

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD JUNE 6, 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
Matt McLean, Deputy Clerk
Steve Horton, City Attorney
Rudy Rodriguez, Administrative Services General Manager
Morgan Scott, Development Services Manager
Roger Biggs, Utility Manager
Douglas LaSota, City Magistrate
Berrin Nejad, Community Development Manager
Richard Faust, Community Services General Manager

PLEDGE OF ALLEGIANCE

Mayor Elinski led the Pledge of Allegiance.

SUMMARY OF CURRENT EVENTS

The council and staff announced past and current events that they attended.

CALL TO THE PUBLIC

There were no comments from the public.

APPROVAL OF MINUTES OF WORK SESSION OF APRIL 11, 2017, REGULAR MEETING OF MAY 2, 2017, AND WORK SESSION OF MAY 9, 2017

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

UNFINISHED BUSINESS

RESOLUTION NUMBER 2888--DISCUSSION, CONSIDERATION, AND POSSIBLE LEGAL ACTION TO REAPPOINT PRESIDING CITY MAGISTRATE A. DOUGLAS LASOTA TO A NEW TWO-YEAR TERM COMMENCING ON APRIL 13, 2015

Mayor Elinski stated we did his performance evaluation last month, and gave some direction to look at different efficiencies. Judge LaSota send those to the council, and we are here to decide whether or not we want to reappointed him for another two year term. Mayor Elinski stated he has looked over everything and he has had conversations with other municipalities and other courts and there is an opportunity to run our court more efficiently, and doesn't feel comfortable with reappointing the Judge tonight.

Vice Mayor Jauregui asked Mayor Elinski for some examples of those ways that have been looked at to run the court more efficiently.

Mayor Elinski stated we do, and he can provide that information at a work session if the council chooses, and there are many options that he thinks the council would find attractive.

Council Member Althouse stated she thought those were going to be presented before we made a decision. It seems a little odd that we are not getting all the information so we can make a decision.

Council Member Henry stated we need to be fair to our judge who is holding over. With the passage of time, we are in an increasingly unfair situation.

Mayor Elinski stated to approve his contract for another two years will not allow us to provide those efficiencies within that timeframe. It is difficult conversation because we are talking about a real person who has a job and a family, but there are efficiencies we can provide to the public, and he thinks it is our duty to do that.

Council Member Althouse stated the problem is he knew what these things are, and it appears others do, but she doesn't. All she has seen is the stuff Judge LaSota has given, and he has done his part. She feels like she is getting half the story.

Council Member Allen stated there are two separate items. We need to decide whether we want to continue his contract, and a discussion of what we do or do not do if we don't continue his contract, but really the details have to be worked out separately, because they are two different items.

Council Member Pfeifer stated she doesn't have all the details, and thought tonight we were going to get details of what they came up with, and it is not really fair that the rest of the council to not have all the information that a few people have. She is uncomfortable with it also, and thinks we have been kept in the dark on some of the information.

Mayor Elinski stated that is a fair statement. There are lot of moving parts to it, and in fairness to the Judge he doesn't want him holding over. If we reappoint for another two years, then we are two years out, before we can make any decision.

Council Member Althouse asked to hear from Judge LaSota to see if he wanted to holdover.

Judge LaSota stated he is willing to holdover if necessary, and thinks there is enough votes to reappoint him anyway. Directing his comments to Mayor Elinski, Judge LaSota stated the one thing is you say want to be fair to the judge, how are you being fair to the judge when there is no transparency what so ever. You had no transparency about what you were trying to do the last session, and he tried to discuss those things with you, and you refused to give me answer to it, and he had to hear about the first time in executive session. As Ms. Althouse pointed out, Ms. Henry was supposed to come forward with things tonight, and there are things that you have, that she has, apparently Ms. Allen has...

Council Member Allen stated she doesn't have them, and asked Judge LaSota to not make assumptions.

