Town of Chino Valley

MEETING NOTICE
TOWN COUNCIL

REGULAR MEETING
Tuesday, January 8, 2013
6:00 P.M.

Council Chambers
202 N. State Route 89
Chino Valley, Arizona

AGENDA

1) CALL TO ORDER, INVOCATION; PLEDGE OF ALLEGIANCE; ROLL CALL

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Introduction of new District 4 County Supervisor, Craig Brown.

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to speaker remarks.

4) RESPONSE TO THE PUBLIC

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

5) CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

a) Year-end Transit System report by Ed Steinback, Transit Manager.

6) CONSENT AGENDA

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

a) Consideration and possible action to approve the October 9, 2012 Regular Meeting minutes. (Jami Lewis, Town Clerk)

b) Consideration and possible action to approve the October 18, 2012 Special Meeting minutes. (Jami Lewis, Town Clerk)

c) Consideraiton and possible action to approve the October 23, 2012 Regular Meeting minutes. (Jami Lewis, Town Clerk)

d) Consideration and possible action to accept correction of a scrivener's error in Ordinance No. 12-762, adopted December 11, 2012, amending the numbering sequence to Ordinance No. 12-760. (Jami Lewis, Town Clerk)

e) Consideration and possible action to re-appoint Jack Owen and Gwen Rowitsch to the Planning and Zoning Commission for three-year terms starting February 1, 2013, per recommendation from the Council Appointments Committee. (Jami Lewis, Town Clerk)

f) Consideration and possible action to accept the right-of-way dedication from James Hutchinson at Road 1 West and Center Street across the roadway frontage of Assessor's Parcel Number 306-29-024P. (Ron Grittman, Town Engineer)

7) ACTION ITEMS

a) Consideration, discussion, and possible action related to the public Notice of Intention to Increase Water and Wastewater Rates, Fees, and Service Charges and publication of the same on January 10, 11, and 12, 2013 in the Prescott Courier. (Ron Grittman, Town Engineer)

Recommended Action: Approve the public Notice of Intention to Increase Water and Wastewater Rates, Fees, and Service Charges and direct staff to publish the same on January 10, 11, and 12, 2013 in the Prescott Courier.

b) Consideration and possible action to adopt Resolution No. 13-1003 endorsing the Arizona Department of Transportation intention to construct three round-abouts along State Route 89 at Road 4 North, Perkinsville Road, and approximately 1,000 feet north of the future alignment of Road 5 South. (Ron Grittman, Public Works Director)

Recommended Action: Approve Resolution No. 13-1003 endorsing the Arizona Department of Transportation intention to construct three round-abouts along State Route89 at Road 4 North, Perkinsville Road, and approximately 1,000 feet north of the future alignment of Road 5 South.

c) Consideration and possible action to authorize staff to spend up to $90,000 of Parks Impact Fee funds to expand the Community Center Park by approximately 7 acres into the area that is currently vacant along Perkinsville Road. (Ron Grittman, Town Engineer)

Recommended Action: Authorize staff to spend up to $90,000 of Parks Impact Fee fund to expand the Community Center Park by approximately 7 acres.

d) Consideration and possible action to direct staff to proceed with the necessary steps to establish an industrial park at Old Home Manor as presented at the Council study session on September 6, 2012. (Robert Smith, Town Manager)

Recommended Action: Direct staff to proceed with the necessary steps to establish an industrial park at Old Home Manor.

e) Consideration and possible action to approve application from Timothy Smith for a Liquor License Permanent Extension of Premises for Doreen's Backstreet Bar & Grill, located at 2879 N. Arizona Trail in Chino Valley, with the condition that no alcohol be served in the extension area until appropriate fencing and signage, as determined by the Police Department, is installed and the site has passed inspection by Town personnel. (Jami Lewis, Town Clerk)

Recommended Action: Approve application from Timothy Smith for a Liquor License Permanent Extension of Premises for Doreen's Backstreet Bar & Grill, located at 2879 N. Arizona Trail in Chino Valley, with the condition that no alcohol be served in the extension area until appropriate fencing and signage is installed and the site has passed inspection by Town personnel.

f) Consideration and possible action to approve the October 4, 2012 Study Session minutes. (Absent: Councilmember Echols) (Jami Lewis, Town Clerk)

Recommended Action: Approve the October 4, 2012 Study Session minutes.

8) EXECUTIVE SESSION

Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the Town's attorneys on any of the above agenda items pursuant to A.R.S. § 38-431.03(A)(3).

9) ADJOURNMENT

Dated this 3rd day of January, 2013.

By: ***Jami C. Lewis, Town Clerk***

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 636-1787 (TDD) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting. Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at http://www.chinoaz.net/clerk/townagenda.shtml, and in the Public Library and Town Clerk's Office.

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date:____________________ Time:_________________ By:____________________________________

Jami C. Lewis, Town Clerk

Chino Valley Town Council Presentation

Dated: January 8, 2013, 6:00pm

CHINO VALLEY TRANSIT

"Keeping Chino Valley Moving Forward"

YEAR END REPORT OF GRANT YEAR OCTOBER 2011 THROUGH SEPTEMBER 2012

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2012

CHINO VALLEY TRANSIT

"Keeping Chino Valley Moving Forward"

RIDERSHIP UTILIZATION

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Number of Individual Riders	74	92	106	97
Ridership Growth Per Month		18	14	(9)
% of Growth from previous month		24.32%	15.21%	(8.49)%

CHINO VALLEY TRANSIT

"Keeping Chino Valley Moving Forward"

USE ANALYSIS

- As we recorded each individual rider, we also recorded the pick up and drop off points.
- From this we can analyze the utilization of our system's routes and bus stops.

"Keeping Chino Valley Moving Forward"

Top Combinations for Year

PICK UP	DROP OFF	
American Legion	Library	
American Legion	Safeway	
Del Rio	Safeway	
DEVIATION	Walmart	
DEVIATION	Yavapai College	
DEVIATION	Senior Center	
DEVIATION	Safeway	
DEVIATION	Gateway Mall	
Gateway Mall	DEVIATION	

Continued

PICK UP	DROP OFF	
Safeway	American Legion	
Safeway	Del Rio	
Safeway	DEVIATION	
Safeway	Senior Center	
Senior Center	DEVIATION	
Senior Center	American Legion	
Senior Center	Walgreens	
Walgreens	DEVIATION	
Walmart	DEVIATION	

CHINO VALLEY TRANSIT

"Keeping Chino Valley Moving Forward"

BUDGET VARIANCE

For the three months period of July 2012 – September 2012				
	Actual	**Budgeted**	**Variance**	**% of Variance**
Total Average Fare Revenues	$ 1.31	$ 1.35	$ (0.04)	-2.91%
Total Costs for Month Per Passenger Trip	$ 28.49	$ 29.89	$ (1.40)	-4.67%
Total Costs for Month per Mile	$ 3.60	$ 4.50	$ (0.90)	-19.99%
Total Costs for Month per Revenue Hour	$ 66.03	$ 61.98	$ 4.05	6.54%

CHINO VALLEY TRANSIT

"Keeping Chino Valley Moving Forward"

