Minutes of a Regular Session of the Common Council of the Town of Clarkdale
Held on Tuesday, July 12, 2011

A Regular Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, July 12, 2011, at 6:00 P.M. in the Men's Lounge of the Clark Memorial Clubhouse, 19 N Ninth Street, Clarkdale, Arizona.

CALL TO ORDER - Meeting was called to order at 6:00 PM by Mayor Von Gausig.

Town Council:
Mayor Doug Von Gausig
Vice Mayor Richard Dehnert
Councilmember Patricia Williams – By Telephone at 6:00
Councilmember Curtiss Bohall
Councilmember Bill Regner

Town Staff:
Town Manager Gayle Mabery
Community Development Director Sherry Bailey
Public Safety Director John Wintersteen
Utilities Director Wayne Debrosky
Town Clerk/Finance Director Kathy Bainbridge
CSP Manager Jodie Filardo
Human Resources/Community Services Director Janet Perry

PUBLIC COMMENT – The Town Council invites the public to provide comments at this time. Members of the Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date. Persons interested in making a comment on a specific agenda item are asked to complete a brief form and submit it to the Town Clerk during the meeting. Each speaker is asked to limit their comments to five minutes.
There was no public comment.

Upon general consent of the Council the order of the agenda was changed to take the consent agenda before the reports.

CONSENT AGENDA - The consent agenda portion of the agenda is a means of expediting routine matters that must be acted on by the Council. All items are approved with one motion. Any items may be removed for discussion at the request of any Council Member.

A. **Approval of Minutes of the Common Council** - Approval of the minutes of the Regular Meeting held June 14, 2011and Special Meetings held June 28, 2011.

B. **Claims** - List of specific expenditures made by the Town during the previous month. June check log and PPE dated June 4th, 13th & 18th.

C. **Board and Commission Minutes** – Acknowledgement of receipt of minutes and draft minutes of the previous month's Board and Commission Meetings.
Board of Adjustments – Notice of Cancellation of Regular Meeting June 22, 2011.
Design Review Board – Notice of Cancellation of Regular Meeting June 1, 2011.

Heritage Conservancy Board minutes of the meeting held June 16, 2011.
Library Advisory Board minutes of the meeting held June 2, 2011.
Planning Commission minutes of the meeting held June 21, 2011.
General Plan Update Committee – Notice of Cancellation of Meeting June 20, 2011.

D. **Proclamation Proclaiming the Month of August 2011 as Drowning Impact Awareness Month**– Approval of a Proclamation declaring the month of August 2011 as Drowning Impact Awareness Month.

E. **Verde Valley Humane Society Impound Animal Agreement** – Approval of a 2011-2012 Verde Valley Humane Society Impound Animal Agreement.

F. **Special Event Liquor License -** Approval of a recommendation to the State Department of Liquor License and Control to approve a Special Event Liquor License for the Yavapai College Foundation fundraising event to be held on Thursday, October 6, 2011 from 4:00 – 10:00 p.m. at 601 Black Hills Drive, Clarkdale, AZ.

G. **Job Order Contracting (JOC) for the Town's Engineering/Architectural Services** – Approval of the Selection Committee recommendation for firms identified through the Request for Qualifications (RFQ) for the Engineering/Architectural Services JOC process.

Councilmember Regner pulled Item G - **Job Order Contracting (JOC) for the Town's Engineering/Architectural Services – Approval of the Selection Committee recommendation for firms identified through the Request for Qualifications (RFQ) for the Engineering/Architectural Services JOC process.**

Vice Mayor Dehnert moved to accept Consent Agenda Items A – F as prepared by staff. Motion seconded by Councilmember Bohall. Motion approved unanimously.

Item G - Job Order Contracting (JOC) for the Town's Engineering/Architectural Services – Approval of the Selection Committee recommendation for firms identified through the Request for Qualifications (RFQ) for the Engineering/Architectural Services JOC process.

The Town of Clarkdale advertised a Request for Qualifications (RFQ) for the Town's Engineering/Architectural Services JOC on June 1, 2011 and on June 8, 2011. By the submittal deadline of June 23, 2011 a total of seventeen (17) Statements of Qualifications (SOQs) were received. After review of the all submittals, eleven (11) SOQs were given to a Selection Committee of four (4) individuals for consideration and ranking. The Selection Committee met three times to evaluate the SOQs using the Evaluation Criteria as outlined in the Request for Qualifications packet. On July 6, 2011 the Selection Committee met, reviewed the evaluation scoring sheets, and ranked the firms according to the process outlined in the RFQ packet. On July 11, 2011 the results of the selection process, pending Council approval, were communicated to the seventeen (17) firms that submitted SOQs.

