

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD NOVEMBER 6, 2012, 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
Jesse Dowling, Council Member
Ruben Jauregui, Council Member
Terence Pratt, Council Member
Linda Norman, Council Member

COUNCIL MEMBERS ABSENT

Tim Elinski, Council Member

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager
Marianne Jiménez, City Clerk
Steve Horton, City Attorney
Dan Lueder, Development Services General Manager
Debbie Breitkreutz, Waste Water Superintendent
Gary Eisenga, Police Commander

PLEDGE OF ALLEGIANCE

Debbie Breitkreutz led the pledge and Mayor Joens presented her with a certificate of appreciation.

BRIEF SUMMARY OF CURRENT EVENTS

Mr. Bartosh announced the following: Halloween night was a safe night in Old Town Cottonwood; the Walkin' on Main event would take place on Saturday; a Disc Golf Tournament would be held on Sunday; and the General Plan open house took place at the recreation center.

Council Member Pratt stated Walkin' on Main Street will be a lot of fun and six or seven of the local wineries will be there with a lot of local artists. On November 13, the Verde Valley Campus of Yavapai College will be having its community event to see the renovations that are completed.

Vice Mayor Pfeifer announced Al Slusser is on his third walk to benefit local charities. He will walk from Utah to Mexico and all the food and money he earns from that walk is going to the local food banks.

Council Member Dowling stated he attended the French Flair event at the college, and the high school football team made it past the first round of playoffs.

Mayor Joens stated she was out of town during the cleanup and will be having an awards ceremony on November 13, and she thanked Mr. Bartosh and his staff for their assistance with the cleanup.

CALL TO THE PUBLIC

There were no comments from the public.

PRESENTATION—REVIEW OF RECENT UPGRADES TO THE WASTEWATER TREATMENT PLANT HEADWORKS

Mr. Bartosh stated we all take for granted when we walk in and flush our toilet that it is all handled. It is important for citizens to understand where their money is going and how important it is to upgrade our waste water facilities.

Mayor Joens stated it is very important for the Council to see these types of things.

Ms. Breitreutz went over the upgrade of the wastewater treatment plant headworks project and showed photos of the project as it progressed.

APPROVAL OF MINUTES – Regular Meeting of 10/16/12

Council Member Norman moved to approve the minutes. The motion was seconded by Vice Mayor Pfeifer and carried unanimously.

UNFINISHED BUSINESS

ORDINANCE NUMBER 590—AMENDING THE MUNICIPAL CODE BY DELETING CHAPTER 10.20.40 RESTRICTED PARKING AREAS RESERVED FOR THE PHYSICALLY DISABLED; OF TITLE 10, VEHICLES AND TRAFFIC; AND ADDING A NEW CHAPTER 10.20.40, RESTRICTED PARKING AREAS RESERVED FOR THE PHYSICALLY DISABLED; SECOND & FINAL READING

Commander Eisenga stated this is simply an amendment to Title 10 where we are clarifying the prohibition against parking in the areas designated next to the handicapped parking areas.

Mayor Joens stated we discussed this at prior meetings.

Council Member Pratt moved to approve Ordinance Number 589. The motion was seconded by Council Member Dowling and carried unanimously.

Mayor Joens requested the City Clerk read Ordinance Number 590 by title only.

ORDINANCE NUMBER 590

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING THE MUNICIPAL CODE BY DELETING CHAPTER 10.20.40, RESTRICTED PARKING AREAS RESERVED FOR THE PHYSICALLY DISABLED; OF TITLE 10, VEHICLES AND TRAFFIC; AND ADDING A NEW CHAPTER 10.20.40, RESTRICTED PARKING AREAS RESERVED FOR THE PHYSICALLY DISABLED.

