

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD MAY 16, 2017, AT 6:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

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

COUNCIL MEMBERS PRESENT

Tim Elinski, Mayor
Ruben Jauregui, Vice Mayor
Tosca Henry, Council Member
Kyla Allen, Council Member
Karen Pfeifer, Council Member
Deb Althouse, Council Member
Linda Norman, Council Member

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager	Charlie Scully, Planner
Marianne Jiménez, City Clerk	Morgan Scott, Development Services Manager
Steve Horton, City Attorney	Tom Whitmer, Natural Resources Director
Steve Gesell, Police Chief	
Debbie Breitreutz, Regulatory Compliance, Safety, and Education Administrator	

PLEDGE OF ALLEGIANCE

Mayor Elinski led the Pledge of Allegiance.

SUMMARY OF CURRENT EVENTS

The Council and staff announced past events they had attended and upcoming events in the community.

PRESENTATION - TRANSITION FROM ARIZONA PUBLIC EMPLOYERS HEALTH POOL (APEHP) TO KAIROS

John Ashton, co-owner of Ashton Tiffany, an independent risk management company based in Phoenix that specializes in pool management and Executive Director of Kairos, gave a brief presentation of the city's transition from the Arizona Public Employers Health Pool to the new health insurance pool, Kairos Health Arizona.

CALL TO THE PUBLIC

There were no comments from the public.

APPROVAL OF MINUTES OF WORK SESSION OF MARCH 14, 2017; REGULAR MEETING OF APRIL 18, 2017; BUDGET WORK SESSION OF APRIL 25, 2017; AND SPECIAL MEETING OF MAY 9, 2017

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

UNFINISHED BUSINESS

DISCUSSION, CONSIDERATION, AND POSSIBLE LEGAL ACTION REGARDING A REQUEST FOR ADDITIONAL COMPENSATION FOR CITY-WIDE CUSTODIAL SERVICES DUE TO THE RECENT STATEWIDE MINIMUM WAGE INCREASE. PURSUANT TO ARIZONA REVISED STATUTES SECTION 38-431.03.A.3 AND/OR A.4, THE COUNCIL MAY VOTE TO CONVENE IN EXECUTIVE SESSION TO DISCUSS THIS MATTER

Mr. Faust stated we discussed at the April 18, 2017, regular meeting that staff had identified issues with the contract involving the current city-wide custodial services with Accurate Building Maintenance. Staff advised council that the contractor was seeking additional compensation due to Prop 206 for minimum wage. This was for changes in the scope and a marked increase for cost for services rendered by the company due to heavy use of part-time staff. The city attorney discussed with Mr. Finken the options for moving forward with the contract along with the possibility of a compromise solution with final consideration by the City Council. Invoicing for all buildings was originally set at \$21,989 per month, with the exclusion of the Civic Center in January 2017 which was compensated due to closure for construction. Costs were then reduced to \$20,493 per month and that was with additional services for trash pickup at the library transit stop along with the inclusion of the Kids Park in March. Total amounts paid were \$23,976 at that time. As described to the City Attorney in an email from Mr. Finken on May 4, 2017, amounts were invoiced for increases for over 140,000 square feet of surfaces monthly which total \$23,702.18 which was identified by Mr. Finken for his work force for minimum wage law. In addition, Mr. Finken identified in his email letter to the City Attorney that if the new request for proposal for custodial services was not effective as of June 1, the city would then be invoiced at a rate of \$25,689.63 per month. Mr. Finken was present and would like to speak to the Council.

Randy Finken, CEO of Accurate Building Maintenance, gave a brief history of their relationship with the city since he understood a lot of the City Council members weren't here when they started four and a half years ago. The city had told us in the past we received the highest monthly scores from the various facilities versus past contractors in recent history. The reason he was here today was because we find ourselves in a situation where there was a vote on November 8 and the people of the State of Arizona said they wanted the minimum wage raised to \$10 an hour and it escalates from there along with sick pay. In 2012 when we bid this he believed minimum wage was \$7.65. It went from \$8.05 to \$10 recently--not that we necessarily pay a minimum wage. Immediately after the election he reached out to Richard Faust and started the discussion around the need to increase the contract, knowing that the fifth option year was due to start December 20, 2016. This was about a little over a month

ahead of that. We moved forward with the option year once we were told that our request for an increase was approved. I've since sent the documentation of all the emails showing the approval to Steve Horton, City Attorney, and he was assuming the City Council had seen that.