This process was started in order to get an ADOT approved firm for design of special grant projects and will be for ongoing services as needed. The goal was to get four firms in order to

have a rotation for additional flexibility. Firms will be chosen by their expertise by project along with following a rotation schedule. The firms could be requested to give projections on cost since the qualifications process has been completed. The firms know that this is a qualified list. There will be a selection process for each project. The selection process for specific future projects will be based upon a defendable selection criteria process.

Councilmember Regner moved to approve Consent Agenda Item G, the Selection Committee recommendation for firms identified through the Request for Qualifications (RFQ) for the Engineering/Architectural Services JOC process:

- Southwest Environmental Consultants, Inc.
- Shephard Westnitzer, Inc.
- Plateau Engineering, Inc.
- Lyon Engineering

Motion seconded by Councilmember Bohall. Motion approved unanimously.

MAYOR, COUNCILMEMBERS AND TOWN MANAGER REPORTS ON CURRENT EVENTS – A brief summary of current events by the Mayor, Council Members and Town Manager. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary.

1. Interviewed for acceptance to the Flinn-Brown Civic Leadership Academy, which is a leadership training focusing on state level issues. Was accepted for the fall class.

2. Welcomed the Somerton, Arizona Town Council to their retreat in Clarkdale.

3. Attended a wastewater treatment plant meeting regarding the 1/3 design stage of the new plant.

4. Attended a meeting regarding Verde River diversion dam and the Verde River @ Clarkdale project.

5. Attended the Yavapai County Redistricting presentation.

6. Met with Chip Davis regarding the Water Advisory Committee.

7. Welcomed the Solar Ambassadors at their meeting in Clarkdale.

8. Attended July 4th in the Park. Community Services Supervisor Dawn Norman did a great job organizing the event. The event was well attended with many volunteers helping.

9. Phone conference with Jamie Mierau, American Rivers, regarding the Blue Trails Program.

10. Attended the Technical Working Group of CYHWRMS (Central Yavapai Highlands Water Resource Management Study). The Study is very complex and at the end of Phase Two – identifying what all of the possible water sources will be in the year 2050 and some idea where we will be getting water at that time. Phase Three of the report is a detailed analysis of impacts of various water uses/areas. There are 13 different categories

of possible environmental impacts. The Verde Valley has between 7 - 13 environmental impacts of water use. Clarkdale had 8, Prescott Valley - 1, Prescott - 3, Chino Valley - 2. Those communities have a different view of impacts.

11. Met with Supervisor Chip Davis regarding Yavapai County redistricting.

TOWN MANAGER REPORT:

1. Concerts in the Park – July 16th and July 30th
2. The Pool closes July 27th
3. National Night Out is August 2nd
4. One West Bank (Mountain Gate ownership) has two developers' proposals accepted which are in the due diligence process, one for 36 lots and one for 400 lots.
5. Community Development Director Bailey submitted her resignation for retirement effective September 1, 2011. Advertising for senior planning position; Jodie Filardo will be the Director for Community Development and Economic Development along with working on Sustainable Clarkdale projects.
6. The Public Works Superintendent submitted his resignation for retirement and we will be filling that position.
7. The Police Department Patrol Officer position is in the application process.

COUNCIL REPORT:

INFORMATIONAL REPORTS

CAT/ VVTPO– A report regarding the Cottonwood Area Transit and the Verde Valley Transportation Planning Organization & other transportation affiliations. Councilmember Bohall reported no meeting.

COCOPAI – A report regarding the Coconino Yavapai Resource Conservation District. No Report.

VVLPI – A report regarding the Verde Valley Land Preservation Institute. No Report.

NACOG - A report regarding the Northern Arizona Council of Governments. Vice Mayor Dehnert reported on some of the discussions: the Council approved the final 2011and proposed 2012 budget which was the same as the last few years. Discussed ADOT's 5-year program, approved FY 12 – FY 16 Regional Transportation Improvement Program Update, approved Transportation Policy Advisory Committee member appointments, adopted a resolution authorizing submission for a planning grant, approved new EDC members and officers, approved Head start Committee re-designation, approved proposed changes to NACOG personnel rules and regulations as required by the new medical marijuana statute, and elected 2012 regional council private members by county.

NAMWUA - A report regarding the Northern Arizona Municipal Water Users Association. No report.

VRBP – A report regarding the Verde River Basin Partnership. No report.

