

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD AUGUST 6, 2013, AT 5:00 P.M., AT THE COTTONWOOD RECREATION CENTER, 150 SOUTH 6TH STREET, COTTONWOOD, ARIZONA.

CALL TO ORDER AND ROLL CALL

Mayor Joens called the meeting to order at 5:00 p.m. Roll call was taken as follows:

COUNCIL MEMBERS PRESENT

Diane Joens, Mayor
Karen Pfeifer, Vice Mayor (attended via phone starting at 6 pm)
Jesse Dowling, Council Member
Tim Elinski, Council Member
Randy Garrison, Council Member (arrived at 5:30 pm)
Ruben Jauregui, Council Member (arrived at 5:20 pm)
Terence Pratt, Council Member

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager
Steve Horton, City Attorney
Matt McLean, Deputy Clerk
Charlie Scully, Planner
Richard Faust, Community Services General Manager
Tom Whitmer, Water Resources Administrator

PLEDGE OF ALLEGIANCE

Barbara Denver led the pledge of allegiance and Mayor Joens presented her with a certificate of appreciation.

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 was the first week of school and asked people to drive slowly and watch the school crossing areas. There was a dinner Friday night to support the Granite Mountain firefighters and their families at Blazin' M which raised about \$70,000 for the families. We closed out the Little League season with a tournament with teams from around the state and they stayed for a long weekend and were impressed with the quality of our fields, and he thanked Chief Fanning for all the work he does on the field.

Council Member Elinski stated he and Mayor Joens entertained the Flynn Brown Institute dignitaries all weekend, They took them for a hike, and Mayor Joens led them through Old Town and they were very impressed with our community.

Council Member Pratt stated he attended his first Verde Valley Regional Economic Meeting on Friday.

Council Member Dowling stated he attend the VTPO meeting.

Mayor Joens stated on July 17th staff and her attended an equestrian center meeting and they met with the Verde Valley Fairground Board, some user groups and some volunteers. Iris Dobler entertained a group of folks from the statewide risk management group called Prima. On the 30th she attended a special recognition for employees and physicians at the Verde Valley Medical Center. On August 1st, Brandy's Restaurant held a spaghetti dinner fundraiser for Sgt. Maynard. Casey Rooney gave a very nice presentation about economic development, the Verde Valley region and Cottonwood and all that we have done at the Flynn Brown Institute. Yesterday she attended the funeral of Joanne Russell who was killed in Afghanistan on July 23. Tomorrow she will be meeting with Elva Coor about Speak Out Arizona. The Verde Valley Medical Center will unveil its new Chapel on Wednesday.

INTRODUCTION OF NEW EMPLOYEES--SCOTT ELLIS, PLANNER & KIRSTEN JONES, YOUTH COORDINATOR

Scott Ellis, Planner, and Kirsten Jones, Youth Services Coordinator, were introduced.

PROCLAMATIONS

Mayor Joens read a proclamation proclaiming thanks and recognition to the employees and physicians at Verde Valley Medical Center for their ongoing dedication and commitment to providing excellent healthcare for residents throughout the Verde Valley.

CALL TO THE PUBLIC

There were no comments from public.

APPROVAL OF MINUTES— Work Session of May 14, 2013, Work Session of June 11, 2013, Regular Meeting of June 18, 2013, Budget Work Session of June 19, 2013, Budget Work Session of June 20, 2013, Budget Work Session of June 26, 2013, Regular Meeting of July 2, 2013, Special Meeting of July 9, 2013, Work Session of July 9, 2013

Council Member Pratt moved to approve the minutes of the Work Session of May 14, 2013, Work Session of June 11, 2013, Regular Meeting of June 18, 2013, Budget Work Session of June 19, 2013, Budget Work Session of June 20, 2013, Budget Work Session of June 26, 2013, Regular Meeting of July 2, 2013, Special Meeting of July 9, 2013 and Work Session

of July 9, 2013. The motion was seconded by Council Member Dowling and carried unanimously.

OLD BUSINESS – None.

CONSENT AGENDA

AWARD OF BID AND CONTRACT FOR THE 10TH STREET RECONSTRUCTION PROJECT TO ALLIANCE STREETWORKS, INC.

Council Member Elinski moved to approve the Consent Agenda. The motion was seconded by Council Member Dowling, and carried unanimously.

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

PUBLIC HEARING REGARDING THE CITY'S INTENT TO INCREASE WATER & WASTEWATER RATES

Mayor Joens opened the floor for the public hearing.

