

**THE MINUTES OF THE WORK SESSION MEETING OF THE MAYOR AND
CITY COUNCIL, OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA
HELD ON THIS 20 DAY OF SEPTEMBER 2010**

CALL TO ORDER-Mayor Gerald W. Lindsey called the work session to order on Monday, September 20, 2010 at 6:00 p.m. Welcome to work session and expect discussion and participation from all here to share their thoughts.

ROLL CALL –City Clerk Cristina G. Whelan, CMC, called the roll:

PRESENT

Mayor Gerald W. Lindsey
Vice Mayor Monika Cronberg
Councilman Elwood A. Johnson
Councilman Stephen Klump
Councilman Robert “Bob” Irvin

ABSENT

Councilman Christopher Donahue
Councilman William “Bill” Holloway

STAFF

City Manager Pat McCourt
City Attorney Hector M. Figueroa
City Clerk Cristina G. Whelan, CMC
Library Director Tom Miner
Public Safety Director Jake Weaver
Finance Director Ruth Graham
Public Services & Works Director Dave Bonner
Building Inspector Jeff Stoddard

PLEDGE OF ALLEGIANCE TO THE FLAG-Mayor Lindsey

DECLARATION ON CONFLICT OF INTEREST-There was no response from the Mayor, Council members or staff.

ADOPTION OF THE AGENDA

MOTION: Councilman Johnson moved to adopt the agenda as presented.

SECONDED: Vice Mayor Cronberg seconded the motion. **CARRIED.**

DISCUSSION REGARDING THE PROFESSIONAL SERVICE AGREEMENT –TWIN LAKES GOLF COURSE

City Manager Pat McCourt addressed the Mayor and Council. The City Manager explained the City owns and operates Golf Course and has contracted it out. Request for Proposals went out 2003 and amended May 2004 and July 2008. The current providers are John and Betty Peterson and are in attendance here. The current contract appears to expire December 31, 2010. Staff has looked at the options to go out for new RFP; talk with current provider and after discussion wants to continue. After 5-months established contract especially in areas not well defined on certain tasks. New Professional Service Agreement-Twin Lakes Golf Course is included in packet. The City owns the course, City provides effluent water up to supplies available; City retains ownership and maintenance of capital components; the Pro takes care of all the maintenance, seeding, watering, cutting of grass, sprinkler system maintenance from control box to sprinkler heads and the City's maintenance is from the values to control box. The City pays a subsidy to the Pro and Pro allowed to sell goods and services at the course and retain those. The amount is \$52,000/year paid to the Pro from \$40,000 General Fund Parks and \$12,000 from Sewer Fund. New contract does slightly modify that. \$54,500 because did shift some duties from maintenance of sprinkler to Pro and \$40,000 General and \$14,500 from Sewer Fund. Public Services and Works Director Dave Bonner stated already have that money in Maintenance and shifting it over. Clarified ownership of property the older did not provide for Pro to put in capital. Under the new there is provision with City approval can make capital improvements and recover over lifetime. If City wants to part ways then City would have to pay back the un-reimbursed and Pro would have some protection and there is incentive for Pro to put in capital improvements if he and City agree to that. Provision of Section 5 states 2% Greens Fees and Membership Fees collected by Pro are to be paid to City and also have provision that the City will take that money as it is coming in and set aside until reaches \$2,500 that will be used for improvements of the sprinkler system on the course. If collected \$10,000 then only \$2,500 in this account. Mayor Lindsey asked if one time \$2,500 or each year and once reaches that then the funds goes to General Fund. City Manager McCourt explained that surplus above goes to the General Fund and Mayor said then drawn down then funds come back into that account. Mr. McCourt replied “that is correct.” Given the existing Greens Fees and Number of Rounds the Greens Fees would be a little above \$1,000 that the 2% would generate. It is not a massive amount of money. Staff worked very hard to clarify duties of parties and spent vast amount of time.

The Agreement does provide that the Pro would have the ability to continue to Lease the Liquor License that the City has. It was mentioned to the City Manager that perhaps we need to more clearly define in the agreement and he lifted it directly from

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previous agreement and it seems to work well and it was pointed out to him perhaps the City needs to have better understanding on what's happened under that Liquor Agreement. He will talk to John Peterson and does not anticipate any difficulties.

