

MINUTES OF THE WORK SESSION OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD OCTOBER 11, 2011, AT 6:00 P.M. AT THE COTTONWOOD PUBLIC SAFETY BUILDING, 199 SOUTH 6TH STREET, COTTONWOOD, ARIZONA.

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CALL TO ORDER AND ROLL CALL

Mayor Joens called the work session to order at 6:00 p.m.

COUNCIL MEMBERS PRESENT

Diane Joens, Mayor  
Karen Pfeifer, Vice Mayor  
Tim Elinski, Council Member  
Jesse Dowling, Council Member  
Ruben Jauregui, Council Member  
Terence Pratt, Council Member  
Linda Norman, Council Member

CHAMBER OF COMMERCE

Pam Miller, Chairman  
Carol Dexter, Vice-Chairman  
Susan Beach  
Coleen Gilboy  
Michael Gordon  
Jackie Bessler  
Lana Tolleson, President/CEO  
Christian Oliva del Rio, Office Manager

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager  
Steve Horton, City Attorney  
Matthew McLean, Deputy Clerk  
Dan Lueder, Utility Services General Manager  
Rudy Rodriguez, Administrative Services General Manager  
Richard Faust, Community Services General Manager

ITEMS FOR DISCUSSION, CONSIDERATION, AND POSSIBLE DIRECTION TO STAFF:

RESULTS OF SURVEY CONDUCTED BY THE CHAMBER REGARDING CITY SERVICES

Pam Miller, the Chairman of the Chamber Board, discussed the results of the survey regarding city services with the Council, which basically indicates those who work with the city overall are generally very happy with the city.

CHAMBER USE OF THE CITY OF COTTONWOOD BED TAX CONTRIBUTIONS, TOTAL CITY CONTRIBUTION FOR THE PAST THREE YEARS, AND DIRECT AND INDIRECT BENEFITS THE CITY AND COTTONWOOD BUSINESSES RECEIVE FROM THOSE CONTRIBUTIONS

Lana Tolleson, President, CEO of the Chamber reviewed the bed tax contributions for the past three years given to the Chamber by the city. Fifteen percent of the bed tax went to the CEDC for economic development. Comparing against last year, they were ahead approximately \$3,400 and were beginning to see an upswing. There were approximately 300 hotel rooms in Cottonwood that charged an average rate of \$85 a night. One sold out night was \$25,000 revenue to the hotel, 3 percent bed tax was 750 per night of bed tax average. According to the Verde Valley tourism survey the average persons spends \$150 per person in Cottonwood. One sold out night that puts \$90,000 in to the local economy. The bed tax was used for promoting the wine trail, tourism, trade shows, and ads.

#### BUSINESS PLAN AND FUTURE GOALS FOR THE COTTONWOOD CHAMBER OF COMMERCE

Ms. Tolleson reviewed the Chamber's strategic planning retreat 2010 summary. The goals for 2011 were to actively promote Chamber involvement in community events, survey and report from membership on active social and political issues, continue Chamber Day, hold a work session with the city, and monitor and report on pending legislation of interest to their membership.

#### PROMOTING COTTONWOOD AND REGIONALISM--HOW SUPPORTING THE ENTIRE VERDE VALLEY BENEFITS COTTONWOOD BUSINESSES AND THE CITY

Ms. Tolleson stated the Sedona Verde Valley Tourism Council was put together to leverage the small budgets of each Chamber and promoted longer stays by letting people know what there is to do among all the communities through a brochure. Brochures were handed out at state parks to promote the Verde Valley.

#### UPDATE ON SHOP LOCAL CAMPAIGN

Ms. Tolleson stated they brought together some members to discuss what they could do to encourage residents to shop local and they came up with the idea to call it Rediscover the Verde Valley. They also decided that it would be a benefit to the Verde Valley to establish a Facebook page to post events and share ideas which had been successful to get the word out. It was going to be a long slow process. A map was created for the businesses along 89A with an ad on Old Town that were being passed out in Phoenix and state-wide.

#### UPDATE ON THE WINE INDUSTRY AND THE WINE TRAIL

Ms. Tolleson stated the CEDC and Chamber used the bed tax to apply for a matching grant that was received from the Arizona Office of Tourism. In August 2009 they created the Verde Valley Wine Trail that brings together information on the local wineries, Cottonwood motels and B&B's, dining and things to do in this area. The Painted Barrel project was started in November 2010 to provide a link between the wineries and tasting rooms and the local businesses. The Wine Trail has received media coverage worldwide and feel they received a great benefit from creating the Wine Trail.