Mr. Rodriguez went over the water rate committee and pointed out that there were members from the county on the committee, and introduced Mary Rose Kaddo and Chip Reilly from Syncora, who are the bond guarantors. He reviewed some of the questions that he had received since posting the water rate study. The city hasn't raised rates in so many years. We are proposing to go from a wastewater rate of \$16.75 to \$26.25. He reviewed the water rate, and reviewed the reasons for the differential rate, stating the distances are far greater when servicing lines as well as pumps and other equipment outside the corporate limits. There is about a 60 percent differential in the distances between the furthest point in the city corporate limits that we actually provide to the villages. The terrain is much different in the villages than in the city limits which cause problems when we are dealing with repairs. The Cottonwood water utility is a public utility that is owned by the citizens of Cottonwood and when the city borrows money for infrastructure, the citizens of Cottonwood bare the risk of the new debt and infrastructure. Most of the city water is served by gravity versus booster pumps in the villages. About 60 percent of the leaks we repair are in the county, mainly in the villages. There are more arsenic systems outside the city limits.

Council Member Pratt asked how many hydrants have been installed outside of the city limits.

Mr. Rodriguez stated they have installed 13 hydrants in the villages that support the Verde Valley Fire District.

Mayor Joens pointed out when we purchased the Verde Santa Fe water company, there was only one working well, and asked what the city did to ensure that Verde Santa Fe had a

supply of water they could count on.

Mr. Lueder stated we worked with the Verde Santa Fe golf course who had a well out there, to deepen that well because the city used to provide them a substantial amount of water because the well would go dry. The city has invested over a quarter of a million dollars making that system more efficient and there are some major issues with out there.

Mr. Reilly from Syncora spoke to the Council and went over the bond covenants and the fact that Cottonwood has been failing the bond covenants.

The following people spoke against the rate increase: Michele Watters, Jack Zarrania, Frank Henry, Jerry Fischer, Vincent Zagar, Robert Reynolds, Jo Anna Wakefield, Ray Strom, Bob Gillies, Gordon Powell, and Noreen Zaccaria.

Responding to a question regarding the 1 percent sewer tax., Mr. Rodriguez stated the 1 percent sales tax did set on July 1, 2007, and the Council decided to institute a new 1 percent sales tax at the same period for other purposes such as the street projects and the Recreation Center.

Mayor Joens closed the public hearing.

ORDINANCE NUMBER 598--AMENDING THE COTTONWOOD MUNICIPAL WATER SYSTEM'S RATES, FEES, AND CHARGES; FIRST READING

Mayor Joens stated this is a first reading so there will be no vote.

Mr. Rodriguez stated this will amend the water rates as presented. The last water rate increase was done in October 2010. The second reading will occur on August 20, 2013.

Mayor Joens requested the Deputy Clerk read Ordinance Number 598 by title only.

ORDINANCE NUMBER 598

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING THE CITY'S MUNICIPAL WATER SYSTEM RATES, FEES AND CHARGES.

ORDINANCE NUMBER 599--AMENDING THE CITY'S WASTEWATER UTILITY'S RATES, CHARGES & FEES; FIRST READING

Mr. Rodriguez stated Ordinance Number 599 amends the wastewater rates as presented and this is the first reading. We have not raised the rate since October 2001. Currently the wastewater plant does not have any debt to speak of. The second reading will occur on August 20, 2013.

Bob Gillies spoke again and stated that everything that was said there against the water rates was moot.

Mrs. Roshan spoke again and asked for clarification that there were going to be two public hearings.

Mr. Rodriguez stated there was a public hearing that night and on August 20th the public can comment again on the ordinances.

Council Member Elinski stated he does appreciate everyone that has showed up to the public hearing and it is unfortunate that they feel this is a done deal. They have been struggling with this issue for years and years. They have poured over this, set up a committee, and we haven't taken this lightly at all. We do listen to their comments and they have heard many of the comments over the past year. This is something that is necessary and it is critical that we do this rate increase. He is very comfortable with everything we are doing right now.

Jerry Fisher stated the only thing that concerned him was that the city should not charge people two separate rates.

Darold Smith stated when the 1 percent sales tax was voted in it was specifically used for the sewer and not for anything else. That fund still had \$12-\$13 million dollars, and asked where that money went.

Mr. Rodriguez stated the money went into the capital fund and the capital fund and sewer fund are two different things.

Mayor Joens requested the Deputy Clerk read Ordinance Number 599 by title only.

ORDINANCE NUMBER 599

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING THE CITY'S WASTEWATER SYSTEM RATES, FEES AND CHARGES.