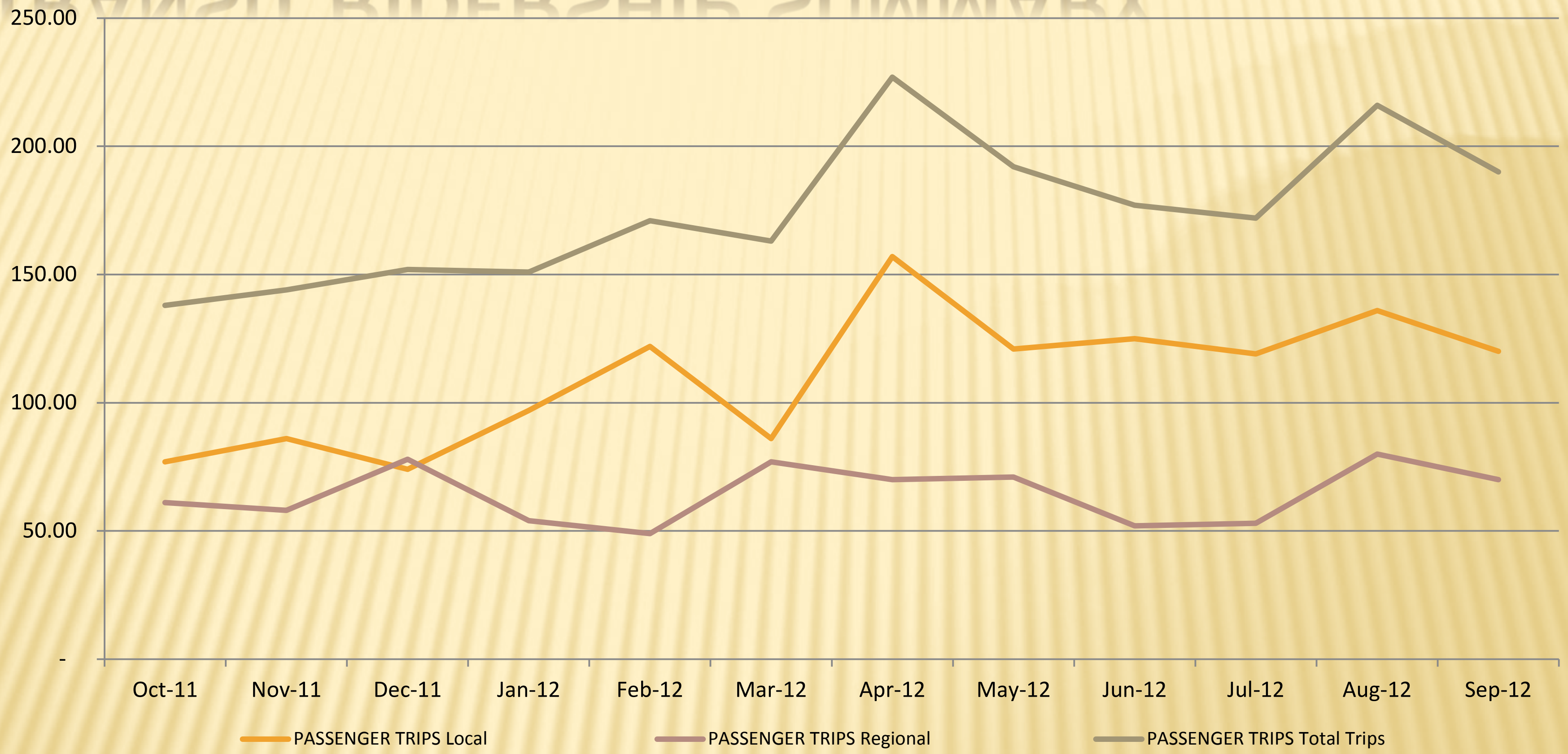
BUDGET VARIANCE

For the six months period of October 2011 – September 2012				
	Actual	**Budgeted**	**Variance**	**% of Variance**
Total Average Fare Revenues	$ 1.18	$ 1.35	$ (0.17)	-12.76%
Total Costs for Month Per Passenger Trip	$ 25.58	$ 29.89	$ (4.31)	-14.43%
Total Costs for Month per Mile	$ 3.05	$ 4.50	$ (1.45)	-32.24%
Total Costs for Month per Revenue Hour	$ 53.56	$ 61.98	$ (8.42)	-13.59%

CHINO VALLEY TRANSIT

"Keeping Chino Valley Moving Forward"

TRANSIT RIDERSHIP SUMMARY



"Keeping Chino Valley Moving Forward"

TRANSIT FUNDING SOURCES

TOTAL TRANSIT PROGRAM EXPENDITURES FOR OCT 2010 – SEPTEMBER 30, 2012	$	123,295.28
COSTS INCURRED IN GENERAL FUND PRIOR TO PROGRAM LAUNCH	$	4,953.70
TOTAL ONGOING TRANSIT PROGRAM EXPENDITURES	**$**	**128,248.98**
TRANSIT PROGRAM FUNDING SOURCES:		
5311 FEDERAL GRANT	$	71,162.78
RTAP	$	1,768.61
LTAF II	$	20,397.04
GENERAL FUND MATCH	$	5,099.26
GENERAL FUND IN-KIND	$	9,634.88
ATTORNEY AND STAFF EXPENSES PAID IN THE GENERAL FUND	$	4,953.70
OTHER IN-KIND (VOLUNTEERS)	$	15,232.72
TOTAL TRANSIT PROGRAM SOURCES	**$**	**128,248.98**

CHINO VALLEY TRANSIT

"Keeping Chino Valley Moving Forward"

ACCOMPLISHMENTS FOR THE GRANT YEAR ENDED SEPTEMBER 2012

CHINO VALLEY TRANSIT

"Keeping Chino Valley Moving Forward"

GRANTS AND ALTERNATIVE FUNDING

- Formation of 501(c)3 and 501(c)4 Foundation
- Established Regional Transit
- Application for Regional Transit grant under Section 5311 from ADOT
- Community Partners
- Community based Sponsors

ADVERTISING

- Began selling bus advertising
- Began framework for print advertising program
- Promotional partners - medical

CHINO VALLEY TRANSIT

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JOINT EFFORTS

- Began Joint efforts with area non-profit to operate system
- Began Solicitation of Community Partners in the private sector
- Designed sponsorship programs for system
- Medical Center and Offices
- Community Clubs

ROUTE ANALYSIS AND REFINEMENT

RIDER DATA COMPILATION AND ANALYSIS

- Continued analysis of existing routes and bus stops
- Designed smart expansion of hours and days
- Continued data collection
- Continued riders' surveys and comments

CHINO VALLEY TRANSIT

"Keeping Chino Valley Moving Forward"

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 6. a.**

Meeting Date: 01/08/2013

Contact Person: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208

Item Type: Consent

AGENDA ITEM TITLE:
Consideration and possible action to approve the October 9, 2012 Regular Meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:
Action to approve the October 9, 2012 Regular Meeting minutes.

Attachments

October 9, 2012 minutes

D R A F T

MINUTES OF THE REGULAR COUNCIL MEETING OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

TUESDAY, October 9, 2012
6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, October 9, 2012.

Present:	Mayor Chris Marley; Vice-Mayor Carl Tenney; Councilmember Mike Best; Councilmember Darryl Croft; Councilmember Dean Echols; Councilmember Linda Hatch; Councilmember Lon Turner
Staff Present:	Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Sharon Sargent-Flack; Finance Director Joe Duffy; Police Commander Mark Garcia; Town Engineer/Public Works Director Ron Grittman; Civil Engineer Richard Straub; Town Clerk Assistant Liz Hart (recorder)

1) CALL TO ORDER, INVOCATION; PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Marley called the meeting to order at 6:03 p.m.

Vice-Mayor Tenney gave the invocation and Mayor Marley led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Presentation by Arizona Department of Transportation regarding possible construction of two round-abouts located at the intersections of State Route 89 and Perkinsville Road and State Route 89 and Road 4 North. (Ron Grittman, Town Engineer)

Acronym used in this item:
ADOT (Arizona Department of Transportation)

Mr. Grittman reported that staff had been working with ADOT regarding the possible construction of intersection improvements at State Route 89 and Perkinsville Road and State Route 89 and Road 4 North. ADOT will be presenting the conceptual design and desired input from Council and the public.

Alvin Stump, ADOT Prescott District Engineer, introduced other ADOT officials: Randy Blake, Development Specialist; Tricia Lewis, Senior Community Relations Officer; and Bill Pederson, who was over all northern Arizona. Mr. Stump then reported that:

- ADOT was proposing roundabouts for these two intersections as they would be more efficient, safer, and funding was available at this time. A study done in 2009 resulted

in Road 4 North qualifying for a roundabout, but not for a signal or turn lanes. This improvement would accommodate future growth. Perkinsville Road did not qualify for a signal as it was too close to the signal at Road 3 North.
- With the Road 4 North concept design, engineers tried to minimize impact to the corner properties, but as ADOT had not yet met with property owners, this concept could change.
- The Perkinsville concept design was smaller than the one at Road 4 North, due to the lower operating speed in this part of town and there being less right-of-way to work with.
- The roundabouts would have the same accommodations for trucks as the one at Road 4 South, but the Road 4 South roundabout was designed for a future three lane structure, whereas the new ones were desgined for two lanes only.
- ADOT will maintain these roundabouts.
- ADOT's next steps were to start meeting with business and property owners, hold public meetings in December or January, and start the final design in the spring.
- At the Town's request, ADOT was working with staff on putting sleeves under the intersections for future utilities.