Judge LaSota continued okay, at least two of you have, and the others haven't had it shared with them, and you (Mayor Elinski) want them to make a decision not to reappoint me based on information that they even had a chance to see, and that he isn't even given me a chance to see so I could have a chance to address it. In the past month alone with the two staff changes we have done, we have saved \$17,000. I haven't had a chance to look at anything else, or respond to anything else, because you fail to be transparent and provide that to me or any of your fellow council members.

Mayor Elinski stated to be fair, you are comfortable with holding over until council can make a decision.

Judge LaSota stated unless there are ones that want to vote on reappointing me tonight.

Council Member Henry stated she is not comfortable with that, and that is not a solution. She has had multiple conversations with our city attorney about the timeframe. The preference was when we left things previously, was to report back with some options. She spend considerable time on exploring different options and she does have some information. One thing that was brought to her attention very quickly, was in exploring other options with other

public entities, it is not a one week conversation, it is not a two week conversation, it is multi-month conversation, and it has to be in public session. We have to allow the public to weigh in. Is that fair and does that mean we have an impartial court, if it believes that at any minute we could be moving in a different direction. We need to have some finality and have some independence of the court and we need to give clear guidance as a council. Now I can tell you if you want some preliminary information, I reached a certain point with regard to numbers because again we have to look at other entities that we are dealing with, however in discussions and looking at case numbers from other courts, and the ratio of case numbers to full time judicial employees, full time staff, I believe we are at a good position about how we need to be more efficient with our budget, and there are some very identifiable efficiencies if we move in and explore other directions with other entities, especially with regards to new safety mandates that are coming down that are going to be quite costly. Not just for us, but for other entities. She believes this an appropriate time, and we also need to be fair and have clear guidance, and maintain impartiality at our court.

Judge LaSota stated in regards to the safety information that Council Member Henry just mentioned, when it comes down to our court, we are going to have buy a wand for court appearances, and it is not going to cost us an extensive amount of money to do that. We are also going to solicit volunteers to help us use the wand on people coming into the court. If we absorb Clarkdale's cases too, then that would be significant number of cases we would be handling with extra revenues coming into the court, with no additional expense since we would be able to do that with the same staff we have now.

Council Member Henry stated when she was last talking about the safety upgrades, it was possible scanners, cameras, it was key swipe and key access pads, and a whole number of items. She knows we can get some waivers and/or extensions for some items, but that is something that she would want to look at in a meaningful manner with all that information.

Judge LaSota stated the cameras are a separate issue about the requirements coming down for security. Those are things we were already in the process of planning that we already have money set aside with court enhancement fund money which doesn't touch city revenues. The new requirements that are coming down is basically we need to have a wand.

Council Member Allen stated because the last session was under executive session, she is reticent to bring some things up since it was transparent when we were sitting there. She is not sure what we can speak to about out here, because there is two different items.

Mr. Horton stated that is right. There is a lot of what was discussed, and we have approached things and categorized things that were said in executive session. As the council knows, because we have discussed this every time we go into executive session, those discussions are legally privileged and confidential.

Council Member Allen stated it is difficult for her, because she wants to reiterate some the things she brought up under executive session.

Mayor Elinski stated it is a difficult situation that we are in. His contract is up, and Mayor Elinski is of the mind, same as Council Member Henry that now is the time to look at those other options. He very confident that there are many other options that would save our tax payers many thousands of dollars. There is more efficient way to run our court and now is the time. He doesn't feel that having the judge holdover indefinitely while we have these discussions is fair to the judge. There are mechanisms in place right now where we can have a pro-tem fill in as presiding magistrate so the court will run the same as it has, and then we can have those discussions in public.

Vice Mayor Jauregui stated he would like to see us go into executive session at this time to be able to hear what Council Member Allen has to say, and other folks have a few things to add that they would rather say in executive session than in the public right now.

Mr. Horton stated as the agenda reads the council has the prerogative to convene into executive session to obtain legal advice and to discuss contracts, but that can't be a substitute for having a personnel discussion. So what he would advise the council is if they vote to convene into an executive session is to solicit and obtain legal advice.