Mayor Lindsey thanked them for being here and thanked the City Manager for providing information, appreciates input and looks forward to working with them.

There is provision for the Peterson's if they wish to sell the business and assign to another party. They will ask the Council to approve or disapprove; we have defined hours of operation minimum 300 days per calendar year that the Course would be kept open. Mr. Peterson also added free greens fees to City employees and City Manager said it is item on page 5 under 6H that City Employees could get free greens fees if they wanted to rent cart they have to pay for that and for golf balls. The City has negotiated quite extensively and both concerned with clearly defining duties. Both parties are not quite happy although at an agreement.

Mayor Lindsey asked if we have any legal obligation to go out to bid. Mr. McCourt explained he asked the City Attorney and his response is "apparently not." We have ability to do that if we wish and there is no requirement and could go out for Request For Proposal. Mayor Lindsey then have they considered an extension and Mr. McCourt said it would be a very extensive amendment. The other amendments were quite substantial. Staff is "happy" with our current Pro and working with them and we hope they are happy working with us.

Councilman Johnson asked if there is a designated line item in our budget for funds raised for replacement of Club House. Mr. McCourt said that is correct. In Fund 17 monies were collected specifically for the use on the Club House at the Golf Course and are totally separate from this. And those are also available for capital. Councilman Johnson wants work session to redo the roof and we have not done anything since last time we met. Mr. Bonner explained the roof at the Club House was repaired: wings and re-roofed. A window plane down and concerned structure failure and found not nearly as bad as we thought because it was Cedar. Mr. Peterson has also got a tent put up which helped out there too. Councilman Johnson asked about termite inspection and have we had any problems recently. Mr. Peterson replied in the affirmative. Mr. Bonner stated that the termite damage was limited to the Douglas Fir around the windows but the Cedar structure itself did not have any termite damage. Vice Mayor Cronberg asked if replaced and upgraded and Mr. Bonner replied on that one window it was. Plan to continue that all around. Mayor stated Councilman Johnson's question was has there been inspection and are there still termites active. Mr. McCourt said not that he is aware of.

City Manager McCourt explained we have Exhibits and one is the list of City owned equipment separate from structures; Exhibit B was what was planned for RFP and incorporated; Exhibit C is blank to list Capital Improvements if any and agreed upon and depreciation schedule; Exhibit D we would more clearly define maintenance of the course and we would work on that issue. Councilman Johnson asked if we still have severe issues with water and sprinkler heads. Mr. Peterson said there are several severe issues and of all the problems the sprinkler system is the worst due to age, continually pumping "dirty water" before corrected. It has taken a toll on the sprinkler heads. Some issues would have happened because of age and some was exaggerated because of the dirty water. Everything he can think of in his mind has gone really smooth. The irrigation system is a problem and continues to be a problem and City has to do quite a bit of work because that needs to be done. Probably 2/3's of the system is working and 1/3rd is not working correctly.

Mr. McCourt stated the fees the Pro can establish are virtually all the discretionary fees are set at his discretion. The Pro can recommend fee changes for the Green Fees and Memberships to the Council which the Council can ratify. Basic decision recommendation remains with the Pro and it does reduce the Council's authority to set special fees or anything else. The Pro has an incentive to keep those fees affordable to encourage players and at the same time the City Council has responsibility to the general public to make sure the Course is affordable to play. Councilman Johnson asked if in agreement and Mr. Peterson replied he "thinks it is a really good agreement." He applauds all of the staff's good work; it has been 5-months and thinks we have a good agreement. Councilman Johnson said it meets the needs of the City and it meets the needs of the Pro. In time it will build the golf course as another destination spot as we continue to improve. Now we have extra bit of money to come and go towards improvements. Mr. Peterson said he thinks 8-years ago the course was at a certain level and we would