Public Comment:

Ralph Morrison, owner of Morrison Motors, located at the Perkinsville intersction, preferred any solution other than a roundabout, as the construction period and possible accidents in the roundabout would negatively affect his business. Mr. Stump stated that ADOT could consider doing construction at night; they would have measures to control dust, and a signal would require them to take his sidewalk and limit left turns out of his property.

LuAnn Neitchman asked about future truck traffic on Perkinsville related to development of the shooting range and industrial park. Mr. Stump stated that the structure was designed to accommodate such truck traffic.

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to speaker remarks.

Craig Brown, on behalf of the Paulden Area Community Organization, spoke about "Viva la Verde," a movie on the Verde Rider being shown in Paulden on October 12.

Jim Klein, resident, spoke about several subdivisions platted in 2007 that were never developed and asked about zoning reversions on those properties. Mayor Marley asked the town manager to look into that.

Tom Payne, on behalf of the Chamber of Commerce, spoke about the next Chamber luncheon on October 10.

4) RESPONSE TO THE PUBLIC

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

Mayor Marley had nothing to report.

5) CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

Councilmember Hatch reported on recent meetings of the Northern Arizona Council of Governments Economic Development Committee and Yavapai Regional Medical Center Board of Electors.

Councilmember Croft reported that the October 9 Roads and Streets Committee meeting was being rescheduled due to lack of a quorum.

Councilmember Best reported on the next Public Safety Committee meeting to be held October 18.

a) Presentation regarding Town wide managed print services. (Spencer Guest, I.T. Specialist)

Mayor Marley reported that this item was being postponed.

6) CONSENT AGENDA

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

7) ACTION ITEMS

a) PUBLIC HEARING regarding Resolution No.12-1000, proposing an extension of the alternative expenditure limitation—home rule option. (Joe Duffy, Finance Director)

Mr. Duffy reported that:

- On June 3, 1980, Arizona voters approved Arizona Constitution, Article IX, §§20 and 21, prescribing an expenditure limitation for each county, city, town, and community college district to control expenditures and limit future increases in spending. The state formula developed in 1980 to determine this spending cap did not depend upon actual revenues received not did it let local elected officials set the spending cap based on services needed for citizens.
- The Town was under the state-imposed expenditure limitation until 1985, when Chino Valley citizens voted to approve the Alternative Expenditure Limitation (Home Rule option), which allowed for local control whereby the Council would set the spending cap every year. The Town had operated under Home Rule since 1985

and the Town's current option would expire in June 2013.

- Home Rule was only one of the alternative expenditure options for voters; the other most common one was the permanent base adjustment, which would allow the Town to permanently change the state's base amount used to formulate the spending limit. Of the 90 Arizona municipalities, 62% were under Home Rule, 25% were under permanent base, and 13% were under the state limit. Staff recommended the Home Rule option for the Town.
- Under the state formula, the Town could only spend $5,907,000 in Fiscal Year 2013/2014, whereas the Town projected to receive $14,564,000 in revenues, resulting in the Town not being able to spend 59% of its revenues and having to cut most services. The unused funds would remain in the bank. A "yes" vote will allow the Town to set its spending cap based on actual revenues and local needs for the next four years, while a "no" vote will require the Town to set its spending cap based on the state formula for at least the next two years.
- The Town was authorized to utilize whatever means it chose to present the facts and educate the public, but was prohibited by law from expending Town funds to influence the outcome of an election regarding alternative expenditure limitation.
- This was the first of two required public hearings; the second one will be on October 18. Should Council approve Resolution No. 12-1000 on October 18, staff will place the Home Rule extension proposal on the March 12, 2013 ballot. Should Council not approve the Resolution, the item will not be placed on the ballot and the Town's expenditure limitation will revert back to the state-imposed limitation.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to open the public hearing.
Vote: 7 - 0 PASSED - Unanimously

No one from the public spoke.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to close the public hearing.
Vote: 7 - 0 PASSED - Unanimously

b) Consideration and possible action to approve the modification of the Intergovernmental Agreement between the Town of Chino Valley and the Arizona Department of Transportation (ADOT) to allow the Town of Chino Valley to contract with Jon Hair for the delivery of three equine sculptures. Funds in the amount of $250,000 to come from ADOT reimbursement. (Ron Grittman, Town Engineer)

Acronyms used in this item:
IGA (Intergovernmental Agreement)
ADOT (Arizona Department of Transportation)

Mr. Grittman reported that:

- On January 11, 2011, the Town approved an IGA with ADOT for the State Route 89 Sidewalk and Landscaping project. ADOT was proposing to add responsibilities to both parties in that the Town will contract directly with Jon Hair for acquisition of the equine sculptures and ADOT will reimburse the Town in the amount of $250,000 for these services.

- In addition, the Town added clarifications as to how the monies would be dispersed. Both the Jon Hair professional services agreement and the ADOT IGA modification provided that the Town will not disperse any funds until actual cash was received from ADOT. The artist was aware of this stipulation and had agreed to the restrictions. ADOT also reviewed the invoicing strategy proposed by the artist and did not foresee any issues.
- Once approved, Mr. Hair will present his conceptual design to a design committee and then Council. The statues will be in the roundabout at Road 4 South, while the proposed entrance monument would be placed on the side of the highway.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the modification of the intergovernmental agreement between the Town of Chino Valley and the Arizona Department of Transportation to allow the Town of Chino Valley to contract with Jon Hair for the delivery of three equine sculptures with funds to be reimbursed from ADOT.

Vote: 7 - 0 PASSED - Unanimously

c) Consideration and possible action to approve the Professional Services Agreement between the Town of Chino Valley and Jon Hair Studio of Fine Art in an amount not to exceed $250,000.00 for the construction and placement of three monumental bronze equine sculptures within the round-about at Outer Loop Road and State Route 89. The Town will be reimbursed from ADOT for all expenditures for this project; funds will be accounted for in the Grant Fund. (Ron Grittman, Town Engineer)

Mr. Grittman reported that:

- The relationship between this item and 7b was to provide for a pass-through funding situation in that 7b allowed ADOT to reimburse the Town, while this item allowed the Town to pay Mr. Hair.
- On May 27, 2010, the Town entered into a professional services agreement with Stanley Consultants to provide design and construction plans for installation of a five-foot sidewalk and landscaping along State Route 89 between Center Street and Road 4 South/Outer Loop Road. Included in this landscaping was the installation of three full size equine sculptings.
- In February 2011, Stanley Consultants completed the construction plans and specifications for the project, including a lump sum price of $250,000 to provide three full size equine sculptings to be placed in the center of the existing roundabout located at Road 4 South/Outer Loop Road.
- On August 8, 2012, ADOT requested that the Town contract directly with Jon Hair Studio of Fine Art, LLC., for these services. ADOT will reimburse the Town $250,000 for the cost of the statues, and in order to maintain the Town's financial stability, the Town will pay Mr. Hair only after ADOT's reimbursement.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the professional services agreement between the Town and Jon Hair Studio of Fine Art in an amount not to exceed $250,000 for the construction and placement of three monumental bronze equine sculptures within the round-about at Outer Loop Road and State Route 89.