WAC - A report regarding the Yavapai County Water Advisory Committee. Mayor Von Gausig

reported discussions regarding new flow model run by USGS continues to be an issue.

VVREO – A report regarding the Verde Valley Regional Economic Organization – Councilmember Regner reported VVREO accepted the resignation of Sherry Bailey from their board, followed up on core values and mission statement work, continue to work on their USDA/IRP Revolving Loan Fund and their Development Resource Guide, and are discussing how to best utilize the outcomes and Recommendations from Community Conversations on the Verde River.

YCL – A report from the Yavapai College Liaison. Councilmember Regner reported Dr. Penelope Wills begins her leadership role on August 1st, fall 2011 semester begins on August 22nd, and the programming and concept design plan for a wine education facility is underway.

Councilmember Williams left the meeting at 6:50 PM

NEW BUSINESS

YAVAPAI COUNTY REDISTRICTING PLAN – Discussion and consideration of a preferred Yavapai County Redistricting Plan.

Ana Wayman-Trujillo, the Yavapai County Recorder, attended the Town Council meeting to present the four proposed redistricting options to Council. After each census, counties are required by Federal Law to re-draw supervisorial district boundaries to equalize district populations. Yavapai County is finalizing the process and has developed four possible divisions that meet the Federal requirements as well as the state requirement for increasing the total number of districts to five. The maps have equal population, not discriminate as prohibited by federal law, are created using existing election precincts, and are contiguous.
The last day for public input on the proposed maps is July 31, 2011 with the Board of Supervisors voting to select the district map in August. From then it will go to the Department of Justice for their approval before it is implemented in 2012.

AZ law requires counties of population of 175,000 or more to have five supervisorial districts. Yavapai County population is 211,033 with growth rate of 26%, which is the 3rd fastest growing in state. Yavapai remains the 4th largest county in Arizona based on population.

August 22, 2011, the Yavapai County Board of Supervisors will select the final district maps in Prescott, televised at Cottonwood annex. The Board could decide to move lines, draw a different map, or approve one of the maps.

January 13, 2013 is when the five member board take their seats.

Map C keeps Clarkdale, Cottonwood, Jerome, Verde Villages, Cornville, and Page Springs all together as a Supervisory District and seems to be the best for the Verde Valley of the choices.

Councilmember Regner moved to direct staff to move forward with drafting a Resolution reflecting Map C as the preferred redistricting plan for the Yavapai County Board of Supervisors for the next council meeting. Motion seconded by Bohall. Motion approved unanimously.

TOWN OF CLARKDALE CENTENNIAL LOGO– Discussion and consideration of a Town of Clarkdale Centennial Logo.

Deleted by Addendum

CLARKDALE GENERAL PLAN 2011FINAL OVERVIEW – A final overview of the 2011 General Plan document prior to the Call of Election.

CDD Bailey reported that this is the first time the Council has viewed the entire new general plan which includes the education chapter. Election will be moved to the March, 2012 election in order for the Council to have a last review, Planning Commission public hearing and Council public hearing prior to adoption and Call for Election.

The Council has reviewed the amended the 2011 General Plan over the past nine months and given direction to staff for changes. Most of those changes were grammatical rather than substantive, and the new document in your packets includes those changes.

Chapter 5, Open Space, is more focused on Clarkdale's natural environment and Water Resources was revised along with smaller requested changes throughout being completed. Citations within the text where required and a Bibliography was included.

Requested Changes:

1. Changes regarding adjudication and not specifically naming the Salt River Project.
2. CYHWRMS study not included, but could be referenced with a directional impact.
3. Spelling errors.
4. Collector and future designated collector street clarifications.
5. Trails Map – trail added by railway.
6. Open Space – very general Centennial Park concept plan referencing Verde River access.

CALL OF ELECTION – Approval of a Call of Election for Citizen approval of the Town of Clarkdale 2011 General Plan on November 8, 2012.

Deleted by Addendum

WORK SESSION REGARDING THE VERDE RIVER @ CLARKDALE – A work session to discuss formulating a project to improve public access, while simultaneously restoring wildlife habitat, promoting economic development, and heighten awareness of the Verde River to become a performing asset for the Town of Clarkdale.

CSP Project Manager Filardo explained that on Wednesday, May 18, 2011, Mayor Von Gausig and Town Manager Gayle Mabery drove around the Town with the intention of exploring under-performing Clarkdale assets. This car trip proved fruitful and tonight's discussion resulted directly from that conversation in the car.

