

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD APRIL 5, 2011, AT 6:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

CALL TO ORDER AND ROLL CALL

Vice Mayor Pfeifer called the regular meeting to order at 6:00 p.m. Roll call was taken as follows:

COUNCIL MEMBERS PRESENT

Karen Pfeifer, Vice Mayor
Tim Elinski, Council Member
Duane Kirby, Council Member
Linda Norman, Council Member
Terence Pratt, Council Member
Darold Smith, Council Member

COUNCIL MEMBERS ABSENT

Diane Joens, Mayor

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager
Marianne Jiménez, City Clerk
Steve Horton, City Attorney
Mike Casson, Fire Chief
Jody Fanning, Police Chief
George Gehlert, Community Development Director
Jason Little, Recreation Manager
Dan Lueder, Development Services General Manager
Rudy Rodriguez, Administrative Services General Manager

PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was lead by Bonnie Shimko, of Kids Against Hunger. Vice Mayor Pfeifer presented her with a certificate in appreciation for leading the Pledge.

PRESENTATION REGARDING KIDS AGAINST HUNGER NETWORK

Bonnie Shimko, affiliated with the Kids Against Hunger, Verde Valley, played a video clip regarding the Kids Against Hunger organization, which is one of 88 food packaging satellites for Kids Against Hunger International, a non-profit humanitarian food aid organization who packaged and shipped highly nutritious, life-saving meals for starving and malnourished children and their families in developing countries and the United States. The local Cottonwood Kids Against Hunger satellite planned to distribute 15 percent of the meals they packaged to local food banks. The remaining 85 percent will be sent to the children of a small community in Jubilee, Haiti. On April 16 at Verde Baptist Church at 10 a.m. they would be packaging food for shipment and invited the community to participate.

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 stated this Saturday at Food City they were going to have a fundraiser for the public safety departments; April 16 was the Mickelsen Half Marathon and 10K Run; Sizzlin' Salsa was returning to Old Town On May 7; and Thursday night there was a special Council meeting at the Recreation Center for consideration of the request of some of the Verde Santa Fe residents to be annexed into the city.

Council Member Pratt stated on March 28 he attended the Verde River Basin Partnership meeting in place of the Mayor, and a fellow from the Nature Conservancy presented the latest U.S. Geological Survey that suggests groundwater pumping does draw from the river.

Council Member Kirby stated he and Council Member Pratt attended the Coffee Talk at Pine Shadows.

PRESENTATION OF A REBATE CHECK FROM APS FOR SUSTAINABLE POWER INVESTMENTS
MADE BY THE CITY

Matt Meierbachtol, from APS presented a check in the amount of \$24,702.87 that represented rebates the city received for installation of energy efficient equipment under the Solutions for Business program.

PRESENTATION OF THE QUARTERLY SAFETY AWARD--JOE ODELL, FIREFIGHTER

Firefighter Joe Odell was presented with a check and certificate for being selected to receive the city's quarterly Safety Award.

PRESENTATION OF THE EMPLOYEE OF THE QUARTER AWARD--KALEY BADGER, RECREATION
CENTER FRONT DESK SUPERVISOR

Kaley Badger, the Recreation Center front desk supervisor was presented with a check and certificate for being selected as the Employee of the Quarter.

APPROVAL OF MINUTES--REGULAR MEETING OF MARCH 1, 2011

Council Member Elinski moved to approve the minutes. The motion was seconded by Council Member Norman, and carried unanimously.

UNFINISHED BUSINESS - NONE

CONSENT AGENDA--The following items are considered to be routine and non-controversial
by the Council and will be approved by one motion. There will be no separate discussion of

these items unless a Council Member or a citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.