Vote: 7 - 0 PASSED - Unanimously

d) Consideration and possible action to approve the Professional Services Agreement between the Town of Chino Valley and Lyon Engineering for the design of the flood control project at Road 3 North at Town Hall in an amount not to exceed $52,075. The Town will be reimbursed 100% from the Yavapai County Flood Control District. (Ron Grittman, Town Engineer)

Mr. Grittman reported that:

- On January 11, 2012, the Town submitted five flood control projects to the Yavapai County Flood Control District ("District") for consideration of funding. On July 23, 2012, the County notified the Town that they would fund three flood control projects over the next three years, including the subject project.
- The project will incorporate a series of modular box culverts that were purchased by the Town in approximately 2004 and Lyon Engineering ("Lyon") will complete the design and work with the Town on the relocation of conflicting utilities in order to assure that the project will be constructed within the existing fiscal year.
- Because of concerns brought up by local residents, Lyon will design the proposed channels in accordance with the approved Appaloosa Meadows subdivision. Specific attention will be focused on assuring that the proposed stormwater system had the ability to restrict any increase in stormwater volume to the Appaloosa Meadows subdivision and will assure that ample backwater capabilities were achieved.
- Staff anticipated a springtime bid with completion by June 30, 2013.
- These flood control monies came from the Town's citizens, paid through their County property taxes. The Town had not received any funding from the District in many years, but due to the joint efforts of citizens and Town officials, the Town was now receiving funding for these projects.

Councilmember Hatch acknowledged a community member who called her every day during her candidacy to ask about this these funds.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the Professional Services Agreement between the Town of Chino Valley and Lyon Engineering for the design of the flood control project Road 3 North at Old Town Hall in an amount not to exceed $52,075.

Vote: 7 - 0 PASSED - Unanimously

e) Consideration and possible action to approve the Professional Services Agreement between the Town of Chino Valley and Stroh Architects for the design of the modifications to the old Town Hall building to be converted into an expansion of the Chino Valley Library in an amount not to exceed $16,000. Funds to come from Library Impact Fees and additional funds will be available from the Yavapai County Library District. (Ron Grittman, Town Engineer)

Mr. Grittman reported that:

- Approximately 18 months ago, the Town Council chambers were relocated to the 202 South State Route 89 facility, followed by administration personnel about six months ago. This move freed up space in the old Town Hall building, located at 1020 W. Palomino Road.
- Several alternatives had been analyzed in the past for the best use of this facility. In the past, staff contemplated moving the Police Department there; however, they found it was not viable because of how Voss Road would bisect the necessary coordination

between the existing police building and the old Town Hall building. Likewise, a space analysis showed that there was not sufficient office space to accommodate Public Works and Development Services operations.
- As the Library also needed extra space, staff was proposing to allow the Library to expand into much of this facility. GIS and IT Divisions will stay on the west side and the Friends of the Library could continue to use the old council chambers for a time, and then it could be used as a community room.
- Stroh Architects will prepare construction and other documents necessary to put the project out for bid. They will also prepare a cost estimate of the project to assure that it was within budget.
- Impact Fee funds, as well as contributions by the County Library District, will fund the renovation.

Town Manager Robert Smith added that:

- Although other departments were still struggling with space, the Library was the only department with any funds for renovation, which could not be spent on anything else, and staff preferred to put the space to use.
- Staff had discussed several alternatives for the Police, Development Services and Public Works Departments, but had no solid recommendation yet, although he desired to have Public Works and Development Services closer to Administration.
- As the Police facility needed a division of space between investigation and detectives and it did not have enough space to serve the officers on patrol, they were still hoping to take over the Community Development building. Once the Food Bank will have relocated, Police expected to use that facility for evidence storage.
- The architect had been instructed to allow for isolation of the old chambers and restrooms for use by the Town or public. If the Town determined that it needed the old council chambers, it would be able to use it, but if the Library took it over, the Town would have to trade for use of its space later. In considering the needs of the community, staff intended for it to be used by the Library first, then the public or Town.

Council expressed some concern about keeping part of the space available for emergencies or other Town needs.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the Professional Services Agreement between the Town of Chino Valley and Stroh Architects for the design of the modifications to the old Town Hall building to be converted into an expansion of the Chino Valley Library in an amount not to exceed $16,000.

Vote: 7 - 0 PASSED - Unanimously

f) Report and possible discussion regarding an Open Meeting Law violation and guidelines for Council communications with regard to the Open Meeting Law. (Tom Kack, Town Attorney)

Acronym used in this item:
OML (Open Meeting Law)

Town Attorney Sharon Flack reported that:

- There were two parts to this item: (i) Attorney General conclusions stemming from an

OML investigation; and (ii) Council's request for a tutorial regarding email communications for Council and all Town public bodies.

- A number of months ago, a former Town employee filed an inquiry with the Attorney General regarding a potential OML violation with regard to an executive session held in May 2009. The Attorney General examined several executive sessions during a three-year period and concluded that two violations occurred in May 2009 and April 2010.
- The violation in May 2009 was due to the executive session notice citing A.R.S. 38-431.01(A)(1), which governed employment dismissal and salaries, and notice not being provided to the potentially affected emplyees. In addition, the meeting was not properly memorialized, as the staff member tasked with drafting minutes did not do so and later left the Town's employ.
- The violation in April 2010 was due to the executive session notice citing the same subparagraph as above in error. In addition, this meeting was also not memorialized for the same reasons.
- Staff and the Town attorneys needed to carefully consider the topics of proposed executive sessions and make sure correct subsections applied. The Attorney General's proposed resolution to address this matter was to discuss the matter in an open sssion and provide Council with a brief review of the Arizona Agency Handbook with regard to personnel matters and executive sessions.

Ms. Flack then reviewed pertinent portions of the Arizona Agency Handbook, followed by guidelines regarding email and serial communications. Generally, email communications should be treated like they were face-to-face discussions with another member of the public body; emails to more than a quorum should be for informational purposes only with no proposed action or any business of the town; and emails to less than a quorum should include a cautionary statement.

g) Consideration and possible action to approve an upgrade to the Town's Municipal Software as described in the Caselle Clarity Upgrade Software & Services Proposals dated September 12, 2012 for a total amount of $55,425. The Town did not budget for this project this fiscal year; staff recommends using Contingency Funds for this fiscal year's portion of $17,925 and budgeting $22,800 in fiscal year 2013 and $14,700 in fiscal year 2014. (Joe Duffy, Finance Director)

Mr. Duffy reported that:

- Since 1998, the Town had used Caselle "Classic" software for its Financial Accounting and other needs. In 2006 Caselle upgraded its "Classic" version to the new enhanced "Clarity" version. As Microsoft will quit supporting the ACCESS database engine that ran "Classic" and there were several problems incorporating new Town processes with the current version, staff researched the various options.
- Options were to continue with "Classic" and shop around for new software or upgrade to "Clarity." The three main software providers all had good products. The main reason to consider changing was the potential to get features that Caselle did not offer. However, it took a lot of time to vet new software, training was time intensive, conversion would require another full-time staff position, and the cost would be around $200,000.
- Caselle gave a detailed demonstration of the new software to staff, and staff presented it to the Finance Committee. As the upgrade would enable staff to perform many of their tasks more efficently, enable the Town to provide better customer services to its citizens, be done for $55,000, include new modules, and make more data available to

the public per new laws effective in January 2013, staff recommended financing the upgrade to "Clarity" over three fiscal years to minimize the financial impact.

Vice-Mayor Tenney, Chair, Finance Committee, believed this would be an efficient use of money for the next several years.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve Caselle Clarity Upgrade Software & Services Proposals dated September 12, 2012 for a total amount of $55,425, using contingency funds for this fiscal year's portion of $17,925; and budget $22,800 for fiscal year 2013/2014 and $14,700 for fiscal year 2014/2015.

Vote: 7 - 0 PASSED - Unanimously

h) *Continued from September 6, 2012:* Continued discussion and possible action regarding User Fee Schedule prepared by Heinfeld & Meech, dated August 2012. (Cecilia Watts, General Services Director)

Ms. Watts reported that the Finance Committee reviewed this item and recommended some revisions for Development Services and Senior Center fees. As these were not yet complete, the Finance Committee desired to review them again, and staff still needed to review fees tied to the Engineering News Record Index, the item needed to be postponed.

i) Consideration and possible action in support of three resolutions presented by the Greater Arizona Mayors Association (GAMA). (Mayor Marley)

Mayor Marley reported that on August 30, 2012, GAMA discussed three resolutions pertaining to repealing HB 2826, the consolidated elections bill; supporting the accelerated sunset of HB 2643, related to police officer duty-related injury; and support for State Parks. The mayors agreed to take these resolutions, or their own versions, to their councils for consideration before GAMA's next meeting on October 12. He then reviewed the subject resolutions.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to instruct the mayor to support repeal of HB 2826, support acceleration of HB 2643, and support state parks funding.