What was clear to them and to many in Clarkdale is that a key resource – the Verde River and related recreational areas are underutilized, inaccessible, and as a result, economically undervalued by the Town and its residents. This project seeks to change that situation.

The Verde River travels 2.2 miles through Clarkdale and approximately 500 acres of prime open space owned by a variety of public and private landowners, both large and small including Clarkdale Minerals LLC, Freeport McMoRan, Arizona State Parks Board, the Federal Government, and the Town of Clarkdale.

To explore the possibility of improving public access to and education about the river, a small team of key stakeholders met on June 22, 2011 to discuss a Sustainable Clarkdale proposal to provide improved access to the Verde River running through the Town. Present at the meeting were representatives from the Town, The Nature Conservancy, Yavapai County, and Freeport-McMoRan Inc. (Representatives from Arizona State Parks and the National Park Service were invited but unable to attend this meeting.) The team discussed formulating a project to improve public access, while simultaneously restoring wildlife habitat, promoting economic development, and heightening awareness of the Verde River. In short, the project hopes to result in the river become a performing asset for the Town of Clarkdale.

In initial discussions, three river access points were explored: one close to the northernmost point where the river enters Clarkdale close to Brewer's Tunnel, the next at the Tuzigoot Bridge – on or around the Arizona State Park/Verde River Greenway land there, and the last at the base of Tuzigoot near the Cottonwood Ditch diversion. Providing a chance for residents and visitors alike to get on the river either in kayaks, in canoes or on tubes is thought to be important to connecting the public to the value provided by a free-flowing river. Current diversion structures inhibit the ability for people to float down the river without having to get out and hike around dams and dikes, and fish are prevented from migrating up river due to the same obstructions.

The first significant diversion on the Verde River (to feed Peck's Lake) is the Brewer's Tunnel diversion (owned by FMI). Some initial discussion regarding ways in which the diversion of water might be handled differently, or more efficient ways to divert water, ensued with the presentation of options ranging from the installation of a grid-tied, solar-powered sump pump to divert a flow equal to approximately 7 cubic feet per second (cfs) to other sorts of diversion structures already in use in the Pacific Northwest. In general, the Brewer's Tunnel diversion could be handled in a way to allow the river to flow more freely (at about 40-60 cfs), providing a better recreational experience and enhancing wildlife habitat while at the same time reducing overall costs and management issues for FMI.

Protection of any water rights associated with current diversions is a key component of the project, and is of utmost importance to the owners of the diversions and the water rights. With that acknowledged, Freeport-McMoRan Inc. (FMI) has expressed a desire to continue discussions about alternative diversions (an idea they are already exploring internally), and noted that all potential options for effectively and responsibly managing this area (both on the Verde River and in the Peck's Lake area) are of interest to them.

As a result of the meeting, FMI representative, Angie Harmon agreed to brief her colleagues at FMI and to give direction to all involved as to next steps with FMI. In addition, the Clarkdale staff has been in contact with representatives from Arizona State Parks and the National Park Service and will pursue those contacts once they return from other obligations to connect with those key stakeholders.

Key to all is the acquisition of both long term capital plus operating expense funding to ensure the long term viability of any new facilities developed in support of public access. Funding sustainability, insurance issues, management planning, land access, removing fish barriers, river flows, ecological services and who will pay for all of these aspects need to be defined in a feasibility study.

Additionally, after gaging the interest of the Town Council, it will be important to begin discussions with members of the public to help define where their interests lie with the many components of this project.

It is important to retain the rights of the people who own the diversions to the water. We would like to explore alternative methods of diversion that deliver the amount of water they have a right to use, but maintain as much flow as possible in the river so that you can increase recreation and habitat usage of the river.

It's possible to protect, preserve and restore the river and its habitat while honoring existing water rights, enhancing the public's experience and improving the economy of Clarkdale.

Prioritization of projects will need to happen for allocation of staff and funding.

The Walton Family Foundation has put us in contact with the American Rivers Association, an organization that advocates rivers in the US. They have a program named Blue Trails that establishes an aquatic trail through an area that helps preserve and teach people about the river. They want a test case in the West.

Major concerns were available staffing resources and funding opportunities.

Council gave direction to staff to pursue The Verde River @ Clarkdale project including the establishment of formal stakeholder discussions, public outreach, and the creation of an executive overview of the feasibility study for further review and approval by Council.