AWARD OF A JOB ORDER CONTRACT TO KINNEY CONSTRUCTION FOR INSTALLATION OF RECLAIMED WATER LINE FROM THE MINGUS AVENUE WATER TREATMENT PLANT TO YAVAPAI COLLEGE

Mr. Lueder stated we have been working long and hard on an agreement with Yavapai College to supply them with reclaimed water for their viticulture program. Once the line is complete the city will deed the line over to the college and then we will supply them with reclaimed water. The engineer's estimate for this project was \$340,000 and the three quotes we received from our Job Order Contractors were as follows: Arizona Northern Equipment came in at \$401,700; Tiffany Construction at \$394,074; and Kinney

Construction at \$219,535. Because of the large discrepancy of the bids we contacted Kinney Construction and requested they review their numbers. Kinney Construction has reviewed the bid and guaranteed the bid amount.

Council Member Pratt stated this is an incredible deal for us.

The Council discussed how great this was for the college and the future.

Council Member Pratt moved to approve the Job Order Contract bid from Kinney Construction in the amount of \$219,535.34, for installation of the Yavapai College reclaimed water line. The motion was seconded by Council Member Elinski and carried unanimously.

BANNING PETS AT THE FARMERS MARKET JAMBOREE EVENT AREA (OLD TOWN ACTIVITY PARK)

Mr. Allen stated this has become an issue at the Farmers Market. Even if the pet owners are responsible and clean up after their pets, there is fecal matter in the grass and it creates a small issue. Also, the straw bales tend to be a magnet for the pets.

Council Member Pratt stated he has wondered why people bring their dogs there.

Mayor Joens stated she has thought about it too along those same lines and wondered what people would do to with their pets now. She has also received comments that Cottonwood has seemed like a dog friendly community.

Council Member Elinski stated there are a lot of folks that seek out dog friendly communities and that is where they tend to vacation and visit. He is hesitant to ban dogs from the park and wonders if we can increase enforcement there instead.

Council Member Dowling stated the dogs would be kept right outside the fence of the event at the perimeter.

Council Member Pratt stated by allowing the dogs to stay on the outside it says that we are dog friendly, but they don't belong in the market. One of the biggest problems is we can't keep them away from the straw bales.

Mayor Joens asked if the dogs will be allowed in the park or are they only banned from the Farmer's Market.

Mr. Bartosh stated Connie Dedrick has complained to city hall that one of the problems they run into is messes that don't get cleaned up. At least once a week, one of the kids is sliding through a dog mess and thinks that park might not be an appropriate location for dogs anymore.

Council Member Pratt stated this item is just to ban them from the Farmers Market. It would need to be a future agenda item to ban the dogs from the park.

Council Member Jauregui stated a few year ago when we still had the Farmers Market in the parking lot, he witnessed a dog bite a kid between the shoulder and the chest, so he has always had an issue with people bringing their dogs there. In Flagstaff at a Route 66 celebration two dogs got in the biggest brawl in the middle of the crowd. He thinks it is a bad mix, period.

Vice Mayor Pfeifer stated she has a problem with dogs around food and around places that are selling food. They tend to get into competition with each other and if we have a dog fight then a child could be stuck in the middle of it.

Council Member Pratt moved to ban the pets at the Cottonwood Farmers Market Jamboree. The motion was seconded by Council Member Jauregui, and carried with a dissenting vote by Council Member Elinski.

SPECIAL EVENT LIQUOR LICENSE APPLICATIONS SUBMITTED BY LANA TOLLESON, APPLICANT FOR THE COTTONWOOD CHAMBER OF COMMERCE, FOR A BUSINESS MIXER TO BE HELD AT HABITAT FOR HUMANITY LOCATED AT 737 SOUTH MAIN STREET ON AUGUST 15, 2013; AND THE RHYTHM & RIBS EVENT TO BE HELD AT THE COTTONWOOD KIDS PARK LOCATED AT 350 SOUTH 12TH STREET, ON OCTOBER 12, 2013

Council Member Pratt and Vice Mayor declared a conflict of interest on this item.

Council Member Garrison moved to recommend approval of the liquor license applications as submitted. The motion was seconded by Council Member Dowling and carried.

INTERGOVERNMENTAL AGREEMENT WITH THE SEDONA FIRE DISTRICT TO PROVIDE DISPATCHING SERVICES FOR THE COTTONWOOD FIRE DEPARTMENT

Chief Kuykendall stated we originally had some concerns with the IGA as it was presented originally. This IGA would be to continue the dispatching through the Sedona Fire District. We have finally negotiated an IGA that staff is pleased with. This IGA will take us through June 30, 2014, with the presumption and the hope that our communication center will be online for us to switch over to our own communication center.