RESOLUTION NUMBER 2584--AUTHORIZING THE SUBMISSION OF A GRANT PROPOSAL IN CONNECTION WITH THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY (GOHS) FISCAL YEAR 2012 FUNDING CYCLE FOR DUI TASK FORCE DETAIL AND UNDERAGE DRINKING ENFORCEMENT

RESOLUTION NUMBER 2585--AUTHORIZING THE SUBMISSION OF A GRANT PROPOSAL IN CONNECTION WITH THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY (GOHS) FISCAL YEAR 2012 FUNDING CYCLE FOR SELECTIVE TRAFFIC ENFORCEMENT DETAIL OVERTIME COSTS AND TWO ETICKET MOBILE HANDHELD DEVICES FOR THE POLICE DEPARTMENT

AUTHORIZING THE SUBMISSION OF A GRANT PROPOSAL THROUGH THE ARIZONA DEPARTMENT OF HOMELAND SECURITY UNDER THE STATE HOMELAND SECURITY GRANT PROGRAM FOR FIVE PORTABLE RADIOS FOR THE POLICE DEPARTMENT

SPECIAL EVENT LIQUOR LICENSE APPLICATION SUBMITTED BY THE VERDE VALLEY FAIR ASSOCIATION FOR THE ANNUAL FAIR (APRIL 29-MAY 1, 2011)

EXTENSION OF PREMISES/PATIO LIQUOR LICENSE PERMIT FOR CREMA CAFÉ LOCATED AT 917 NORTH MAIN STREET

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

Vice Mayor Pfeifer requested the City Clerk read Resolution Numbers 2584 and 2585 by title only.

RESOLUTION NUMBER 2584

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE SUBMISSION OF A GRANT PROPOSAL IN CONNECTION WITH THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY (GOHS) FY 2012 FUNDING CYCLE.

RESOLUTION NUMBER 2585

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE SUBMISSION OF A GRANT PROPOSAL IN CONNECTION WITH THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY (GOHS) FY 2012 FUNDING CYCLE.

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

PRESENTATION OF THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2010

Mr. Rodriguez stated the Comprehensive Annual Financial Report had several sections to it. The report was a basic financial statement with three sections: the Introductory Section, which introduces the reader to the report and includes the Letters of Transmittal from the Mayor, City Manager, and Finance Director/Treasurer, the City's Organizational Chart and a copy of the Government Finance Officers Association (GFOA) Certificate of Achievement from June 30, 2009; the Financial Section, which includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to the financial statements, required supplementary information (RSI), and combining the Individual Fund Statements and Schedules; the Statistical Section, which has been updated to comply with GASB statement 44, and includes numerous tables of unaudited data depicting the financial history of the city for the last ten years, demographics and economic history, and other miscellaneous data.

Mr. Rodriguez then reviewed some of the highlights of the report. The Governmental Funds decreased by about \$12,000,000 this year. The Governmental Funds consisted of the General Fund, HURF, Library Fund, Airport Fund, Grants Fund, Community Development Block Grants (CDBG) Fund, Cemetery Fund, Debt Service Fund, Capital Projects Fund, and Permanent Fund. The decrease was attributed to the completion of the Cottonwood Recreation Center during the 2010 fiscal year. The General Fund had an increase of \$1,300,000 due to having all sales tax going back to the General Fund because of the current economic situation. The Special Revenue Fund dropped from \$939,000 to \$684,000. A lot of that was regular maintenance and operation and all the projects that were being completed and the design work for other street projects. We did have a court audit and there was a minor finding, but we actually had a good report. When we have large substantial grants we have to do a single audit report and part of this audit has to be submitted to all of our granting agencies. One of our largest grant holders was CATS. We were no longer going to be dealing with grants for CATS and would not be getting a single audit report for that. There were some adjustments that need to be worked on. The accounts payable system was very archaic and cumbersome and we are looking to replace it in the next year or two. Controls of city credit cards processing is a cumbersome issue. The receipts and documentation are not being turned in a timely manner and our policy will become tighter. Our documentation needs to be better regarding our indirect costing and allocation to our other funds. There were a couple of federal awards that we had some issues with and one of them was the Airport Improvement Program and the other one was the Community Development Block Grant, which will be corrected. The CAFR was filled with plenty of information, showing the City of Cottonwood's accomplishments and some of its future goals. The report could be found on the city's website under the Finance Department's section.

Vice Mayor Pfeifer asked if there were any questions, and there were none from the Council or public.

Council Member Norman moved to accept the city's Comprehensive Annual Financial Report for fiscal year ending June 30, 2010. The motion was seconded by Council Member Smith, and carried unanimously.