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF CLARKDALE, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE TOWN CLERK AND ENTITLED "AN ORDINANCE OF THE TOWN OF CLARKDALE, ARIZONA, RELATING TO THE PRIVILEGE LICENSE TAX; ADOPTING THE 2010-11 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CLARKDALE" - Discussion and consideration of Resolution # 1362, declaring as a public record that certain document filed with the Town Clerk relating to the privilege license tax and adopting the 2010-11 amendments to the tax code of the Town of Clarkdale by reference.

The Model City Tax Code changes, summarized below, were approved by the Municipal Tax Code Commission in April 2011.

Section 1: This section adds language to the existing definitions of "Food" and "Prosthetic", and creates a new definition for the phrase "Medical marijuana". These changes were made for the purpose of specifically excluding medical marijuana from those definitions, and thus excluding sales of medical marijuana from the related exemptions available under the Retail classification of the Model City Tax Code (MCTC). The additional language makes it clear that medical

marijuana sales are taxable at the regular Retail tax rate in all cities and towns. This section shall be effective from and after June 1, 2011.

Sections 2-4: The changes in these sections are to comply with the 2010 regular legislative session passage of HB 2700. HB2700 changed the sunset date under Contracting in A.R.S. 42-5075(B)(14) for installed solar energy devices, extending the deadline from January 1, 2011 to 2017. The three affected sections of the MCTC have the same language and these changes align the sunset date in the MCTC with the State statute. A technical correction adding reference to the Arizona Revised Statutes is also being added to the exemption for development fees in each section. These sections shall be effective from and after July 29, 2010.

Section 5: New subsection 445(s) is added to incorporate HB2510, passed during the 2010 regular legislative session, which prohibited cities and towns from taxing commercial rentals between two corporations when either the landlord or lessor corporation owns at least 80% of the voting stock of the other corporation. Also allows exemption if a third corporation owns 80% of both the landlord and the lessor corporations, and treats a "reciprocal insurer" as if it were a "corporation" for purposes of the exemption. This section shall be effective from and after July 29, 2010.

Section 6: The changes in this section were made based on cooperation and compromise between the Unified Audit committee and banking interests. The changes address the treatment of successor privilege tax liability in the event of a foreclosure. The new language allows for the deferral of payment of the delinquent privilege tax until after the creditor subsequently sells the property, aligning the cash flow related to the property with payment of the tax liability.

In addition, this amendment will allow for the creditor's tax base to be based on their subsequent selling price, and also provides for tax credits in the event the debtor comes forward to pay their liability after the creditor's payment. This section shall be effective from and after May 1, 2010.

Section 7: During the 2009 regular legislative session, SB1196 created a use tax exemption for school districts and charter schools which was not previously incorporated into the MCTC. This preemption in A.R.S. 42-6004(F) exempts the storage, use, or consumption of tangible personal property by a school district or charter school. This section shall be effective from and after September 30, 2009.

To save the cost of publishing in the newspaper a lengthy ordinance, this change is being first made a public record by resolution (this agenda item) and then is adopted by reference by an ordinance.

Councilmember Regner moved to adopt a Resolution # 1362, declaring as a public record that certain document filed with the Town Clerk entitled "THE 2010-11 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CLARKDALE." Motion seconded by Vice Mayor Dehnert. Motion approved unanimously.

AN ORDINANCE OF THE TOWN OF CLARKDALE, ARIZONA, RELATING TO THE PRIVILEGE LICENSE TAX; ADOPTING "THE 2010-11 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CLARKDALE " BY REFERENCE; ESTABLISHING AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS. - Discussion and consideration of Ordinance # 334, amending the 2010-2011Tax Code of the Town of Clarkdale.

The ordinance was drafted by the League of Arizona Cities and Towns based upon Model City tax Code changes which were approved by the Municipal Tax Code Commission in April 2011.

This ordinance adopts the document made a public record by Resolution #1362.

Councilmember Regner moved to adopt Ordinance #334, AN ORDINANCE OF THE TOWN OF CLARKDALE, ARIZONA, RELATING TO THE PRIVILEGE LICENSE TAX; ADOPTING "THE 2010-11 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CLARKDALE " BY REFERENCE; ESTABLISHING AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS in Article 8-2 of the Clarkdale Town Code. Motion seconded by Councilmember Bohall. Motion approved unanimously.

FUTURE AGENDA ITEMS - Listing of items to be placed on a future council agenda

ADJOURNMENT at 8:20 p.m.

APPROVED:

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Doug Von Gausig, Mayor

ATTESTED/SUBMITTED:

_____

Kathy Bainbridge, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of the Town of Clarkdale, Arizona held on the 12th day of July, 2011. I further certify that meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2011 SEAL

_____

Kathy Bainbridge, Town Clerk