Council Member Elinski moved to approve the Intergovernmental Agreement with Sedona Fire District to provide dispatching services for the Cottonwood Fire Department. The motion was seconded by Mayor Joens and carried unanimously.

CLAIMS & ADJUSTMENTS

Mayor Joens moved to pay the claims. The motion was seconded by Council Member Elinski, and carried.

DISCUSSION AND POSSIBLE ACTION REGARDING THE CITY MANAGER'S EMPLOYMENT AGREEMENT

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

Mayor Joens moved to move into executive session.

Mr. Bartosh stated the executive session was just put on there as an option, and we really went through the executive session part and this was the opportunity for the council to take action regarding merit increase.

Mayor Joens withdrew her motion. She shared with the Council all the Strategic Initiatives that have been completed over the years. She also reviewed the projects and accomplishment list that is six pages long and listed on our website. Some of the major accomplishments since becoming city manager include reorganizing all the staff. He has the toughest position in the city since he works for the council, the citizens of Cottonwood and the staff. He answers to the public, he answers to the Council and he has to answer to the staff. It can be a difficult job, but she feels that he has handled that job very well. When you turn something into him, he is acting on it that day. She thinks his response time for her has been amazing; he likes to get on it and take care of it. We have opened a procurement office which all the staff used to have to do that by themselves. That has saved them amount of time and save some money since we aren't paying a bunch of people to do this job. One department might have been buying paper and another department might have been buying at a different price so we have all of those issues together. We have developed the business assistance center and he has taken on a lot of that responsibility to ensure that we are incubating small business in the community. We have completed our revolving loan fund and our Focus on Success and we have been implementing that one by one. Right now he is working on the general plan with staff. He knows that he is accountable. He has ensured that between Sedona and Jerome there is a place to stop and that place is Cottonwood. He has worked with all the streets that we have been building. We are pretty darn demanding because there are a dozen street projects that we are working on at a time, and our staff is working on street projects and reclaimed water lines and sewer lines at the same time. Their plates are very full. He ensures that the work gets done on behalf of the citizens and she appreciates that. He was key with working with us and the community on

the outdoor pool and he was responsible for the recreation center after he became city manager. What she really appreciates too is our webpage used to be, it didn't tell the public anything, and it was one of the first things she talked to him about because it was kind of irritating her for a long time. It is so full of information now and we want to be transparent to our community. He was a big part of the library additions. You just don't see graffiti in Cottonwood. The new transit facility was built under his watch.

Council Member Pratt stated all you have to do is look and see how our city has evolved and he calls it the renaissance of old town. He has represented us well publicly and has been the face of Cottonwood. We don't run the city, we hired him to run the city and he has done a good job with our trust and he has done the holocaust thing and the Zimmerman award. There are just endless things that he has done to make Cottonwood look good.

Vice Mayor Pfeifer stated thanks to Mr. Bartosh we have been recognized nationally for what he has done for the holocaust in other states in the union and because of his foresight and Sheila Polk's foresight to start MatForce and it was being used as a tool for recruiting new doctors into the area, since they have a tool now, for when people are pill shopping.

Council Member Pratt asked what other merit increases did we approve and what was the percentage for this year.

Mayor Joens stated last year for our employees we approved merit pay for two, but Mr. Bartosh did not receive it.

Mr. Elinski stated this is the third time we met for his review, so if we approve a merit increase, he assumes this will be retroactive.

Mayor Joens stated that would be her recommendation.

Council Member Pratt stated he was looking for the typical percentage.

Mayor Joens stated this year it was 3 percent and it would be 9 percent if you considered last year.

Mr. Bartosh stated you would be covering what was done last year and that was six.

Mayor Joens stated we are also looking at this year.

Mr. Bartosh stated that doesn't come up again until February.

Council Member Pratt stated we could do six and that would be equitable.

Mr. Bartosh stated that would be very fair.

Council Member Pratt moved to approve a merit increase for the city manager of six percent.

Mr. Bartosh stated made retroactive to performance date.

Council Member Pratt stated to the performance review.

Mayor Joens asked if you wouldn't put it back to the date of the contract.

Mr. Bartosh stated it is the same thing; the date of review.

The motion was seconded by Mayor Joens and carried with a dissenting vote from Council Member Jauregui.

Mayor Joens then asked for comments from the public. There were none.

ADJOURNMENT

Council Member Garrison moved to adjourn. The motion was seconded by Mayor Joens, and carried unanimously. The regular meeting adjourned at 8:25 p.m.

Karen Pfeifer, Vice Mayor

ATTEST:

Matthew McLean, 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 August 6, 2013. I further certify that the meeting was duly called, and that a quorum was present.

Matthew McLean, Deputy Clerk

Date