REQUEST TO ESTABLISH AN ENGINEERING TECHNICIAN POSITION WITHIN THE DEVELOPMENT SERVICES DEPARTMENT AND ELIMINATING THE PUBLIC WORKS MAINTENANCE MANAGER POSITION

Mr. Lueder stated with the retirement of the Public Works Maintenance Manager last fall it created an opportunity to expand upon the City Manager's reorganization plan and create some additional efficiencies. The Parks and Building Maintenance crew was co-located up at the Public Works building along with the Public Works maintenance staff. Many of the duties they performed were similar. We now have several months of experience with that and it was working out very well. When the Maintenance Manager retired he was being paid an annual salary of \$57,115 plus benefits. The Engineering Technician position was something that would bring more of the engineering work we were doing internally. If Council approved this with the maximum salary for the Engineering Technician of \$44,000 and provided Mr. Harkey with a 10 percent increase as per policy, we would still see an annual savings to the city of \$8,000 in salary alone. The Engineering Division was consolidated into Development Services about 18 months ago after hiring the Utility Engineer. Part of that was a result of the Council's concern over the amount of money being paid to consultants to basically do routine engineering. One of the benefits of this Engineering Technician was it would free up the two engineers to do more engineering work as opposed to supervising inspector things. He thought we could realize more savings in the future by bringing this position in. One of the primary duties they would do is a lot of the drafting. The engineers put it down on paper and they need to get it drafted and submitted. Right now that work was being sent outside. It would also allow the Engineering Tech, who has to have utilities inspection experience, to inspect in conjunction with the Utilities and Public Works Inspectors and be their supervisor, once again allowing the Utility and staff Engineers to do more for what we pay them. The immediate savings were \$8,000 a year, and they felt they could do even more work in-house which would save in fees.

Council Member Pratt stated any time you can save money it seems like a good idea. He thought the savings would be more than \$8,000 a year, because we wouldn't have to farm out the other duties. He trusted the experts and if this is what he needed to operate more efficiently he would support it.

Vice Mayor Pfeifer opened the floor to the Council and public for any more questions or comments, and there were none.

Council Member Pratt moved to approve the creation of an Engineering Technician position within the Development Services Department and eliminate the Public Works Maintenance Manager position. The motion was seconded by Council Member Kirby, and carried unanimously.

AWARD OF BID TO CONSTRUCT A POTABLE WATERLINE FROM MINGUS AVENUE TO PINE SHADOWS ALONG SR 89A

Mr. Lueder stated the Pine Shadows subdivision was the largest usage area right now that was still supplied water by the Town of Clarkdale. The subdivision ran the risk that the single water line could rupture and they would be out of water, or the potential if Clarkdale has some shortages they would take care of their customers first. Staff has been looking at a variety of routes. The most optimum route involved Verde Heights Road down to Pine Shadows Blvd., and then also a connector from Verde Heights to Mingus Avenue which would also give us a redundant supply for the Clemenceau area. There would be a new 12-inch water line to provide a much needed loop, additional feeds, and most importantly, adding our large subdivision users on our water as opposed to being at the mercy of another water supplier. Plans were submitted to ADEQ and ADOT, as the waterline would run along the bottom of the ADOT right of way. The project was advertised for bid and we received nine bids, which varied with the low bid of \$508,957.50 to the high bid of \$1,209,100. Asphalt Paving and Supply submitted the low bid. Staff checked their references and they received very high recommendations for their work. Staff would be a little more concerned about the wide range of the pricing except the number two bid came in at \$517,000. Staff had estimated this job at \$650,000 and there was a lot of competition out there. Staff recommended this job be awarded to Asphalt Paving and Supply in the amount of \$508,957.50. Because this particular project required a bid bond of 10 percent, staff was also asking the Council authorize the release of the other eight unsuccessful bid bonds back to them, and then we would release the bid bond to the low bidder once the City Attorney signed off on the performance and payment bonds.

Council Member Pratt stated that his question was answered because he had some concerns regarding the discrepancy between the bid amounts.

Council Member Kirby moved to accept the bid of Asphalt Paving and Supply for this project in the amount of \$508,957.50. The motion was seconded by Council Member Pratt, and carried unanimously.