Mr. Horton stated we have an executive session on the agenda if the council wants to go into executive session.

Mr. Finken stated he had copies for the City Council if they would like to see them. Additionally, I have a list of all the other changes to the contract that have been approved over the life of the contract. There's been the youth center since it opened up, the communications center over at public safety, so there's been \$43,000 a year added to the contract since it started. I also have copies of that if you'd like them showing all the changes to the contract. To my knowledge none of this went to City Council for approval. So here we are almost five months into the fifth year and I'm literally paying the city to clean your facilities because the margins in this business are tight and for us to absorb a 23-24 percent increase in wages and still clean your buildings is a struggle. So in an attempt to resolve this matter I agreed to split the difference of the total for the first five months of this year's increase which is about \$22,000, because my theory is legal action nobody ever wins in those situations. I want to maintain the relationship we have with the city. Our goal has always been our people get rewarded for the good grades we get from the city and to provide a safe, healthy and clean environment for the employees of the city as well as the residents of Cottonwood.

Mayor Elinski asked if any of the members of the Council had questions for Mr. Finken, and there were none.

Mayor Elinski asked if we have a copy of the original contract in the email correspondence from Mr. Finken available.

Mr. Horton stated he was not sure if we included the contract in this packet. I know the council has received it. We discussed this at least one other occasion, and I know we had prepared to visit with Council in executive session at the Council's discretion.

Council Member Althouse questioned Mr. Finken if his employees were local, and he responded yes.

Mayor Elinski moved to go into executive session. The motion was seconded by Council Member Allen, and carried unanimously.

After meeting under executive session, Mayor Elinski moved to resolve back into regular session. The motion was seconded by Council Member Allen, and carried unanimously.

Mayor Elinski stated we had a discussion with staff in executive session and gave staff the direction that they need and there was no further action necessary on this item tonight, and indicated to Mr. Finken that staff would be contacting him.

CONSENT AGENDA

ACCEPTANCE OF PARCELS OF LAND FROM THE ALTMAN LAND AND CATTLE COMPANY, LLC., AND THE VINEYARDS AT COTTONWOOD 1, LLC., FOR CITY RIGHT-OF-WAY.

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

NEW BUSINESS

MEMORANDUM OF UNDERSTANDING WITH VERDE VALLEY HABITAT FOR HUMANITY FOR THE ESTABLISHMENT OF THE COTTONWOOD CARES PROGRAM

Chief Gesell stated tonight they were asking the council to approve the MOU with Habitat for Humanity. Our initiative is called Cottonwood Cares which is two-prong. One is we are trying to promote self-reliance and encourage healthy environments, and we want to do that through trying to convince people to not give money to panhandlers. Social services will tell you that 9 times out of 10 you're promoting a destructive lifestyle habit rather than helping. This initiative is a collaborative that is an attempt to persuade our citizenry and visitors to donate to Cottonwood Cares, which is a program that will enable us to channel these funds rather than going into destructive lifestyle choices by funding our local social service agencies to promote healthy environments. Our partners represented tonight are the Verde Valley Habitat for Humanity, Tania Simms, Executive Director. MatForce is a partner as well, but Merilee Fowler had to go; she was here earlier. Another familiar face is Christian Oliva del Rio from the Chamber of Commerce.

Ms. Simms stated they were pleased to partner with the city in this initiative. We have a common philosophy of giving a handout instead of a hand-up, and agreed to be the fiduciary and manage any donations that come in for the initiative. She appreciated the partnership.

Chief Gesell then showed the two 30-second public service announcements for TV and the web that were produced to market the initiative. Part of the donations will go to continuing the initiative. The last remaining piece of the program is to get the web page together that was under construction using CableOne.

Council Member Pfeifer questioned the City Attorney if she had a conflict because of MatForce and she worked with the Chamber, and he indicated no.

Mayor Elinski requested the Chief go into a little bit more detail about where the money goes when somebody donates.