Vote: 7 - 0 PASSED - Unanimously

8) EXECUTIVE SESSION

Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the Town's attorneys on any of the above agenda items pursuant to A.R.S. § 38-431.03(A)(3).

9) ADJOURNMENT

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to adjourn the meeting at 7:43 p.m.

Vote: 7 - 0 PASSED - Unanimously

____
Chris Marley, Mayor

ATTEST:

____
Jami C. Lewis, 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 Chino Valley, Arizona held on the 9th day of October, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of January, 2013.

____
Jami C. Lewis, Town Clerk

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 6. b.**

Meeting Date: 01/08/2013

Contact Person: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208

Item Type: Consent

AGENDA ITEM TITLE:
Consideration and possible action to approve the October 18, 2012 Special Meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:
Approve the October 18, 2012 Special Meeting minutes.

Attachments

October 18, 2012 minutes

D R A F T

MINUTES OF THE SPECIAL COUNCIL MEETING
OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

TUESDAY, OCTOBER 18, 2012
6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona, met for a Special Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, October 18, 2012.

Present:	Mayor Chris Marley; Vice-Mayor Carl Tenney; Councilmember Mike Best; Councilmember Darryl Croft; Councilmember Dean Echols; Councilmember Linda Hatch; Councilmember Lon Turner
Staff Present:	Town Manager Robert Smith; Finance Director Joe Duffy; Town Clerk Assistant Liz Hart (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Marley called the meeting to order at 6:03 p.m.

2) PUBLIC HEARING regarding Resolution No.12-1000, proposing an extension of the alternative expenditure limitation—home rule option. (Joe Duffy, Finance Director)

Council asked Mr. Duffy to forgo the background information on Home Rule and mainly address staff's plan for educating the public.

Mr. Duffy reported that:

- This was the second required public hearing on Home Rule and the next item was for Council to adopt a resolution to place the Home Rule matter on the March 2013 ballot.
- The Call of Election will be on Council's November 13 agenda and December 12 was the deadline for filing pamphlet arguments.
- In the past, he had done presentations before community groups and other organizations, and Councilmembers could do that as well. He also intended to place information on the Town website, Channel 13, and at the front desk.

Council and staff discussed:

- the cost for the publicity pamphlet submittals being to defray the cost of printing the pamphlets;
- State law defining what Town officials could say or do with regard to educating or advocating about Home Rule;
- administrative staff having no intention to restrict free speech;
- the Chino Valley Police Officers Association indicating an interest in speaking to the

public about it;
- the next Mayor's Report being on Home Rule; and
- speaking about Home Rule on the Talk of the Town radio program.

Council asked staff to obtain direction, in the form of a "cheat sheet," from the town attorney as to what Council was limited to when speaking about Home Rule.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to open the Public Hearing.

Vote: PASSED 7 - 0.

No one from the public spoke.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to open the Public Hearing.

Vote: PASSED 7 - 0.

3) Consideration and possible action to adopt Resolution No. 12-1000, proposing an extension of the Alternative Expenditure Limitation.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to adopt Resolution No. 12-1000, proposing an extension of the Alternative Expenditure Limitation.

Vote: 7 - 0 PASSED - Unanimously

4) ADJOURNMENT

MOVED by Councilmember Lon Turner, seconded by Councilmember Mike Best to adjourn the meeting at 6:14 p.m.

Vote: 7 - 0 PASSED - Unanimously

____

Chris Marley, Mayor

ATTEST:

____

Jami C. Lewis, 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 Chino Valley, Arizona held on the 18th day of October, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of January, 2013.

____
Jami C. Lewis, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 6. c.**

Meeting Date: 01/08/2013
Contact Person: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
Item Type: Consent

AGENDA ITEM TITLE:
Consideraiton and possible action to approve the October 23, 2012 Regular Meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:
Approve the October 23, 2012 Regular Meeting minutes.

Attachments

October 23, 2012 minutes

D R A F T

MINUTES OF THE REGULAR COUNCIL MEETING OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

TUESDAY, OCTOBER 23, 2012 6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, October 23, 2012.

Present:	Mayor Chris Marley; Vice-Mayor Carl Tenney; Councilmember Mike Best; Councilmember Darryl Croft; Councilmember Dean Echols; Councilmember Linda Hatch; Councilmember Lon Turner
Staff Present:	Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Sharon Sargent-Flack; Finance Director Joe Duffy; Police Commander Mark Garcia; Magistrate John Walker; Town Engineer/Public Works Director Ron Grittman; Utilities Supervisor Chris Bartels; Building Official Dan Trout; Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER, INVOCATION; PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Marley called the meeting to order at 6:01 p.m.

Councilmember Best gave the invocation followed by Mayor Marley leading the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Proclamation: Red Ribbon Week October 22 through October 26, 2012

Mayor Marley read the proclamation and presented it to representatives from the Chino Valley Elks Club. Anne Benton, Youth Chair, spoke about their drug awareness program, school poster contest, and materials available to the public.

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to speaker remarks.

Sally Brown spoke about having difficulty with being able to place a mobile home on her property due to a roadway encroachment. Council recommended that she contact the town manager.

4) RESPONSE TO THE PUBLIC

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

Mayor Marley reported that on October 9, Jim Klein asked Council to look into a planned area development platted in 2007 but never developed. Staff found several developments in the same condition and was researching it further.

5) CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

Town Engineer Ron Grittman recognized Cornerstone, a local business, for donating a 1,500 pound slab of sandstone to the Town and reported that staff was using the stone to create a nice entrance to the Town's South Campus.

Mayor Marley announced that candidate packets for the 2013 Council election were now available in the Town Clerk's Office.

Town Manager Robert Smith reported on the Town's budget challenges, the current strategic financial planning process, and staff's recommendations:

- The Town needed to resolve its budget gap and prepare a plan to stay solvent.
- Typical responses to revenue reductions, such as hiring freezes and operations cuts, and drastic responses, such as deep cuts and reductions to employees and citizens, did not fix the problem. Ignoring the problem, deferring needs, or using accounting tricks would only make matters worse.
- The right response was to spend within the means and have a true understanding of costs and financial impacts, which would create financial stability, strengthen the organization, and solve the underlying problem. The Town's desire to seek the right response had resulted in Council's embarking on a short-term strategic plan and initiating priority based budgeting (PBB), which focused on a thorough understanding of revenues, promoting diversification of revenues, planning for rainy days, understanding budget and actual variances, knowing the true costs of doing business, staying sustainable, and basing decisions on a plan.
- Staff was recommending a financial model tool that would help Council and public to visualize current conditions and the results of financial decisions. This tool could be accessed for about $5,000.

Finance Director Joe Duffy added that:

- In the past, he had found PBB to be very useful for Council, staff, and the public; and staff's goal was to start using it as soon as possible for the next budget cycle.

- The Town's current financial strategic planning process was a good step toward initiating PBB, in which the government would state its priorities and all programs would be ranked against those priorities.
- He also recommended that the Town use the framework in the Government Financial Officers Association Handbook for developing its budget.

a) Quarterly Status Report regarding Magistrate Court operations. (Councilmembers Hatch & Croft)

Judge John Walker reported that:

- Court staff had accounted for $10,000 of an unspecified $46,000 found last year in the Court's general account. These funds were from bonds not exonerated and restitution payments not made. Staff hoped to complete its research on the balance within nine months.
- For the first quarter of the fiscal year, they collected about $84,000 with $27,000 of that going to the Town.
- 575 cases were filed—more than the two previous quarters—and civil traffic citations were up 13%.
- As he now had two clerks again, they hoped to initiate some new payment methods for the public in January.

