horton stated there was a section in this provision of the Code in Subsection VIII which talked about deviations from it.

Mayor Joens asked what kind of circumstances might those be.

Mr. Horton stated he thought of natural disasters. For example, during a storm an expense needed to be incurred to staff, equip, or supply that emergency. The first thing on the city manager's mind would not be to convene a Council meeting. He would attend to that, incur a debt on the city behalf, and the Council would be informed as soon as possible to authorize whatever was necessary.

Council Member Kirby stated that was the way common sense told us we had to approach an emergency situation. On the other hand, if there was the possibility the City Manager could contact the Mayor or other Council Member to get an idea how they felt, that would be in the best interests of the city as well. We had to leave it up to the City Manager to determine at that point. It was not something the Council could insert itself into until it knew what was going on.

Mr. Horton stated that was exactly why it was written with provision for both the Council and Manager because we were not smart enough to be able to predict all the things that may happen.

Mayor Joens asked the Deputy Clerk to read Ordinance Number 565 by title only.

ORDINANCE NUMBER 565

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, AMENDING THE MUNICIPAL CODE OF THE CITY OF COTTONWOOD BY REPEALING SECTION 2.88.020, CONTRACT PROCEDURES FOR PROFESSIONAL SERVICES.

ORDINANCE NUMBER 566—AMENDING THE MUNICIPAL CODE BY ADDING A NEW CHAPTER 2.108, HISTORIC PRESERVATION COMMISSION, TO TITLE 2, ADMINISTRATION AND PERSONNEL; FIRST READING

Ms. Allen stated this had come before the Council several times. It was now in ordinance format and this would be its first reading.

Mr. Horton stated what was being done tonight was to lay the framework for a commission that once it was populated would advise the Council on all matters of historic preservation. It would aid the city in becoming a Certified Local Government, which would open up avenues of assistance and resources. One of the commission's first and most important tasks would be to survey the community, other communities, determine what had worked and what had not in similar sized communities in terms of a substantive preservation ordinance, and create designated historic districts and a certification, dedication program for historic properties within or without historic districts.

Mayor Joens stated one of the most important things was they would be able to make recommendations to the City Council to accept gifts, grants, fund, and contributions. She asked if those would be tax deductible or would there be the need to create a non-profit.

Mr. Horton stated when people gave to the government for a public purpose there was a potential tax advantage to doing so.

Mayor Joens asked if it was researched and was found that we needed to have a non-profit to accept gifts, would we go that route.

Mr. Horton stated certainly if it was found necessary, it would be brought before the Council.

Mayor Joens asked how other cities dealt with this.

Mr. Scully stated the way the ordinance was written was to cover any event that might happen. The point of creating the commission was it was one of the requirements to qualify

to apply to be part of the Certified Local Government (CLG) program which through federal and state governments assisted communities with historic preservation. It was to cover a broad spectrum of possibilities, one of which was accepting grants through these programs, which in the past had been through grant money. It was an advisory commission providing recommendations to the Council.

Ms. Allen stated it was the first stepping stone. Then we could do what we were required to do to become a CLG after which we could work with the State Historic Preservation Office to become more eligible for grant funding.

Mayor Joens asked the Deputy Clerk to read the first reading of Ordinance Number 566 by title only.

#### ORDINANCE NUMBER 566

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING THE MUNICIPAL CODE BY ADDING A NEW CHAPTER 2.108, HISTORIC PRESERVATION COMMISSION, TO TITLE 2, ADMINISTRATION AND PERSONNEL.

Mayor Joens stated item 10 would be moved up on the agenda and the SEC contract discussed next.

#### CONTRACT WITH SEC ENGINEERING FOR SURVEY WORK IN OLD TOWN

Mr. Horton stated the ordinance where we talked about an anachronistic provision that would be repealed would not go into effect until 30 days after the second reading. Right now it was the Municipal Code and would presumptively require us to follow a procedure that staff was asking Council not to follow in this particular case.