Chief Gesell stated Habitat has volunteered to be our fiscal agent. They will establish a bank account that will be linked to the webpage which is where people would go if they want to make a donation. There will be a group of project decision makers where there's a benchmark of whatever that group decides what social service agencies are going to receive those funds,

and typically we would send out an announcement to local social service providers inviting them to fill out a simple application for funding.

Council Member Allen moved to approve the proposed Memorandum of Understanding with the Verde Valley Habitat for Humanity to create the Cottonwood Cares Initiative, subject to approval of the final form of agreement by the City Attorney. The motion was seconded by Council Member Norman, and carried.

WATER CONSERVATION EDUCATION PROGRAM FOR KINDERGARTEN THROUGH 8TH GRADE STUDENTS

Mr. Whitmer introduced Erin Cody, from Verde Natural Resources Conservation District (VNRCS,) and Debbie Breitreutz from the city. He gave a brief history of the water conservation curriculum for this program that was initially designed to provide classroom water conservation education for grades kindergarten through 8th for Cottonwood-Oak Creek elementary and middle school. The program now also involves hands on field activities related to water that the VNRCS presents to the kids so the kids get a full understanding of water in general. They were requesting financial support for another two years of the program. The cost to the city is \$17,760 per year, which would come out of the water conservation fund. The overall program runs about \$29,000, but the VNRCS, since the first time we funded this, has managed to go out and gain some other financial supporter. They are now entering into the charter school system.

Council Member Pfeifer stated it was a great program.

Mayor Elinski asked Mr. Whitmer to explain how the money is collected from our water bills.

Mr. Whitmer stated on each bill there is a fee that is attached to the bill specific to water conservation; twenty-seven cents on each bill. It's made Cottonwood very unique. Clarkdale adopted this shortly after we did and they are doing the same thing in their area as well.

Ms. Cody stated she took over two years ago from Linda Zanolli, and since she has taken over they had grown the project from about 1,500 students per year in Cottonwood, to this year we reached 2,000 and she has a goal of reaching 2,100 next year. We started out with just Cottonwood Middle school and now reach all of Cottonwood-Oak Creek School district. This year she reached out to American Heritage School and Verde Valley Montessori School as well. They've seen a 34 percent increase in student knowledge from beginning their program to the end of the program.

Ms. Breitreutz stated the past couple of years we have had about 800 eighth graders come through the Mingus plant to do tours, which was part of the program. She had also helped out doing some of the fourth grader stuff and wanted to get more into doing the teaching or helping out with the program.

Council Member Allen stated to watch the degree of sophistication that our youth have now that have had the training since they were in kindergarten, to what our high schoolers were several years ago, is leaps and bounds. The knowledge they have and bring to the table is incredible, and thanked them for that.

Mayor Elinski moved to approve the funding of the K thru 8th-grade water conservation education program through school year 2018/19 at a cost of \$17,760 per year. The motion was seconded by Vice Mayor Jauregui, and carried unanimously.

CONSIDERATION AND POSSIBLE APPROVAL OF THE FINAL PLAT FOR PHASE 1 OF THE VINEYARDS AT COTTONWOOD, A 41-SINGLE-FAMILY RESIDENTIAL SUBDIVISION LOCATED AT THE NORTHEAST CORNER OF SR 89A AND GROSETA RANCH ROAD (APN 406-23-036W), AND A FINANCIAL ASSURANCE AGREEMENT FOR COMPLETION OF UTILITY INFRASTRUCTURE AND OTHER PUBLIC IMPROVEMENTS