EXTENSION OF TIME FOR RECORDING THE FINAL PLAT APPROVED FOR THE COPPERGATE BUSINESS PARK LOCATED AT THE WESTERN EXTENSION OF ALAMOS DRIVE

Mr. Gehlert stated this was a request for an extension of time associated with the recording of the final plat of the Coppergate subdivision approved by the Council in January of 2009. Subdivision regulation Section 410.01 provided that the plat should be presented for recording within one year, otherwise it came back to the Council for further action. The Coppergate subdivision was located along 89A and consisted of eight lots fronting onto Alamos Drive. It was approved subject to the 13 stipulations outlined in the proposal, having to do with a series of improvements and/or submittal of information specifically concerning the grading and drainage as well as the costs and financial assurances which have not been approved by the Council. ADOT had approved the access onto the highway. Staff recommended approval for an extension of time for one year.

Council Member Elinski stated it was reasonable.

Vice Mayor Pfeifer opened the floor for any additional comments, and there were none.

Council Member Smith moved to approve the extension of time for the recording of the final plat for the Coppergate Business Park, subject to the original stipulations. The extension of time shall be for a period of one year from this date, until April 5, 2012. The motion was seconded by Council Member Norman, and carried unanimously.

APPROVAL TO CHANGE THE SHOULDER PATCH DESIGNS FOR THE COTTONWOOD FIRE AND POLICE DEPARTMENTS

Police Chief Jody Fanning and Fire Chief Mike Casson stated they were requesting Council approval for new patch designs for the Fire Department and the Police Department.

Chief Fanning pointed out that these new patches were moral boosters to the staff and it was a direct identification of who they are and where they work and the status of the police officers and firefighters.

Chief Casson pointed out that the patches in the center reflected the city symbol for Cottonwood, but the Police Department and the Fire Department had incorporated minor differences for their departments. The Police Department added the mountains and a new cottonwood tree and in the Fire Department's it would show the mountain and cottonwood tree in a slightly different design. The outside emblem in the Fire Department's patch brings in two or three different features; one is the Maltese cross which was a symbol of their profession, and the Arizona state flag. They thought the patch captured the local community, the state, and their profession.

Vice Mayor Pfeifer asked if some of the Fire Department people designed it in-house.

Chief Casson stated their patch was designed completely in-house. By taking different ideas and suggestions this had been a joint venture. About 75 percent of his people signed a document stating this was the patch they wanted.

Council Member Pratt stated they ought to grant them what they asked for. It seemed to him that the word Cottonwood was more visible on these new patches than it was on the old ones and that was a good thing.

Chief Fanning stated the Police Department personnel did not design their patch. A volunteer who was on vacation mailed him this patch. Unfortunately, it had pine trees which we did not have, but it had our river and Mingus mountain, minus our cottonwood tree. He and the commanders got with the company and altered it to put the cottonwood tree and also put on the bottom "Arizona" for the State of Arizona. It matched their dark blue uniform much better than the light blue patch did, which was the one thing that the officers preferred as it was a more police looking patch.

Council Member Kirby suggested that on the Fire Department patch, perhaps they could move the word "Cottonwood" down and place the two words "City of" above it because he liked "City of Cottonwood" rather than just "Cottonwood".

Chief Casson agreed that it could be redrafted so it would incorporate that which was a good idea.

Council Member Pratt moved to approve the Cottonwood Police and the Cottonwood Fire Departments to upgrade their shoulder patch to the shown designs, with the addition of "City of" on the Fire Department's patch if possible. The motion was seconded by Council Member Norman, and carried unanimously.

REQUEST FOR CONTRACT EXTENSION/OPTION RENEWAL WITH FIREWORKS PRODUCTIONS OF ARIZONA FOR THE FOURTH OF JULY CELEBRATION

Mr. Little stated staff requested the Council consider the request to extend the contract for services with Fireworks Productions of Arizona for the fifth and final year of the contract. Pursuant to the agreement the contractor had to give us notice 60 days in advance that they were interested for the fifth and final year and that had been submitted. If the Council moved to approve this it would be the final year of the contract.

Vice Mayor Pfeifer asked if there were any questions from the Council or the audience, and there were none.

Council Member Smith moved to approve the option for renewal with Fireworks Productions of Arizona, for an additional one year period from May 1, 2011, through May 1, 2012. The motion was seconded by Council Member Elinski, and carried unanimously.