6) CONSENT AGENDA

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

7) ACTION ITEMS

a) Consideration, discussion and possible action to approve Professional Services Agreement with Walker Consulting, effective 7/1/2012 through 6/30/2013. (Cecilia Watts, General Services Director)

The staff report by Ms. Watts stated that the Town's financial struggles over the past several years were complex and needed a certain level of expertise to resolve. Town staff desired to engage Pat Walker of Walker Consulting to manage and develop the Town's Strategic Financial Plan. The agreement included three phases: (i) Council Financial Strategic Workshop; (ii) work with the finance director and the Program Review Committee to develop program budgets; and (iii) develop the Financial Strategic Plan. The Strategic Financial Plan will provide action steps encompassing up to 24 months.

Town Manager Robert Smith reported that Ms. Walker had worked on the current budget for the Town and the upcoming impact fees analysis, and had already begun working on Phase 1 of this agreement. Ms. Walker had also demonstrated experience and expertise in priority based budgeting (PBB). Key staff will help build the PBB, using Excel and the web-based software described under agenda item 5. Ms. Walker's impact fee work was covered by a separate agreement.

Councilmember Hatch stated that she thought Council had already approved payment for the Council workshop and recommended that, if that was so, that amount be excluded from the motion.

Mayor Marley also noted that a date error in agreement's terms had been corrected.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to approve Professional Services Agreement with Walker Consulting beginning July 1, 2012 and effective through June 30, 2013 for Financial Strategic Planning Services in an amount not to exceed $28,340, with the priviso that the Town may have prevously approved some payments for the retreat.

Vote: 7 - 0 PASSED - Unanimously

b) Consideration and possible action to approve the copier usage agreement for managed print services with Arizona Office Technologies (AOT). (Spencer Guest, IT Specialist)

Mr. Guest reported that:

- When he and the town Clerk staff began to evaluate a replacement copier for Town Hall, the town manager had asked them to look into Managed Print Services (MPS) for the whole Town, which would involve outsourcing management, responsibility, maintenance, and improvements of hard copy devices.
- Benefits of MPS included standardized devices organization wide, having a balanced volume of equipment, keeping up with technology, and removing maintenance headaches from staff.
- Cost analyses had demonstrated that MPS would cost the same or lower than the Town's current expenses.
- The proposed contract with Arizona Office Technologies would result in the Town receiving several new devices and some being retired or relocated, and some changes in staff procedures.

Council asked staff to look into a fuel charge on the lease agreement and to provide them with specific costs and timeframes.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to postpone item 7b.

Vote: 7 - 0 PASSED - Unanimously

c) *Continued from September 6, 2012:* Continued discussion and possible action regarding User Fee Schedule prepared by Heinfeld & Meech, dated August 2012. (Cecilia Watts, General Services Director)

Ms. Watts reported that:

- Heinfeld and Meech conducted a User Fee Study that was presented to Council at a Study Session on September 6, 2012. This was the first time the Town had a Town wide fee study done.
- At the study session, several departments made additional recommendations for some or all of the fees based on their experience within their departments and the perception of their market. As building inspection staff had not yet had a chance to present their fees, Chief Building Official Dan Trout was present to do so.
- Staff had drafted a resolution for approval, should Council be ready to adopt the fee schedule. With approval tonight, staff was required to post the new fees on the Town website for 60 days, and the new fees would be effective January 1, 2013.
- The proposed schedule in the packet included three new fees for grading permit text

amendments, election pamphlet arguments, and park lighting, as well as some Senior Center fees beng simplified at the request of the Finance Committee.

Mr. Trout related that the Finance Committee had asked him to re-evaluate the building fees to be more in line with those of the Town's neighboring entities. As Heinfeld Meech did not calculate permit fees per square foot, staff reworked the numbers per square foot, which reduced the fees by 25%. While some component fees were higher than the other entities' and others were lower, the overall permit fee was more in line with the Town's neighbors. Once staff had some history with the new fees, they intended to revisit the matter and make adjustments. They also wanted the fee structure to be clear to the public.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the consolidated user fee schedule to be effective January 1, 2013.

Vote: 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to amend his motion to adopt Resolution 12-1001 to approve the fee schedule.

Vote: 7 - 0 PASSED - Unanimously

d) Discussion and possible action to approve the Town Council Citizen Survey (Cecilia Watts, General Services Director)

Ms. Watts reported that:

- During a study session on August 6, 2012, Council requested that staff develop a citizen survey to receive feedback from the citizens regarding the Town's financial challenges and some of the proposed solutions.
- Past surveys resulted in the following priorities: ambulance services, roads and streets, and community swimming pool (1993); water rights, streets and roads, and law enforcement (2001 and 2002); responsible growth, water and sewer, and Highway 89 and roads (2004).
- Staff, Mayor Marley, and Vice-Mayor Tenney developed two versions of a two-page survey with five questions, as well as a cover letter from the mayor.
- Surveys will be mailed out to all registered voters within Chino Valley; currently the Town had 5,775 registered voters. The estimated cost was between $5,000-$6,000.
- A token will be attached to each survey to ensure that only one survey was returned per registered voter. Voters will be able to fill out the survey and mail it back, drop it off at select points, or fill it out on-line.
- With tonight's approval, the survey should be mailed out in early November and staff hoped to have the results for the December 11 Council Meeting.

Council reviewed the cover letter and questions and suggested various changes to questions 1, 3, and 4. They also asked staff to let citizens know where public computers were available.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to approve the citizen survey draft 3 as amended.

Vote: 7 - 0 PASSED - Unanimously

8) EXECUTIVE SESSION

Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the Town's attorneys on any of the above agenda items pursuant to A.R.S. § 38-431.03(A)(3).

a) Council may vote to hold an executive session pursuant to Arizona Revised Statutes § 38-431.01(A)(3), discussion or consultation for legal advice with the attorney or attorneys of the public body, and/or § 38-431.01(A)(4), discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding a pre-annexation development agreement that is the subject of pending litigation, *Cortez Enterprises v. Town of Chino Valley* , CV 2006-1407, Yavapai County Superior Court, including but not limited to the Oct 10, 2012 mediation. (Mark Drutz, Town Attorney)

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to go into executive session at 8:12 p.m.

Vote: 7 - 0 PASSED - Unanimously

Mayor Marley reconvened the meeting into open session at 9:08 p.m.

Council took no action on item 8a.

9) ADJOURNMENT

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Mike Best to adjourn the meeting at 9:09 p.m.

Vote: 7 - 0 PASSED - Unanimously

____
Chris Marley, Mayor

ATTEST:

____
Jami C. Lewis, 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 Chino Valley, Arizona held on the 23rd day of October, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of January, 2013.

____
Jami C. Lewis, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 6. d.**

Meeting Date: 01/08/2013
Contact Person: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
Department: Town Clerk
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to accept correction of a scrivener's error in Ordinance No. 12-762, adopted December 11, 2012, amending the numbering sequence to Ordinance No. 12-760.

RECOMMENDED ACTION:

Accept correction of a scrivener's error in Ordinance No. 12-762, adopted December 11, 2012, amending the numbering sequence to Ordinance No. 12-760.

SITUATION AND ANALYSIS:

On December 11, 2012, Council adopted Ordinance No. 12-762, which adopted the new Town Code Section 90: Animals. Subsequently, staff discovered that the Ordinance had been incorrectly numbered; it should have been numbered 12-760. Council's approval of corrections of scrivener's errors are not required; however, in the interest in transparency and to provide a "paper trail," staff preferred to have the error and correction written into the record. As the correction of the scrivener's error is non-substantive in nature, this consent item will not change the effective date of the subject Ordinance, which is January 10, 2013.

Fiscal Impact

Fiscal Impact?: No
If Yes, Budget Code:
Available:
Funding Source:

Attachments

Resolution 12-760, corrected

Scrivener's error on Ordinance numbering was corrected on
December 17, 2012 and accepted by Council on January 8, 2013

ORDINANCE NO. ~~12-762~~ *12-760*

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, ARIZONA, REPEALING THE CHINO VALLEY TOWN CODE TITLE IX: GENERAL REGULATIONS, CHAPTER 90: "ANIMALS" AND ADOPTING THE NEW "CHINO VALLEY TOWN CODE CHAPTER 90: ANIMALS" BY REFERENCE

WHEREAS, the Town's current Animal Control Ordinance was vague in several areas, contained no penalties, and was found to be inadequate; and

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, ARIZONA:

Section 1: That certain document known as "Chino Valley Town Code Chapter 90: Animals," three copies of which are on file in the office of the town clerk of the Town of Chino Valley, Arizona, which document was made a public record by Resolution No. 12-999 of the Town of Chino Valley, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

Section 2: Chapter 90: Animals, of the Chino Valley Town Code, is hereby deleted in its entirety and is superseded by the new "Chino Valley Town Code Chapter 90: Animals."