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

DISCUSSION, CONSIDERATION, AND POSSIBLE LEGAL ACTION TO IMPLEMENT THE CITY'S FISCAL YEAR 2013 COMPENSATION STUDY

Mayor Joens stated the City Council and the City Manager have identified employee compensation as an area of concern for the city. A comprehensive review of the city's classification and compensation structure has not been conducted since 1999. The council recently engaged the outside firm, Public Sector, and they conducted a comprehensive salary survey of all positions in the city's service. They developed recommendations for bringing the city's compensation structure up to date and in line with the market for those positions. Some of the employees are way off the mark of what they should be earning. We did discuss this at a work session previously. The survey has been completed as well as recommendations for its implementation. It has been budgeted for \$600,000 for this item and the total amount is less than that.

Mr. Horton stated he needed to declare a conflict of interest, but has arranged for attorney Don Peters to act as counsel for this item.

Mr. Bartosh stated he needed to declare a conflict of interest as well.

Mr. Peters stated the reason these individuals have conflicts is because they stand to potentially benefit from this proposal if it is enacted. In his view, all the employees of the city who may benefit from this have the same conflict of interest. That means by state law they are prohibited from participating in this in anyway.

Kay Tilzer, from Public Sector Personnel Consultants, reviewed the study and the process they used in identifying the market model and their findings. The project scope included a review and analysis of the city's current classification structure. They looked at the classifications that exist, the current placement and internal equity, the labor market, and assessed the current salary administration policies and practices. They wanted to make sure that the alignment of those jobs internally were balanced so that jobs of greater complexity were paid higher than jobs of lower complexity, and make sure the external market and the salary plan at the city were appropriate to be competitive in the market place. They looked at the 108 job titles and job descriptions and recommended that some

of those be consolidated. It appeared there were truly about 98 job types and levels within the city. She then briefly went over the occupational job families, groups, current job titles and recommended modification of titles.

Ms. Tilzer reviewed a summary of the position transactions. There were 68 job titles that were not changed, there was a title modification to 28, there were 10 that were merged with another job class, and 2 new job classes created. The next step was determining who they wanted to compare salaries to and what market they were going to look at. The basis for identifying the market were where do you recruit employees from and where do you have employees that leave and go to; the employer groups. Within the city there were a number of different types of job they compete for. Competitors may be different by job classification such as executive and management level where you might compete state-wide, or municipal specific or non-municipal specific where you may only recruit in the immediate area such as administrative or accounting positions. It was the occupations they compared, not the employee or the employer. Comparator employers were recommended based on the city's relevant labor market for the following distinct occupational groups: executive/senior management positions; local government specific occupations; and non-government specific occupations. When they looked at the market model there were employers that represented state-wide municipalities that were under 70,000. These were size sensitive jobs when they looked at comparing some of the manager level jobs at the city, and the scope and complexity of the job was going to be very different than the City of Phoenix. These were typically the manager and executive level classes that were considered size sensitive. The local government specific occupations examples were public works, police and fire, but those were probably not size sensitive.

Ms. Tilzer then reviewed the comparator employers that were used. Salary range data was extracted from the individual pay plans of comparative employers. They used the midpoint method to compare the city's salary range mid-point to the prevailing rates. There were 50 jobs classes they surveyed that were more than 5 percent behind the market; 14 job classes were within the plus or minus 5 percent and 10 were above. The recommended salary structure was 50 ranges now. They were 5 percent apart between the mid-point and 75 percent wide, which gave the city plenty of room to place the experienced, tenured, and new employees within there and not have a compression between salaries that currently was creating some problems. Additionally, they identified it would be based on a quartile methodology so they could target how employees will move through this range and where you were going to place a new hire. This was aimed at trying to acknowledge the skill level needed by the city and giving the flexibility in attracting the right kind of candidate.