Council Member Henry moved to convene into executive session for the purpose of consulting with our attorney for purpose of obtaining legal advice. The motion was seconded by Vice Mayor Jauregui, and carried unanimously.

After having a discussion in executive session, Mayor Elinski moved to reconvene back into regular session. The motion was seconded by Council Member Pfeifer, and carried unanimously.

Vice Mayor Jauregui moved to approve Resolution Number 2888, reappointing presiding city magistrate A. Douglas LaSota to a new two year term, with no raise, expiring on April 13, 2019. The motion was seconded by Council Member Pfeifer.

A roll call vote on the motion was then taken as follows:

	<u>Aye</u>	<u>Nay</u>
Council Member Althouse	X	
Council Member Allen		X
Council Member Norman	X	
Council Member Pfeifer	X	
Council Member Henry		X

Small Scale Water Efficiency Program and authorize the City to provide up to 50 percent matching funds in an amount not to exceed \$75,000.00 if the grant is awarded. The motion was seconded by Council Member Althouse, and carried unanimously.

PUBLIC HEARING REGARDING ADOPTION OF THE CITY'S FISCAL YEAR 2017-18 TENTATIVE BUDGET

Mr. Rodriguez reviewed the tentative budget, and the budget process with the council. At first we were looking at about \$196,000 deficit. After the meeting with the City Manager, when we add in the needed personnel, any necessary capital, and we were at \$784,000 deficit. At that time we asked our department heads to go back to their budgets and review their budgets and decide what needs to be moved out to another year. Our proposed budget includes a lot of our reserves, a lot of grants we don't know if we are going to get, so it is still a bit inflated. The original proposed budget was \$84,995,470, and the new proposed budget has increased by \$59,270 to a total of \$85,054,740. We were able to reduce \$532,000 out of the budget. There is \$891,000 of personnel were requested, and only a \$121,000 was granted into the budget, and only if grants were available for them. If there are no grants for the new personnel, then the city will not hire them. There was \$6,400 worth of reclassifications for personnel. In order to balance the budget, we eliminated two police officers and one communication specialist, which makes us down four police officers from three years ago. We requested the City Manager fill one of these positions if we got a good candidate and if we could find the funding for it. Our merit program is fully funded. The cost of living allocation was eliminated. In the next couple of years, proposition 206 that forces part time employees to have a regular COLA every year is going to have to change that for us. Our health insurance premiums will be increasing by four percent. The Old Town Association is being funded at \$10,000, the Senior Center is at \$55,000, Humane Society at \$43,900, NACOG for the water bill assistance up to \$15,000, Chamber of Commerce receives the bed tax at almost \$20,000 a month, Old Town Center for the Arts at \$20,000, Building Community Grants at \$15,000, and the Birding Festival at \$2,000. Our general fund reserve status still has a 60 day coverage. From 2007 to now we have had about a three percent increase annually from year to year. The final adoption will be June 20. The tentative budget sets the expenditure limit.

Council Member Allen stated she went through the budget pretty carefully, and there were two items she had questions on: it states under the City Clerk budget that the City Clerk will serve the Mayor, and she thinks it should say Mayor and City Council. Also under the City Clerk's department, it doesn't have any performance measures listed, and her assumption is that they will be included once it's published.

Mr. Rodriguez stated we have been working to update those performance measures.

Mayor Elinski stated we had discussed under that performance measures too about what element of the council's strategic plan it falls in line with, and asked if we could develop that.

Mr. Rodriguez stated certainly, and if you have ideas please sent them over to us and we can make adjustments to it.

Mayor Elinski opened the floor to the public, and no one spoke. Mayor Elinski then closed the floor to the public.

ADOPTION OF THE CITY'S FISCAL YEAR 2017-18 TENTATIVE BUDGET AND ESTABLISHING AN EXPENDITURE LIMITATION

Mr. Rodriguez stated this a balanced budget, and this is giving staff the authority to move forward with this budget as of July 1, 2017. Capital items when they are purchased depending on their size will be coming back to council for authorization.