ORDINANCE NUMBER 574—AMENDING THE COTTONWOOD MUNICIPAL CODE BY REPEALING SECTION 5.12.120, SECURITY FUND; OF CHAPTER 5.12 CABLE TELEVISION; FIRST READING

Mr. Horton stated we were advised late last year that NPG Cable was going through a change in ownership and a change in their corporate structure. What was required under our ordinance is the Council is required to approve the change. The company submitted a comprehensive package of financial disclosures and assurances to us which were reviewed. However, that matter which is item eight on the agenda which is the first reading of Ordinance Number 575, staff was requesting to table that item. The City Manager had been in discussions with Yavapai Broadcasting about enabling NPG to carry these meetings and other broadcasts of public interest through the NPG network as well as CableOne. We tied that government access channel agreement into the approval of the transfer of the franchise to this new entity. As of this morning there were some issues with the access channel agreement, and while those were ironed out staff requested that item be tabled. In the course of reviewing this and the cable ordinance there was a redundancy. We require both a bond and a cash security bond, so he polled some other city and town attorneys

around the state and found none that required both. He recommended the Council repeal the cash security section, and leave the performance bond in place, which he believed would provide the city with more than ample security.

Council Member Smith stated he looked at that, because by his own business he was required to carry a \$50,000 bond. To put up a \$50,000 or \$100,000 bond was not that expensive to underwrite.

Mr. Horton stated they did learn that in the course of reviewing this matter we were holding no bond for NPG currently, and that we had a \$1,000 cash security account. That was the current state of things, and that did not mean the Council couldn't decide to set that amount higher.

Council Member Smith stated he would say they take the \$1,000 security cash and make them get a bond. For \$1,000 you could probably get a half a million dollar performance bond underwriting.

Council Member Elinski asked if in any of Mr. Horton's discussions with other city attorneys did they mention how much of a bond they required.

Mr. Horton stated he thought Phoenix, which was the sixth largest city in the country, had a million dollar bond for its cable. He was sure there was more than one cable franchise, but that was the number he remembered seeing for the City of Phoenix.

Council Member Elinski asked about the bond required for other cities our size.

Mr. Horton answered they were considerably more modest; more in the neighborhood of what was recommended. He could go back and double check those numbers and report back to the Council.

Council Member Elinski stated it seemed to him that a \$5,000 bond was reasonable, and he did not see any need to increase it.

Council Member Kirby stated he thought the bond was reasonable; it has been in the past and it should be in the future. He didn't think a \$20,000 or \$50,000 bond was going to be a deal breaker.

Council Member Pratt requested Mr. Horton look at other cities and towns about our size and let the Council know. If we were in the ballpark he didn't see why we would change.

Mr. Horton stated at the next meeting for the first reading of the other ordinance he would either report to the Council that that amount seems reasonable after going back and double checking, or insert a different amount in the agreement for their consideration.

The Council agreed that was a good plan of action.

Vice Mayor Pfeifer requested the City Clerk read Ordinance Number 574 by title only.

ORDINANCE NUMBER 574

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING THE COTTONWOOD MUNICIPAL CODE BY REPEALING SECTION 5.12.120, SECURITY FUND; OF CHAPTER 5.12, CABLE TELEVISION.

ORDINANCE 575-GRANTING CONDITIONAL APPROVAL FOR THE CHANGE IN CONTROL OF THE CABLE TELEVISION LICENSE PRESENTLY HELD BY NPG CABLE, INC., TO NPG CABLE LLC PURSUANT TO A CHANGE IN THE OWNERSHIP, CONTROL AND CORPORATE STRUCTURE OF NPG; AND SETTING THE AMOUNT OF THE PERFORMANCE BOND REQUIRED BY SECTION 5.12.100 OF THE COTTONWOOD MUNICIPAL CODE AT FIVE THOUSAND DOLLARS; FIRST READING

Council Member Pratt moved to table item number eight on the agenda. The motion was seconded by Council Member Smith, and carried unanimously.

CLAIMS & ADJUSTMENTS

Council Member Norman moved to pay the Claims and Adjustments. The motion was seconded by Council Member Smith, and carried unanimously.

ADJOURNMENT

Council Member Kirby moved to adjourn. The motion was seconded by Council Member Pratt, and carried unanimously.

The regular meeting adjourned at 7:15 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 April 5, 2011. I further certify that the meeting was duly called, and that a quorum was present.

Marianne Jiménez, City Clerk

Date