Ms. Tilzer continued and stated the next step was taking the market data and each of the job classes and find the salary range whose mid-point most closely matches the market mid-point and assign each job class to a salary range. Once they've got the initial recommendation for the range they want to make sure that there is a meaningful separation between similar job classes so more complex jobs get paid more money than lower complexity jobs. They identified any salaries that fell below the minimum. If there was somebody who fell below the minimum they got an increase, but somebody else in that job

class that had been with the city 5 or 10 years and was not below the minimum did not get an increase. They wanted to try and create some separation between employees in the same job class with different years of service to make sure there was separation between new employees and the older employees. They called these in-range adjustments. These would be one-time only adjustments that would be done each time you do a market adjustment. They would do it now and if the city did another salary survey next year or the following year it would be something you would want to make sure there was appropriate separation as well. There would be no adjustment if the employee was at or above the target quartile. If you already have employees who have been here a long time and they have a salary that fell within this target quartile they would not get an increase. The city values long-term service to the city, so in order to look at those employees who had been with the city a long time, they looked at a longevity structure which was a small amount of an increase for each of the employees based upon how long they had been with the city. They were looking at employment with the city, not just position, based upon the years of service with the city and then as a percentage of the salary range mid-point, which gives a more manageable way of giving salary increases without having those with really high salaries get the higher increases. Everybody gets a percentage based on that same base number.

Ms. Tilzer then reviewed the cost to implement the salary compensation plan for 184 employees. There were 4 employees below the minimum, 146 that were between the minimum and midpoint (which was 80 percent,) and 1 employee who was above the maximum who would not be entitled to any additional increases. That one employee would stay where they were at until there was another salary survey done and they fall below the new market maximum. The total implementation cost for all of the strategies would be about \$424,000. The company's recommendations overall would be for the city to adopt a prevailing rate strategy and a permanent prevailing rate-related policy, meaning the city is going to price its jobs relative to the market. Currently, a prevailing rate practice would be 100 percent of the midpoint. They recommended utilizing the fiscal year 2013 permanent salary range table and salary range assignments under table 4 and 5 of the report. This would bring all employees below minimum up to the minimum of the new range. They also recommended periodically completing this process and they would leave behind the tools to conduct an updated study. The prevailing rate policy they recommended is "at the prevailing rates" which is defined as plus or minus 5 percent of the market and competing at 100 percent of those prevailing rates if the city was fiscally able and responsible to do so.

Council Member Jauregui stated there are four contract employees, which are the City Manager, the City Attorney, the Magistrate and the City Clerk. Every year we go over their performance and then negotiate their salaries. His questioned whether it was appropriate to considering any raises at this time given the fact that we meet with them once a year and they get to negotiate their salary.

Mayor Joens stated all the employees get a review every year and what we are considering here is a market issue. If our employees are below market, it doesn't seem like it would be really fair to exclude them from this process, and it might be unfair to not include all of the employees in this process.

Council Member Jauregui stated we are not excluding them since they are included in the study. That is information we can take into the negotiations with these four contract employees.

Vice Mayor Pfeifer stated we are considering the position salary and not the employee salary, so we are bringing the salary position up to where they should be.

Ms. Tilzer stated there are two parts to the study. The first one shows the proper ranges and which positions are below market. Once that is done, then we would look at the employees and where they fit into that range.

Council Member Jauregui stated the position is a contract position.

Council Member Dowling asked how other places have dealt with contract employees versus regular employees.

Ms. Tilzer stated if other clients included them in the study then that is strictly background material, much like a union bargaining negotiation process where they have market data and it just helps to determine if the request is reasonable.

Council Member Jauregui asked if we are going to consider the contract employees' salaries here and now and then come review time expect to bump up the salaries again.

Council Member Pratt stated he sees that point, but he is also seeing the other side where we are just looking at the jobs and the range in a community of like size and it should be in that range in our community.

Council Member Dowling stated part of this is adopting this guide for salaries. The other portion for those four city employees, we then as a unit set their salaries.

Council Member Jauregui stated we don't have any guidelines to navigate that right now.