Council Member Norman moved to adopt the City's proposed Fiscal Year 2018 Tentative Budget as presented and to establish the City's Fiscal Year 2018 Expenditure Limitation at Eighty Five Million, Fifty Four Thousand, Seven Hundred and Forty Dollars. (\$85,054,740). The motion was seconded by Council Member Pfeifer, and carried unanimously.

REQUEST FROM DAMIEN BROWNING OF STEPS TO RECOVERY HOMES FOR CO-SPONSORSHIP OF THEIR SECOND ANNUAL "ERASE THE STIGMA EDUCATIONAL AND AWARENESS DAY" EVENT SCHEDULED FOR JUNE 24, 2017, AT THE COTTONWOOD RECREATION CENTER.

Damien Browning reviewed the erase the stigma educational and awareness event, and requested a co-sponsorship from the city to offset the event hosting at the recreation center, and/or day passes for the recreation center, and/or a monetary contribution of \$500 or any other monetary contribution. The event will be at the recreation center on June 24 from 9:00 a.m. to 2:00 p.m.

Council Member Allen asked if the city was not able to provide this would they still be able to afford this.

Mr. Browning stated we will make it work.

Mayor Elinski stated he put one of these events on last year, and this would be his second event. There is just an opportunity for the city to show its support for the event.

Council Member Althouse stated she likes the idea of the day passes, and it promotes the recreation center.

The council discussed the different options to assist with the event, and the council agreed to offset the cost of renting the rooms and set up fee at the recreation center.

Council Member Henry moved to offset the cost of the facility for this event including the setup fees. The motion was seconded by Council Member Allen, and carried unanimously.

REQUEST FROM THE AMERICAN LEGION RIDERS, POST 25, FOR \$200 TO BE USED FOR THEIR ANNUAL PICNIC AND BAR-B-QUE FOR VETERANS TO BE HELD AT THE PRESCOTT VA HOSPITAL AND VA DOMICILIARY

David Hay, director from American Legion Riders Post 25, and asking for \$200 for all the bar-b-que all the patients at the VA hospital in Prescott.

Council Member Althouse stated since she is a member of the American Legion Riders Post 25, and she spoke with Mr. Horton, and confirmed that she does not have a conflict of interest.

Council Member Althouse moved to donate \$200 from the Council contingency fund to the American Legion Riders, Post 25, for their annual picnic and barbecue honoring our veterans. The motion was seconded by Council Member Pfeifer, and carried unanimously.

REQUEST BY MINGUS UNION HIGH SCHOOL FOR REFUND OF THE BUILDING PERMIT FEE PAID TO CONSTRUCT A NEW BUILDING AT THE HIGH SCHOOL AND WAIVER OF THE FIRE SUPPRESSION AND FIRE ALARM PERMIT FEES

Ms. Nejad stated Mingus Union High School is constructing a new building for their wrestling practice area and three classrooms. The building permit fees for a total of \$5,159.23. Out of that \$4,958.37 for the permit is already paid, and they are asking for a refund. \$137.36 is for fire suppression permit which has not been paid, and they would like a waiver. \$63.50 for fire alarm permit, and they are asking for a waiver. This add up to \$5,159.23. Meantime, city hired a third party plan review company for their plans, and we paid \$1,459.10 for the review. So out of that \$5,159.23 we have already paid from the department \$1,459.10. They are requesting a refund for what they have already paid, and also asking for a waiver of the remaining. Meantime we have already paid a third party \$1,459.10.

Council Member Allen asked if this something we typically do for the school.

Ms. Nejad stated in the past years we did. Only difference this year is we paid a third party already for the plan review.

Kirk Waddle, Finance Director from Mingus Union High School District, stated he paid the fees to get the project going, and he was told they would entertain a refund of building permit fees,

plus a waiver for the fees we haven't paid. The funds will be just reinvested right into the project.