Section 3: All other sections of the Town Code, other ordinances, and parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed on the effective date of this Ordinance.

Section 4:

A. Any person violating any provision of this chapter for which no specific penalty is prescribed shall be guilty of a Class 1 misdemeanor.

B. Any person violating any provisions of Sections 90.03; 90.04; 90.05; 90.08; 90.10; 90.12; 90.13 and/or 90.15 of this Chapter shall be guilty of a Class 3 misdemeanor.

Section 5: The amendment of Chino Valley Town Code Chapter 90 does not affect the rights and duties that have matured and/or the penalties that were incurred hereunder and/or any proceedings that were begun before the effective date of this Ordinance.

Scrivener's error on Ordinance numbering was corrected on
December 17, 2012 and accepted by Council on January 8, 2013

Section 6: If any section, subsection, sentence, clause, phrase, or portion of this Ordinance adopted herein by reference, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 11th day of December, 2012.

Chris Marley, Mayor

ATTEST:

APPROVED AS TO FORM:

Jami C. Lewis, Town Clerk

Musgrove Drutz & Kack, PC
Town Attorney

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 6. e.**

Meeting Date:	01/08/2013
Contact Person:	Jami Lewis, Town Clerk Phone: 928-636-2646 x-1208
Department:	Town Clerk
Item Type:	Consent
Estimated length of staff presentation:	None
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to re-appoint Jack Owen and Gwen Rowitsch to the Planning and Zoning Commission for three-year terms starting February 1, 2013, per recommendation from the Council Appointments Committee.

RECOMMENDED ACTION:

Re-appoint Jack Owen and Gwen Rowitsch to the Planning and Zoning Commission for three-year terms starting February 1, 2013.

SITUATION AND ANALYSIS:

Three positions on the Planning and Zoning Commission will expire on January 31, 2013, and the Roads and Streets Committee and Municipal Property Corporation also have continuing vacancies from the previous recruitment. During the latest recruitment, staff received two applications for the Commission from two of its current members, and no applications for the other two public bodies.

The Council Appointments Committee reviewed the two applications and, by general consent, is recommending re-appointment of the incumbents.

If these applicants are re-appointed, this will leave one vacancy on the Commission, two on the Roads and Streets Committee, and one on the Municipal Property Corporation.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:
Available:
Funding Source:

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 6. f.**

Meeting Date:	01/08/2013
Contact Person:	Ron Grittman, Town Engineer Phone: 928-636-2646 x-1223
Department:	Public Works
Item Type:	Consent
Estimated length of staff presentation:	None
Physical location of item:	Road 1 West and Center Street at APN 306-29-024P

AGENDA ITEM TITLE:

Consideration and possible action to accept the right-of-way dedication from James Hutchinson at Road 1 West and Center Street across the roadway frontage of Assessor's Parcel Number 306-29-024P.

RECOMMENDED ACTION:

Accept the right-of-way dedication at Road 1 West and Center Street across the roadway frontage of APN 306-29-024P.

SITUATION AND ANALYSIS:

The title company has required that Mr. Hutchinson clear any access issues relating to this property and has required that he dedicate a 25' right-of-way dedication across the frontages of Road 1 West and Center Street for APN 306-29-024P owned by Mr. James D. Hutchinson.

Fiscal Impact

Fiscal Impact?: None

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Dedication of Public Roadway

Name: JAMES D. HUTCHISON
APN: 306-29-024P

DEDICATION OF PUBLIC ROADWAY

THIS INDENTURE, made this 26th day of Dec., 2012, by and between James D. Hutchinson, hereinafter designated "Grantor," and the TOWN OF CHINO VALLEY, a municipal corporation of the County of Yavapai, State of Arizona, hereinafter designated "Grantee."

RECITALS

Grantee requires a right-of-way, under and across, to a parcel of land, hereinafter described, owned by Grantor, upon which Grantee may hereafter construct, improve, operate and maintain a public roadway, and exercise all rights incident thereto, together with the right to authorize, permit and license the use thereof for utilities, and other public purposes, as may be necessary for the efficient construction, improvement, operation and maintenance of such roadway and utilities.

Grantor desires to grant to Grantee a right of way for such purposes and to dedicate the same forever for use of the public as a roadway and Grantor hereby approves the location of such roadway and consents to the establishment thereof upon the land hereinafter described. Further, Grantor does hereby release the **TOWN OF CHINO VALLEY** from all claims for damage or compensation for and on account of the establishment and construction of such roadway, except as to the conditions set for herein.

COVENANTS AND CONVEYANCE

In consideration of the premises, covenants and conditions to be kept and performed by Grantee, and the further consideration of the sum of ONE DOLLAR ($1.00) and other good and valuable considerations, receipt whereof is hereby acknowledged, Grantor does hereby grant, convey and dedicate to Grantee forever for use as a public roadway and for utilities, and all incidents thereto, including the rights described in the Recitals, that certain real property situated in Yavapai County, Arizona, and more particularly described on " Exhibit A" attached hereto and made a part hereof.

Name:
APN:

TO HAVE AND TO HOLD the same unto the Grantee forever, together with all and singular the rights and appurtenances thereunto in any wise belonging, provided that the Grantee complies with, keeps and carries out the following conditions which run with and are attached to the land dedicated herein.

CONDITIONS

1. The parcel of land herein described shall be used for no other purposes than those herein set forth.

2. The Grantee shall repair any improvements belonging to the Grantor as may be damaged by the Grantee during the construction of such roadway.

3. Grantor reserves all irrigation rights and improvements, if any, located within such right-of-way, including but not limited to ditches, canals, gates, flumes, and reservoirs.

The provisions herein contained shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Grantor and Grantee as such may be applicable.

IN WITNESS WHEREOF, this instrument has been executed as of the day and year first above written.

GRANTOR: ______________________
James D. Hutchinson

STATE OF ARIZONA }
County of Yavapai } ss.

The foregoing instrument was acknowledged before me this 26th day of Dec., 2012, by James D. Hutchinson

OFFICIAL SEAL
C. WARREN
Notary Public - State of Arizona
YAVAPAI COUNTY
My Comm. Expires Feb. 10, 2014

______________________ 2-10-2014
Notary Public My Commission Expires

Name:
APN:

ACCEPTANCE OF DEDICATION
BY GRANTEE

Pursuant to a meeting of the duly constituted members of the Council of the Town of Chino Valley, Arizona, on the ________ day of ______________, 20____, at which meeting a majority of the members present voted approval, the foregoing Dedication of Public roadway is accepted by the Town of Chino Valley, Arizona, Grantee.

DATED this ________ day of ______________, 20_____

TOWN OF CHINO VALLEY
A Municipal Corporation

By ____
Mayor

ATTEST:

Musgrove Drutz & Kack, P.C.