Vice Mayor Pfeifer stated this is a one-time thing, and then they negotiate with us. That doesn't necessarily mean they get an increase.

Mayor Joens stated she thought it might be unfair to not include them if they're below market, which even the City Clerk is from what she read, and we're approving all the other employees and it wouldn't be fair not to have the City Clerk be considered in the same manner to be put up to where her positions should be based on all of this data that we have.

Vice Mayor Pfeifer stated they have not, for the last four years like the other employees, been brought up to the market standards.

Mayor Joens stated this decision is based on the market. The employees that the Council hires in some cases are not receiving the market pay that this study brought to our attention. That's why we did the study.

Council Member Jauregui stated when they negotiated their contract they settled for that rate and this puts a little bit of a different spin on that. He requested that the Council move on.

Mayor Joens moved to approve the compensation study to be retroactive for all employees back to July 1st and using the compensation study for the basis of making our employees whole based on the study.

Mayor Joens then asked the council if she missed anything.

Vice Mayor Pfeifer stated maybe coming back with what Terence had requested.

Mayor Joens questioned Council Member Pratt what he had requested.

Council Member Pratt stated he wanted to see the actual figures of where the people are now and what the new salary would be.

Mayor Joens stated we got that at the work session.

Mr. Peters stated if you don't have the numbers included, the motion may not establish anything clear in terms of what the council did. You may have approved this conceptually, but if your intent is actually to change the compensation, you won't really have a record of what you did without those numbers.

Mayor Joens handed Council Member Pratt a copy of the figures, and Vice Mayor Pfeifer let him know which pages to check.

After reviewing the pages, Council Member Pratt stated it does put the current salary and new salary and he missed it.

Mayor Joens stated she was going to withdraw her motion and start over.

Council Member Pratt stated he was astounded that one of these salaries would go up by over \$20,000 a year.

Mayor Joens stated we have gotten a very good deal having that employee for many years. There were a couple of employees that were that underpaid coming out of the study.

Mayor Joens then moved to approve the compensation study and provide the market raises for our employees to get them to the level they should be, based on all this documentation

that we have, retroactive for all employees, equally fair, to July 1 as provided in the budget of the city. She then asked if she had missed anything.

Mr. Peters stated Mayor Joens basically had it and asked if she wanted to refer to that document and accept those amounts.

Mayor Joens stated, yes, we would like to refer to the compensation study and its recommendations.

Mr. Peters stated he thought that was sufficient.

Council Member Norman questioned if Mayor Joens said all employees including contract.

Mayor Joens stated yes.

Vice Mayor Pfeifer stated she would second the motion.

Mayor Joens asked for a vote of the motion and all council members except Council Member Jauregui voted aye.

Council Member Jauregui stated he was opposed because he did not get an answer to his question, and it was still up in the air so he cannot support this at this time.

Vice Mayor Pfeifer stated he said to move on, so they moved on.

Mayor Joens stated she felt she did answer it to best of her ability.

APPROVAL OF THE PURCHASE OF TWO STAND-BY POWER GENERATORS FOR WELL SITE 8/9 AND LIFT STATION NUMBER 1

Mr. Biggs asked that the council consider approving the purchase of two emergency electrical generators for Well Site 8/9 and Lift Station Number 1. The requested units would provide backup electrical power to two critical sites in the water/wastewater infrastructure. Cummins Rocky Mountain was the low bidder in the amount of \$80,978.00. AGM Sales & Service turned in a bid of \$109,057.27 and Cobra Power Systems turned in a bid for \$128,720.00. The bids were within the city's procurement regulations.

Mayor Joens stated this sounds very important and needed.

Council Member Pratt stated we did discuss this earlier and there was a need for this.

Council Member Dowling moved to approve the purchase of two stand-by emergency power generators for Well Site 8/9 and Lift Station Number 1 from Cummins Rocky Mountain for the amount of \$80,978.00. The motion was seconded by Council Member Norman and carried unanimously.