Mr. Scully stated this project has gone through a lot of steps to get to this point tonight, starting almost a year and a half ago. The rezone ordinance was approved in November for this project that was almost 101 acres and up to 555 residential units. The master development plan also included the description of how the project would go through in nine development phases with a mix of housing types to be determined at each phase. The preliminary plat was approved for Phase I with 41 units. In between the preliminary plat and the final plat it goes through a staff technical review process. Being the first phase there was a considerable amount of background work that needed to be done to establish the overall project. The final plat does not go back to the planning and zoning commission because it's essentially the same as the preliminary plat. It's just taking care of all the technical requirements. There were 10 conditions of approval for the final plat and were summarized in documents that go along with this process that are being worked on extensively with the developers and the city attorney. The first four conditions are related to the recording of the documents that need to be accomplished starting with the development agreement, which applies to the overall development. The second condition has to do with the recording of the final plat which has to be signed and recorded before construction starts. The third condition has to do with the Phase I assurance agreement that is the technical document that goes along with the financial assurance related to Phase I. Number four is the actual financial assurance instrument that gets signed and agreed upon and deposited with the city. The following six conditions of approval for the final plat are: the first one is it needs to be in compliance with the plans that are approved and all the agreements; the second one has to do with setting the corners which is part of the land survey process; condition three has to do with the consent agenda item tonight which had to do with the ownership; items four and five have to do with completion of the development of the street edge of the abutting parts of Groseta Ranch Road and Anna's Avenue; and number six was finalizing the easements for the off-site utilities and trail corridor.

Mr. Horton stated the developer is obtaining that from another private property owner pursuant to an agreement, and we had some work to do to finalize that.

Mr. Scully stated with these conditions and the documents that have been received related to the final plat and the engineering package, it's ready to approve the final plat. The developers have representatives here tonight.

Mayor Elinski questioned if the council had any questions for Mr. Scully, and there were none.

Clark Petit, one of the managing members of Granite Mountain Asset Management and the Vineyards at Cottonwood, thanked the council and staff for all of their work to get to this point.

Council Member Allen moved to approve the Final Plat for Phase 1 of the Vineyards at Cottonwood development, subject to all staff recommendations and recommended stipulations, and to approve the attached Phase 1 Assurance Agreement, subject to approval of the final form of agreement by the city attorney. The motion was seconded by Mayor Elinski, and carried unanimously.

PROPOSED ALLEY IMPROVEMENT AND SHARED COST AGREEMENT BETWEEN THE CITY, LEMAIN LLC AND JEROME PROPERTIES LLC FOR CONSTRUCTION OF ALLEY IMPROVEMENTS BETWEEN PINAL AND PIMA STREETS FROM MAIN TO CACTUS

Mr. Scott stated this was a proposed agreement to share in the cost of developing an alley in Old Town. There are two developments proposed in Old Town. One called LeMain who owns both properties, and they are proposing a retail location and condo location. Jerome Properties, LLC., owns the other parcel and they are expanding a hotel that is well under construction. Both of those developments are going to benefit by the improvements of the alley. They've approached the city to see if the city wants to consider a cost sharing agreement. The agreement is the city will pay the cost to design the alley at a cost of about \$8,000, and both the developers will share the cost of developing the alley. He believed they had one other property owner on this block to contribute partially to the development of that alley. One major benefit to the city is it verifies that the improvements will be built even if one development falls through. They are agreeing to the ability for property owners to lien the property should they not follow through with their terms of the agreement.

Mr. Horton stated the city was a "stranger" to that part of the transaction. At this point, the way the agreement has evolved, the city's only involvement would be to provide the design for the project and then accept the project once it was complete.

Council Member Henry asked if the \$7,800 was not money; it was design services.

Mr. Horton stated if she was asking if that was in-kind, there had been some discussion about staff doing the design work in-house, but right now SEC, the engineers for both of the private projects, will provide the design at city expense, so it would be hard costs.

Mr. Scott stated the reason we would like to recommend SEC is they are the design engineers for both of the developments. That's critical to make sure that the plans line up both vertically and horizontally to make sure we don't have a big change in grade of the areas.

Eric Jurisin, owner of the Tavern Hotel and a few of the other businesses in the business district, stated this alley has been talked about for a long time. I have 8 parking places going into the alley in front of the hotel. He did not know if it was required or not to pave the alley. With part of LeMain's deal he became involved because he wanted it to look nice, and that turned into the city was going to pave the alley and we were going to donate money, to now we are doing the alley and hiring a contractor because maybe we can do it for less and probably do it quicker to get it done and hit all of our time frames. This alley has been a bit of a problem and we are having problems in all four alleys in Old Town. This is one alley out of four we are going to have to address. This is coming to you with a lot of effort and input. SEC is working on the design because as local property owners we don't want liability and want it built correct.