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be hard to find someone that the course has not progressed steadily and thinks we can continue to improve it can be one of the hot spots in Willcox, and really believes that, recreation wise for people who are passing through especially in the winter and thinks it can be a really important part of Willcox. Councilman Johnson commended him for the work he has done, the upkeep done, and it is a Course that he likes to play on and the greens are always nice. Ms. Betty Peterson said it was very important to discuss how this was all going to happen. That we look at Jason Jones who is a member of our community a rock solid in community, his wife is a teacher, he has 4-kids, he coaches, very active, and the Peterson's want to make sure however they left the Golf Course he would have enough income to support him and take care of his family. The Golf Course is not a huge money maker. On Sunday afternoons when it is really packed people think they are making lots of money and they don't remember that on those days when the wind is blowing and cold they are out there working and have to pay others to work waiting for summer days to make a little money. They want it set up for him so that he is not a stocker at Safeway at night time so that he can work at Golf Course. He will not get rich but he can take care of his family. City Manager McCourt said that the rounds of golf over the years the big changes have been totally contributed due to weather. Councilman Irvin asked if there are any plans to replace the old dilapidated equipment and Mr. McCourt said the City does not have any capital plans at Golf Course other than fixing the wastewater treatment plant for quality and quantity of equipment. Mr. Peterson said Oscar Hudson (Parks Supervisor) did that part of the agreement and he was quite accurate and a little bit generous when he said "old and used up" it is worthless. The fuel tanks have great value one unleaded and one diesel tank. The rest has to be replaced and they do use it for parts and piece has less value. Mayor Lindsey suggested take that equipment it to Pro so that not accused of stealing from the City. (Laughter) City Manager McCourt suggested sell it for scrape. Mr. Peterson said there is one piece remaining. Councilman Johnson asked if still depreciating (laughter). City Manager said not sure still on our schedule. From staff standpoint feel we have workable agreement and if it is their pleasure on regular agenda meeting provide direction. Staff would appreciate their direction and if want them to do the amendments or to go out for proposals need to know immediately to get it out. Staff recommends we work well with the contractor and quite comfortable with them and feel negotiated the agreement to the point that neither are smiling very much and recommend their approval.

Mayor Lindsey has question on item 7a) talking about things "City will keep up and water hazard/lakes means maintaining the body...to hold water and not leak." Then further on "...not capable to holding water....then the City does not have funds budgeted...." thinks should be modified or taken out. City Manager McCourt replied left that in because think water holdings are amenity and couldn't say when we could get them back into shape because of the current financial situation of the City. It is beneficial to have those water hazards on the golf course and wanted to leave it and want to be clear on the current City position. Mayor Lindsey said it was inferred that if we did approve this agreement there was possibility that it might be assigned to someone else. Mr. McCourt said there has been some discussion on that. Mayor Lindsey said he would like a work session to talk about this. Mr. McCourt said there is a provision in the Agreement for Assignment. An Assignment has to come to Mayor and Council for approval because a Professional Service Agreement like this is very dependent on the parties leaving being very comfortable with each other, being able to talk and comfortable with the abilities of the parties. There has been discussion on assignment and that would be up to John & Betty to decide if they want to do that. Mayor Lindsey asked if Mr. Peterson had any comments.

Councilman Johnson said "Betty" had mentioned that "Jason" would take it over. He does not think that "John" would let Jason let the Golf Course "go to hell" because he is going to want to play on it. The Assignment he thinks would go to Jason. City Manager said there are a couple of options and one is to do an assignment. The other the Agreement has a provision that John does not have to be personally on the course to do these things. Mr. Peterson can assign Supervisor to run the course and that provision is also in the agreement. Ultimately the City would still hold the Peterson's responsible but he could hire Jason as on-site Supervisor and "go on a world tour." Mayor Lindsey does not see that as a problem and comfortable with Jason and thinks something they need to know before entering into agreement. City Manager asked to let them do something with the agreement because time is getting short. Before any assignment person would have to submit qualifications before Council makes decision. Mr. Peterson does not like the section "the plan is to assign" and hopes that is not a shock to anyone. The last 8.5 years have been very good, projects been good and thanked them for vote of confidence the project has been awesome and loved every minute of it and it is time to leave. It is with some regret he did not finish everything he had hoped to and there have been a few changes in their lives and "plan is to assign." Mr. Jones has been working with them for 2.5 years, a more solid person you will not find, and he is the right choice and he seems to click right into place. Mr. Peterson recommends him wholeheartedly and thinks he is good for Willcox, golf, and thinks we would be

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lucky to have him. The plan is to assign as soon as possible. Not exactly sure if everything goes as drawn up the assignment would happen as soon as possible. He will be here, will continue to play golf, and help Jason as he can and hopefully assignment would take place as soon as possible with Council approval. Mayor Lindsey said he is one that "begged" him to stay on and appreciates him taking that on and knew he had other things on his mind that he might have rather done. It certainly has been good to have you there. Vice Mayor Cronberg echoed and agrees that Jason is truly an asset on several fronts and has always thought that. He was a teacher and a mentor at the school and anything he does he does in a first class way and does not think there will be any qualms.