APPROVAL OF A DESIGN CONTRACT WITH SHEPHARD WESNITZER FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT 10TH STREET RECONSTRUCTION PROJECT

Mr. Lueder stated on March 11, 2011, council authorized staff to pursue a Community Development Block Grant for the reconstruction of 10th Street from Mingus Avenue to Main Street. The city was notified the grant was approved and we advertised for Statement of Qualifications solicitations. The top rated firm at that time was Shephard/Wesnitzer. Staff has been negotiating a contract scope of work. The fees are a not to exceed fee, which means they have to bill by the hours worked and there is no lump sum involved in this. Staff recommends an award of this bid in the amount of \$43,900 with an additional potential for \$500 in reimbursable expenses to Shephard/Wesnitzer and authorize the Mayor to execute the contract.

Council Member Pratt asked if this would include the realignment of 10th Street.

Mr. Lueder stated there are some property acquisition issues there with the gas station. Probably the best solution to that intersection is a roundabout.

Mayor Joens stated she likes that they will be laying some reclaimed water lines and that is forward thinking.

Council Member Pratt moved to approve the design contract with Shephard/Wesnitzer for design of the 10th Street CDBG project and authorize the Mayor to sign the contract. The motion was seconded by Council Member Norman and carried unanimously.

APPROVAL OF STAFF PROCEEDING TO ISSUE A REQUEST FOR QUALIFICATION (RFQ) FOR ARCHITECTURAL/ENGINEERING SERVICES FOR THE DESIGN OF A NEW EMERGENCY COMMUNICATIONS CENTER, FOLLOWED BY A CONSTRUCTION MANAGER AT RISK RFQ

Mr. Mangarpan stated he was requesting the council's permission to issue the RFQ for the design portion of the Communications Center and that will be followed by an RFQ for construction manager at risk. It will basically be the same process we followed with the recreation center. We have been working with the outside consulting firm iXP to define the scope of the project and it is being redefined right now.

Mr. Bartosh stated iXP should be providing us with a subscriber cost. It will be based on the cost per call for service, and then we will provide it to the other agencies and hear whether they are in or out. We have been talking about this for the last several years, since the communications center we have for police station is completely inadequate. We have also been trying to develop a regional communications center because that has the best benefit for the public.

Vice Mayor Pfeifer stated we have talking about this for 10 to 15 years.

Mr. Horton stated one important reason this is brought to the council for approval is the

selection criteria so that council is aware of the criteria staff will use to evaluate the parties and then recommend a contract.

Mr. Mangarpan stated the RFQ talks about how they will be rated in different categories for qualifications. It is also talks about the difference between the submittal and the interview process.

Council Member Pratt stated it looked pretty complete.

Council Member Dowling moved to have staff proceed with issuing two Requests for Qualifications (RFQs) for the Emergency Communications Center project; one for Architectural/Engineering and one for Construction Manager at Risk firms. The motion was seconded by Vice Mayor Pfeifer and carried unanimously.

APPROVAL OF A JOB ORDER CONTRACTING BID FOR THE CONSTRUCTION OF A NEW PARKING LOT IN OLD TOWN LOCATED BEHIND THE ORION BAKERY

Mr. Lueder stated this project has been in the works for quite some time. This parking lot will add 37 spaces in Old Town with a pedestrian walkway off Main Street. This also includes paving the alleyway from Pinal to the northern end of this parking lot. Staff is recommending that the alleyway south towards Pima not be paved since that would put the project over budget.

Council Member Jauregui asked if the alleyway is going to be graded right.

Mr. Lueder stated the alleyway towards Main Street will be paved with drainage.

Council Member Pratt stated when we originally talked about this we decided that alleyway would be one way traffic for vehicles, with a pedestrian walkway that would be covered. He questioned if that is still part of the plan.