Mr. Horton stated the alley improvement was a stipulation to the approval of Mr. Jurisin's project as well.

John Haupt, part of the LeMain development group, came forward and asked if the council had any questions on the project.

Mayor Elinski stated he had followed his project all the way through the design phase and was looking forward to it being built.

Vice Mayor Jauregui move to approve the proposed alley improvement and shared cost agreement between LeMain LLC, Jerome Properties LLC, and the city to improve the alley between Pima and Pinal Streets from Main Street to Cactus Street, subject to approval of the final form of agreement by the city attorney. The motion was seconded by Mayor Elinski, and carried unanimously.

EXTENSION OF ON-CALL PROFESSIONAL SERVICES CONTRACT WITH C&S ENGINEERS, INC.
AND APPROVAL OF SCOPE AND FEE PROPOSAL FOR CONTRACT ADMINISTRATION SERVICES
FOR THE SECOND PHASE OF THE AIRPORT APRON RECONSTRUCTION PROJECT

Mr. Scott stated we do have a 94.47 percent grant from both the FAA and ADOT for reconstruction of the airport apron. We did a seal in 2010 that has since come apart. Many of our local pilots have petitioned ADOT and the FAA for funds. Due to those petitions we now have the funds to reconstruct the second portion of the apron. We constructed the first portion last year. We would like to suggest C&S Engineers for the construction management services. Basically, they bid it, do the inspection, and make the recommendation for payment. C&S is not only the designer of the project, they also work the construction administration service provider for Phase I. We also have an on-call contract with them. That expires at the end of this month and we are recommending the council consider direct selecting C&S and extending their services to the end of this year so they can move forward with the construction administration services on this project alone. The FAA and ADOT are okay with this since we are right now under contract and this project extends past the on-call contract period.

Mayor Elinski moved to extend the on-call engineering services contract with C&S Engineers, Inc., until December 31, 2017, and approve the proposed scope of work and fee proposal to provide contract administration services for the second phase of the airport apron reconstruction project for a not-to-exceed fee of \$167,929.00, pending final award of the matching grants for this project by the FAA and ADOT. The motion was seconded by Council Member Norman, and carried unanimously.

CONSIDERATION OF NOT HOLDING REGULARLY SCHEDULED COUNCIL MEETINGS DURING THE MONTH OF AUGUST

Mayor Elinski stated this was something that would come up every year for the last few years, and staff had asked if the council wanted to consider not meeting in the month of August unless there was some dire need to. It gives folks an opportunity to go on vacation, and staff an opportunity to not scramble to get packets together for us. It was an option to present to council. I have historically voted against it just because I'm a workaholic. I always feel like there's so much work to be done that skipping an entire month would set us behind, but wanted to give the council an opportunity to weigh in.

Council Member Allen stated she thought one of the reasons that we also did that is we had National Night Out in August and that fell on a Tuesday, and then we have the conference which falls on a Tuesday through Friday, so we had two meetings that typically we weren't able to hit. She did not know if that was happening this year because we've moved National Night Out to a different date and we've got three free weeks right there. The conference was the fourth week this year.

Council Member Althouse stated she was against it; she never understood it. We were elected to serve and there's weeks we can take vacation and thinks we should serve. She never thought about the staff aspect of it.

Ms. Jimenez stated it wasn't something that staff brought up; it was brought up by our former mayor.

Council Member Althouse stated the Fourth of July falls on a Tuesday, which is a national holiday this year and questioned what were we doing in that circumstance and if we were meeting on Wednesday.

Mayor Elinski stated we were meeting on Thursday.

Mayor Elinski then moved to meet in the month of August. Council Member Allen seconded the motion. The motion carried with a dissenting vote by Council Member Pfeifer.

Council Member Jauregui stated a better month to take off would be December because everyone was so busy in that month. If we're looking to take a month off, he would recommend December, but that can be discussed later.

CLAIMS/ADJUSTMENTS

Mayor Elinski moved to pay the Claims. The motion was seconded by Council Member Althouse, and carried unanimously.

ADJOURNMENT

Council Member Althouse moved to adjourn. The motion was seconded by Council Member Allen, and carried. The regular meeting adjourned at 8:15 p.m.