Mayor Elinski stated he would support anything to support our educational institutions in town.

Council Member Henry moved to approve the Mingus Union High School request for reimbursement and a waiver of building and fire permit fees except for the \$1459.10 that was already spent by city for outside review. The motion was second Mayor Elinski, and carried unanimously.

REQUEST FROM COTTONWOOD-OAK CREEK SCHOOL DISTRICT FOR WAIVER OF BUILDING PERMIT AND INSPECTION FEES FOR RENOVATIONS TO THE COTTONWOOD MIDDLE SCHOOL.

Ms. Nejad stated it is the same situation, this time it is for Cottonwood Middle School. They are doing renovations to the school. This time we did not have a third party plan review in this case, so total amount is \$3,045.69 and they are asking for a waiver.

Joe Snape, from Cottonwood School District, stated last year we came to the council and requested a waiver of fees related to a bond projects. These fees are related to the design review and permit and inspection fees. The city came to us to request a temporary easement along Mingus, and was willing to give us compensation, and the school district waived that compensation.

Council Member Althouse moved to approve the Cottonwood-Oak Creek School District request for a waiver of the building permit fees associated with the completion of the renovations of the Cottonwood Middle School. The motion was seconded by Council Member Norman, and carried unanimously.

NEW LEASE AGREEMENT WITH SANDRA M. BROWN (SEEDS NATURAL FIBER CLOTHING) FOR THE OLD TOWN JAIL FACILITY LOCATED AT 1101 NORTH MAIN STREET

Mr. Rooney stated this a request and award for a lease agreement for the Old Town Jail to Sandra M. Brown. A thorough business plan was included in the council's packet. The Seeds Natural Fiber Clothing has a store front in Jerome right now, and is looking relocate to Cottonwood. Jeff Cook put together a Request for Proposals, and Sandy Brown was the only one to put in a request. A committee consisting of Mr. Rooney, Andrea Harless, Council Member Pfeifer, and Kirsten Lennon, recommends a lease to Sandra Brown for the Old Town Jail at \$800 a month.

Council Member Pfeifer declared a conflict of interest since she was on the selection committee.

Sandy Brown, the owner of the Seeds Natural Fiber Clothing, stated she was looking for an opportunity to come to Old Town, and is bringing an existing clientele. She makes custom clothing.

Mayor Elinski asked Ms. Brown about how she would update the landscaping.

Ms. Brown stated she would like reassemble the garden, and she offered \$3,000 to the previous lessee for the pieces that were not part of the building.

Mayor Elinski stated he really enjoyed that garden space in the back and would like to see it brought back to life. It is a local landmark, so anything Ms. Brown would like to be done to the outside, it should be run by the Historic Preservation Commission.

The council discussed how thorough a proposal Ms. Brown had provided, and her business being the correct fit into Old Town.

Council Member Althouse moved to approve the proposed lease of the historic Cottonwood Old Town Jail to Sandra M. Brown dba Seeds Natural Fiber Clothing, subject to the approval of the final form of the lease by the City Attorney. The motion was seconded by Council Member Allen, and carried unanimously.

CONSIDERATION OF ONE-TIME OPPORTUNITY TO EXTEND THE AMORTIZATION PERIOD FOR FUNDING THE CITY'S ARIZONA PUBLIC SAFETY RETIREMENT SYSTEM LIABILITY

Mr. Rodriguez stated we have a onetime opportunity to make some changes to amortization period. Basically we have a onetime opportunity to expand our current 20 year amortization period of our unfunded liabilities for Public Safety Retirement System from 20 years to 30 years. Going to 30 years would allow the city to pay the same amount of debt with smaller payments over a longer period of time. However where we are right now, is probably going to be close to where it is going to be from here on out. By extending the amount of time, we could end up paying only the interest and not the principal on the debt, and pension funding becomes more costly over the long run by lengthy amortization period. Staff is not recommending extending the amortization period, and keeping the current 20 year amortization period.