Mr. Lueder stated it will be a seven foot walkway. It will have an 18 foot entrance with one way in coming in from Main. Staff is also recommending not installing solar reflective coating on the asphalt as it is not cost effective at this time.

Mayor Joens asked if this item would be a conflict for Council Member Jauregui.

Council Member Jauregui stated he did not know.

Mr. Horton stated he would need more facts about why it was a question.

Council Member Jauregui stated he owned a building that alleyway was behind of.

Mr. Horton stated there is some authority in the nature of attorney general opinions that suggests if we are talking about improving property adjacent to a public official's property

then it wouldn't be inappropriate to declare a conflict.

Council Member Jauregui declared a conflict of interest and stepped down from the dais. Council Member Dowling stated on that same note, he knows somebody who owns property on that street—he was employed by a person who owns it, and questioned if that was the same thing.

Mr. Horton stated that was his decision to make.

Council Member Dowling declared a conflict of interest and stepped down from the dais.

Council Member Pratt moved to award the bid for construction of a new city parking lot, driveway and pedestrian walkway behind and adjacent to the Orion Bread Company building to Kinney Construction in the amount of \$155,333.93. The motion was seconded by Council Member Norman and carried.

Council Member Jauregui and Council Member Dowling returned the dais.

RESOLUTION NUMBER 2673--DESIGNATING THE ELECTION DATE AND PURPOSE OF ELECTION; DESIGNATING THE DEADLINE FOR VOTER REGISTRATION; AND DESIGNATING THE PLACE AND THE LAST DATE FOR CANDIDATES TO FILE NOMINATION PAPERS

Ms. Jiménez stated this resolution calls for the city's election dates to be held on March 12, 2013, for the primary and May 21, 2013, for the general. There are three council member seats that are open; Vice Mayor Pfeifer's, Council Member Norman's, and Council Member Elinski's. Candidate packets were available at the City Clerk's office starting November 13 and they are due back in the office by December 12 at 5:00 pm.

Council Member Pratt moved to approve Resolution Number 2673. The motion was seconded by Vice Mayor Pfeifer and carried unanimously.

Mayor Joens requested the City Clerk read Resolution Number 2673 by title only.

RESOLUTION NUMBER 2673

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, DESIGNATING THE ELECTION DATE AND PURPOSE OF ELECTION; DESIGNATING THE DEADLINE FOR VOTER REGISTRATION; AND DESIGNATING THE PLACE AND THE LAST DATE FOR CANDIDATES TO FILE NOMINATION PAPERS.

REQUEST FOR ADDITIONAL FUNDING FROM THE COUNCIL'S CONTINGENCY FUND FOR THE EXPANSION OF THE OLD TOWN HOLIDAY LIGHT PROGRAM

Mr. Bartosh stated this was a little bit of an oversight on his part. He had brought this

before the council during a work study session and asked for direction regarding expanding the light display and obtaining \$5,000 from the council contingency fund. Council had directed to bring it back during a regular meeting to approve both of those issues. They are just about complete with the light display.

Council Member Norman moved to approve the expansion of the Old Town Holiday Light Program and the use of council contingency funds in the amount of \$5,000 to support the program. The motion was seconded by Vice Mayor Pfeifer and carried unanimously.

CLAIMS & ADJUSTMENTS

Vice Mayor Pfeifer moved to pay the claims. The motion was seconded by Council Member Norman and carried unanimously.

ADJOURNMENT

Mayor Joens moved to adjourn. The motion was seconded by Vice Mayor Pfeifer and carried unanimously.

The regular meeting adjourned at 8:05 p.m.

Diane Joens, Mayor

ATTEST:

Marianne Jiménez, City Clerk

CERTIFICATION OF MINUTES

I hereby certify that the attached is a true and correct copy of the minutes of a regular meeting of the City Council of the City of Cottonwood held on November 6, 2012. I further certify that the meeting was duly called, and that a quorum was present.

Marianne Jiménez, City Clerk

Date