#### UPDATE ON NEW BUSINESSES OR INDUSTRIES COMING TO TOWN

Mr. Rooney stated this item is updated with his report to council later in the meeting.

#### UPDATE ON PROGRESS IN OLD TOWN AND HOW THE CITY ASSISTS ALL BUSINESSES IN ADDITION TO ASSISTING OLD TOWN

Ms. Tolleson stated the wine tasting rooms are in Old Town and people are coming here specifically for that and they have to drive through town to get to Old Town.

Mayor Joens thanked them for the report and stated she felt more informed, and the bed tax money is well invested in the Chamber.

#### UPDATE FROM ECONOMIC DEVELOPMENT DIRECTOR, CASEY ROONEY, ON THE COTTONWOOD ECONOMIC DEVELOPMENT COUNCIL, ITS BUDGET AND HOW IT SUPPORTS COTTONWOOD, THE CHAMBER, AND/OR THE REGION

Mr. Rooney stated at the same time the economy was crashing our community picked up the wine industry which was a different culture and brought a different clientele who added to our economy. The business targets for Cottonwood were the viticulture industry, pharmaceutical and medicine manufacturing, health care and social assistance, finance and insurance, professional, scientific and technical. Focus areas of the five year plan were: education and workforce; innovation and entrepreneurship; tourism, which was our bread and butter; Old Town; sustainability; leadership; and quality of place. He has helped promote viticulture in the area, around the state, and around the country. Some of the business that has come to town is the Big 5 and he is continuing to support local business.

DIRECTION REGARDING RECENT DISCUSSIONS INVOLVING THE FEASIBILITY OF COTTONWOOD REINTEGRATING CAT (COTTONWOOD AREA TRANSIT) BACK UNDER THE MANAGEMENT OF THE CITY

Mr. Faust introduced Andi Welsh, Community Services and Arts and Culture Director, and Barbara Ashley, Financial Services Director, from the City of Sedona. Staff from Cottonwood met with staff from Sedona to discuss the possibility of Cottonwood resuming the management of CAT and Verde Lynx.

Mr. Bartosh stated he had been talking with Tim Ernster, Sedona City Manager, about the difficulties of dealing with NAIPTA. During the budget process, Mr. Bartosh saw some of the same difficulties that Sedona was dealing with.

Ms. Walsh stated their IGA with NAIPTA expires on June 30, 2012. The Sedona Council gave their staff direction to discuss with Cottonwood the possibility of taking over the Verde Lynx. Their long term goal would be to create a Verde Valley Transportation Authority separate from NAIPTA. If Cottonwood doesn't want to pull out of NAIPTA, then Sedona would try and negotiate a new IGA with NAIPTA.

Mr. Rodriguez stated the problems with Sedona are the same as with Cottonwood; lack of communication and NAIPTA providing the City with proper financials. When the City had control it was easier to justify in the budget.

Council Member Pratt stated he regrets not asking the questions why when this was first brought up. He believes it does merit more discussion since there are issues and will it cost us more or less.

Mr. Rodriguez stated there will be no changes in service and we will have better control over budgetary issues, since it will be in-house. We had been growing in small steps but the cost of the operation this year went from \$250,000 to \$335,000 and then it took some time before the final budget number was given and then we had resource issues. He stated he has been talking with Sam Chavez, a retired transit program manager for the state, and he was surprised Cottonwood stayed with NAIPTA.

Council Member Pratt stated as long as we give them 6 month notice we can end it, and that would be good idea to end it and start it on the new fiscal year.

Council Member Jauregui agreed with Council Member Pratt and that we should move forward.

Council Member Elinski stated he supports the move, but would like to see everyone stay connected.

Mr. Faust stated we have talked with Sedona about bringing in Camp Verde and would look at that within four to five years.

Mr. Bartosh stated he has been in discussions with Gayle Mabery of Clarkdale and Chip Davis of Yavapai County about creating a Verde Valley system.

Vice Mayor Pfeifer stated she has never been comfortable with not having CAT under our roof.

Council directed staff to continue discussions with other communities and NAIPTA about the possibilities of ending the NAIPTA contract.

ADJOURNMENT

Council Member Jauregui moved to adjourn. The motion was seconded by Vice Mayor Pfeifer, and carried unanimously. The work session adjourned at 8:50 pm.

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Diane Joens, Mayor

ATTEST:

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Matthew McLean, Deputy Clerk

CERTIFICATION OF MINUTES

I hereby certify that the attached is a true and correct copy of the minutes of a work session of the City Council of the City of Cottonwood held on October 11, 2011. I further certify that the meeting was duly called, and that a quorum was present.

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Matthew McLean, Deputy Clerk

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Date