City Manager McCourt in closing has had some questions raised on paragraph 22 and doing some clarification there. Agreed that the Pro can use City's Liquor License and nothing changes status quo. It clarifies so that the City has enough safe guards to protect that asset which is a very valuable asset that the City owns. Want to put some clarification and Mayor said it certainly needs to be maintained. Mr. McCourt will meet with John in the next day or so. Mayor Lindsey asked any plans for expansion or changes that the Council might be interested in. Mr. McCourt said that monies in Fund 17 available for Capital and we did say we were going to fill in some of those low spots and we are going to change over the one practice green from potable water to effluent water and have those built into current budgets. Mr. Peterson said he is hoping to get on the new work shop two (2) roll up doors. Mr. McCourt will have to ask Mr. Bonner to respond.

Councilman Johnson said in near future i.e. November wants to hold another work session or planning session on what we can do for future improvements or Strategic Plan. Mr. Peterson said he would like to be a part of that. The City Manager reported currently the City uses about 1700 sq. ft. out in the one building for the Food Pantry and have to retain that for use for the City. Mayor Lindsey said he would like to see that become a Club House and Mr. McCourt said talked about that and that is one of our "goals or dream" and working under assumption the Council wishes us to continue to support the Food Panty. Perhaps move that into town i.e. Fire Station on Maley when that Station moves to Rex Allen Drive and then we would have that space freed up and convert all to Golf operations. That is a dream that we have no time line. Councilman Johnson said just line the "back 9." (Laughter)

Mr. Bonner said budget has Capital Improvements \$27,000 which includes some of the work talked about including the roll up doors. There are monies there for Capital Improvements. Mr. Peterson stated two (2) years ago we did have a major fund raiser and Finance Director Ruth Graham said deposited \$13,500.00 Mr. Peterson realizes it has been set aside and earmarked and not sure it was for club house improvements thinks it was for Capital Improvements. With them leaving they have their names on it and they solicited donations and not sure what to do there. Part of him almost feels as they exist that that money be spent on something quite visible and a very nice improvement so that there is no doubt on individuals that made donation know that that money did not go into the General Fund. Mr. McCourt replied he will talk to Mr. Peterson and see about getting something setup and ultimately bring it to Mayor and Council. Mayor Lindsey had questions if that \$27000 includes that \$13,000 or is that separate fund. Finance Director Graham said the \$13,500 is in a separate fund. Mr. Peterson does not know if that \$13,000 requires Mayor and Council approval since that was money that they went out for it and people pledged and they wanted the City have it but feel like it is their decision how to spend. They had a committee too to discuss. Councilman Johnson asked still have to plan for a new Club House too. Mr. Peterson the movement to the back was their dream and didn't get there for whatever reason. The money was raised, pledged and it is real money to put somewhere. Mr. McCourt said they have not lost any investments. Mayor Lindsey said he certainly wants to hear their suggestions on what that might be done. Mr. Peterson said they have ideas on things they would like to see done.

Mayor Lindsey thanked them for being here and thanked the City Manager for providing information, and the rest they appreciate their input and looks forward to working with them.

ADJOURN

There being no further business before the Mayor and Council, Mayor Lindsey adjourned the meeting at 6:48 p.m.

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CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the work session meeting of the City Council of the City of Willcox held on the 20th day of September 2010. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 10th day of February 2011

/s/ Cristina G. Whelan, CMC
City Clerk Cristina G. Whelan, CMC

PASSED, APPROVED AND ADOPTED this 21st day of FEBRUARY 2011.

/S/ GERALD W. LINDSEY
MAYOR GERALD W. LINDSEY
Signed: 02-21-2011.

ATTEST:

/s/ Cristina G. Whelan, CMC
City Clerk Cristina G. Whelan, CMC