Council Member Allen moved to continue funding the city's Arizona Public Safety Personnel liability on the current 20 year amortization schedule. The motion was seconded by Council Member Henry, and carried unanimously.

AWARD OF BID AND APPROVAL OF PROPOSED CONTRACT FOR CUSTODIAL/JANITORIAL SERVICES

Mr. Faust stated we are requesting approval for a proposed contract for citywide custodial/janitorial services to Melton and Sons, LLC. Staff put out a Request for Proposals on April 6, 2017, and they received five proposals. The evaluation committee consisted of the main departments with the largest square footage which included Police, Public Works, and Recreation Center. Melton and Sons received the highest average score from the committee. Melton and Sons will cost \$772,119.80 for a three year contract.

Mr. Horton stated we built into our typical RFP template a protest mechanism in an effort to allow bidders a record of concerns that they had if they believe there were flaws in the process, and give the city an opportunity to correct those flaws before making a decision that would lead to litigation. In this case there was a self-discovered mistake in the criteria in the first cycle of RFP that we corrected and reissued. The flip side of the having this mechanism in place is you can get frivolous protests. At 3:17 p.m. yesterday afternoon, we received an email that meets all the criteria for a protest. He would categorize this a protest that the city has received, and would categorize it on its merits as not well founded. It contains incorrect statements of fact since he was part of the original administrative decision to reissue the solicitation. The allegations and the foundation of the protest is without merit. His recommendation to the protest, the council has the prerogative to either call for a hearing or council can authorize the issuance of a written response to the protest. His recommendation to this particular protest that the council authorize staff to issue a written response denying the protest.

The council agreed to authorize staff to issue a written response denying the protest.

Mayor Elinski moved to award the proposed custodial janitorial services contract to Melton and Sons, LLC, subject to approval of the final form of agreement by the city attorney, and direct the city attorney to deny the protest. The motion was seconded by Council Member Henry, and carried unanimously.

AGREEMENT WITH SEDONA NOW AND CLEAR PRODUCTION SERVICES FOR MEDIA COVERAGE TO PROMOTE THE CITY IN EXCHANGE FOR MEDIA COVERAGE PROVIDED BY THE PARKS & RECREATION DEPARTMENT THROUGH IN-KIND RESOURCES

Mr. Allen stated staff was approached by Sedona Now to promote city events via media coverage in Sedona hotels. They would have three 60 second commercials to promote Thunder Valley Rally, Walkin' on Main, the Brian Michelsen Marathon, and other key events in the city.

Mayor Elinski stated on the agreement it only lists one event, and the communication form says many events, and asked which it is.

Mr. Allen stated so if you look at the SNM contract agrees to air three 30 second spots 12 times per day for 12 months. In essence those are three commercials promoting three different programs.

Mayor Elinski stated the contract states it will promote Thunder Valley Rally over SNM television channels.

Council Member Allen asked if the contract can be amended with the desired change.

Mr. Horton stated we can make sure the contract includes the specifics, and can be contingency of the council approval.

Mayor Elinski moved to approve the proposed agreement between Sedona Now and Clear Production Services for media coverage promoting the City of Cottonwood in exchange for media coverage of Sedona Now and Clear Production Services provided by the Parks and Recreation Department through in-kind services with understanding that the agreement is contingent upon promoting other city events. The motion was seconded by Council Member Allen, and carried unanimously.

CLAIMS/ADJUSTMENTS

Council Member Allen moved to pay the claims and adjustments. The motion was seconded by Council Member Norman, and carried unanimously.

ADJOURNMENT

Council Member Allen moved to adjourn. The motion was seconded by Mayor Elinski, and carried unanimously. The meeting adjourned at 9:00 p.m.

Tim Elinski, Mayor

ATTEST:

Matthew McLean, Deputy Clerk

CERTIFICATION OF MINUTES

Regular Meeting
Cottonwood City Council
June 6, 2017
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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 June 6, 2017. I further certify that the meeting was duly called, and that a quorum was present.

Matthew McLean, Deputy Clerk

Date