Mr. Lueder stated under the aforementioned Section 2.88.020, surveying services were considered professional services subject to a qualifications based selection process. That process presupposed and required the city have a list of qualified surveyors who annually submitted Letters of Interest, which we did not have.

The city had been working to purchase the recycle yard at the end of Old Town for several years. Before a contract could be brought to the Council there were issues that required a survey team to be brought in. One was there were access issues on Yavapai Street. It was something that should be cleared up before making the purchase. Second, was to delineate a portion of Mr. Gardner's property to clearly identify the north property line on the north side of Yavapai Street. Mr. Gardner had agreed to pay half of that portion of the survey.

The Council was asked to wave Municipal Code Section 2.88.020 and allow staff to hire SEC, the lowest of five quotes received to perform this work, so staff could move forward with survey work and the contract.

Council Member Kirby moved to wave City Code Section 2.88.020 pursuant to Subsection I of that Section, and authorize the city to contract with SEC Engineering to perform survey work in Old Town Cottonwood for the quoted price of \$3,700. Council Member Smith seconded the motion, which carried unanimously.

#### PRESENTATION OF THE RESULTS OF A COMMUNITY SURVEY

Ms. Allen stated at the Council's 2009 retreat it had created Strategic Initiative #3 - To build and retain a strong, diversified economy. The second item in it was to create a citizen survey to determine shops and services needed for the City of Cottonwood. A survey was created and went out in the third week of June to the second week in July in local utility bills. It included not only what stores were requested but also how city services were perceived by citizens. They were asked to grade various departments. There were 8,852 surveys mailed out (4,530 to residents and 4,322 to non-residents). Those could not be split up in the utility bills. Returned surveys could not always be distinguished by resident or non-resident. We were interested in the opinions of our neighbors as well as those of citizens. All responses were included. Returns totaled 1,175 with more coming in. This was 13 percent, well above the 10 percent needed for a good snapshot.

A summary was provided in the Council packets. The raw data was available to view in her office. The grading system was based on 5 to 1 corresponding to "excellent" to "don't know". Numbers were rounded to the nearest whole figure.

Questions addressed longevity in the community, departmental ratings, stores requested, and other observations. Responses addressed a desire for more diversity in shopping, arsenic in the water supply, and the condition of city streets. They generally rated city services good.

Council Member Smith asked if Bridgeport had a really hard time with arsenic in their water.

Mr. Lueder stated certain areas in Bridgeport and Cornville had arsenic issues. It depended on the geologic formation of where water came from. All but one of our wells were now being treated and met the new arsenic standards. Only ingested water could be harmful and could be mitigated by a simple reverse osmosis system.

Ms. Allen stated citizens expressed concern about the condition of city streets.

Council Member Kirby stated this Council had more emphasis on roads than in years past. We were moving toward generally acceptable roads that would carry the heaviest traffic in the city, especially when 12th Street was completed between Fir Street and Highway 89A. Everything cost money but we were doing probably more than any other Council ever dreamed of doing with streets. There was an annual \$300,000 budget for streets when years ago it was just a few thousand dollars.

Ms. Allen stated this information would be forwarded to the general managers and Mr.

Rooney in hopes he could send some of this documentation to some of those vendors to see if they would be interested in locating to our community. Citizens would be sent a results summary in their water bills to have feedback and see what their responses were. The City Manager was planning an article about it.

CLAIMS & ADJUSTMENTS

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

ADJOURNMENT

Council Member Kirby moved to adjourn. Council Member Elinski seconded the motion, which carried unanimously. The regular meeting adjourned at 8:21 p.m.

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Diane Joens, Mayor

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Richard Smith, Deputy Clerk

CERTIFICATION OF MINUTES

I hereby certify that the attached is a true and correct copy of the minutes of a regular meeting of the City Council of the City of Cottonwood held on July 20, 2010. I further certify that the meeting was duly called, and that a quorum was present.

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Richard Smith, Deputy Clerk

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Date