____________________________________ ____________________________________
Town Clerk Town Attorney

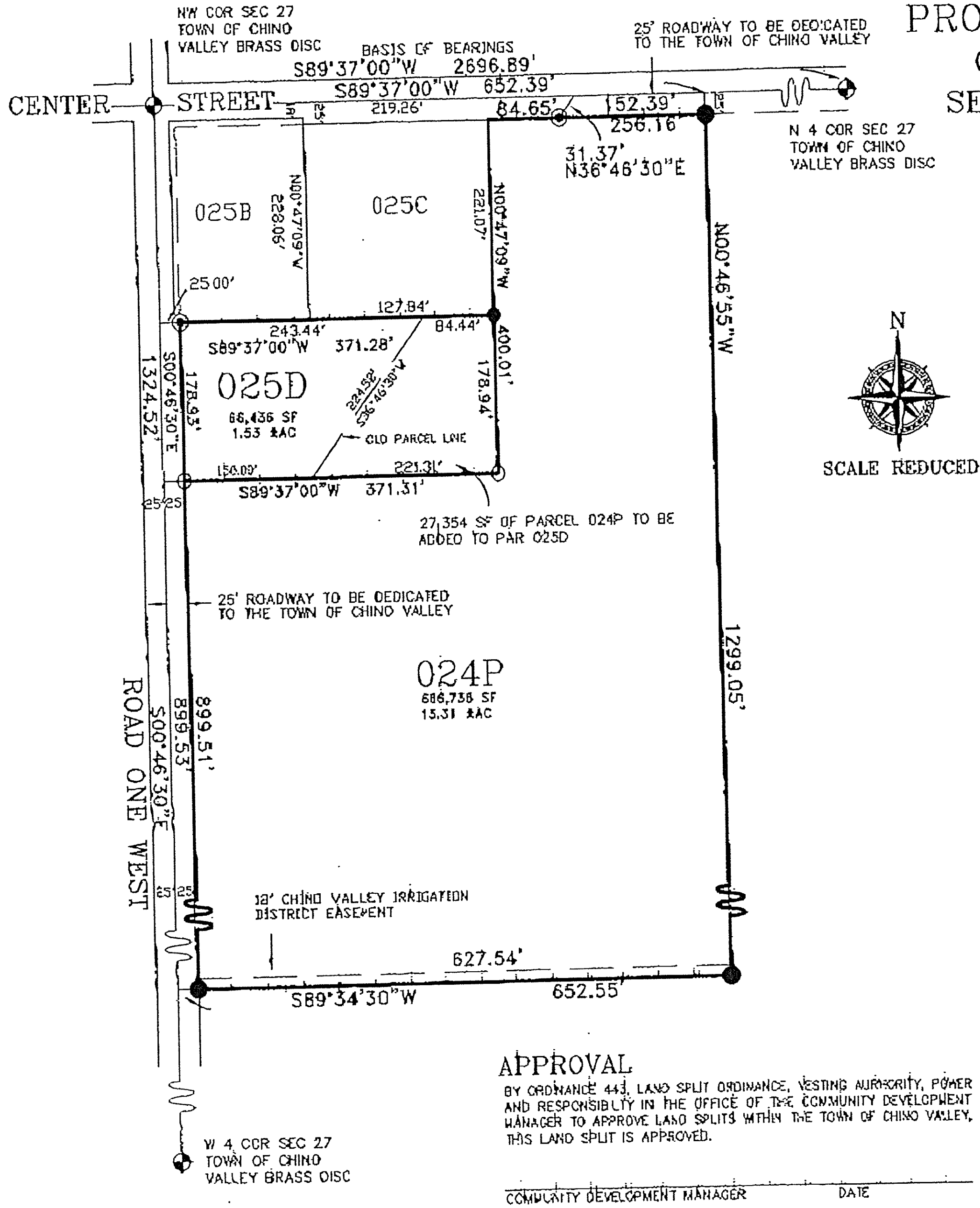
State of Arizona }
) ss.
County of Yavapai }

On this _________ day of ______________, 20 _____, before, me __________________ the undersigned, Notary Public, personally appeared______________________________ whose identities were proved to me on the basis of satisfactory evidence to be the person whose names are subscribed to this document, and who acknowledged that they signed the above document

____________________________________ ____________________________________
Notary Public My Commission Expires

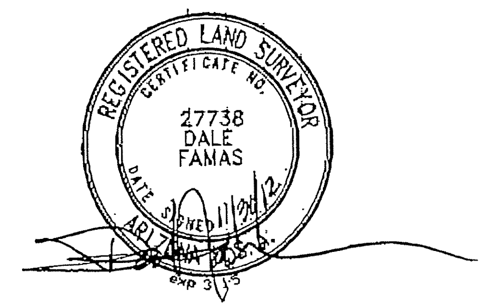
RECORD OF SURVEY

PROPERTY LINE ADJUSTMENT
OF A PORTION OF THE NW4
SEC. 27, T16N, R2W, G&SRB&M,
TOWN OF CHINO VALLEY
YAVAPAI COUNTY, ARIZONA
APN 306-29-024P & 025D



LEGEND

- ◉ = FOUND 1/2" REBAR LS 37930
- ● = FOUND 1/2" REBAR MARKED "FAMAS"
- ○ = SET 1/2" REBAR WITH PLASTIC CAP STAMPED "FAMAS" LS 27738
- ( ) = RECORD INFORMATION BOOK 91, PAGE 59 LAND SURVEYS OR DEEDS 4089/330 4560/599 YCRO



NOTE THAT ALL EASEMENTS OF RECORD MAY NOT BE SHOWN ON THIS PLAT

APPROVAL

BY ORDINANCE 443, LAND SPLIT ORDINANCE, VESTING AUTHORITY, POWER AND RESPONSIBILITY IN THE OFFICE OF THE COMMUNITY DEVELOPMENT MANAGER TO APPROVE LAND SPLITS WITHIN THE TOWN OF CHINO VALLEY, THIS LAND SPLIT IS APPROVED.

COMMUNITY DEVELOPMENT MANAGER DATE

EMPIRE SURVEYING, Inc
P.O. BOX 4357 PRESCOTT, AZ 86302
PHONE (928)-717-2844 FAX 717-2840

SURVEY FOR: APPLEBEE	
DATE DRAWN: 11-30-12	FILE NO.: Y12100
DRAWN BY: DEF	DRAWING: 100Y12

EMPIRE SURVEYING, INC.
P.O. BOX 67, PAULDEN, AZ 86334-0067
PHONE (928) 636-6992 FAX (928) 636-6993

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
27738
DALE
FAMAS
DATE SIGNED
ARIZONA U.S.
EXP 5-15

Property Description
Center Street Dedication

November 30, 2012

All that portion of Section 27, Township 16 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

COMMENCING at the Northwest corner of Section 27 marked with a General Land Office brass cap monument;

Thence North 89°37'00" East (basis of bearings) 652.39 feet along the centerline of Center Street and the North line of Section 27 to THE TRUE POINT OF BEGINNING;

Thence South 00°46'55" East 25.00 feet to a one-half inch rebar;

Thence South 89°37'00" West 171.51 feet along the Southerly Right-of-way of Center Street to a one-half inch rebar;

Thence North 36°46'30" East 31.37 feet to the centerline of Center Street;

Thence North 89°37'00" East 152.39 feet to THE TRUE POINT OF BEGINNING.

EMPIRE SURVEYING, INC.
P.O. BOX 67, PAULDEN, AZ 86334-0067
PHONE (928) 636-6992 FAX (928) 636-6993

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
27738
DALE
FAMAS

Property Description
Road One West
Dedication

November 30, 2012

All that portion of Section 27, Township 16 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

COMMENCING at the Northwest corner of Section 27 marked with a General Land Office brass cap monument;

Thence South 00°46'30" East 425.00 feet along the West line of Section 27 to THE TRUE POINT OF BEGINNING;

Thence North 89°37'00" East (basis of bearings) 25.00 feet to a one-half inch rebar;

Thence South 00°46'30" East 899.51 feet along the Easterly right-of-way of Road One West to a one-half inch rebar;

Thence South 89°34'30" West 25.00 feet to a point on the West line of Section 27;

Thence North 00°46'30" West 899.53 feet along the West line of Section 27 to THE TRUE POINT OF BEGINNING.

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 7. a.**

Meeting Date:	01/08/2013
Contact Person:	Ron Grittman, Town Engineer Phone: 928-636-2646 x-1223
Department:	Public Works
Item Type:	Action-Presentation
Estimated length of staff presentation:	5 minutes
Physical location of item:	Town Water and Sewer System

AGENDA ITEM TITLE:

Consideration and possible action to approve the public Notice of Intention to Increase Water and Wastewater Rates, Fees, and Service Charges and direct staff to publish the same on January 10, 11, and 12, 2013 in the Prescott Courier.

RECOMMENDED ACTION:

Approve the public Notice of Intention to Increase Water and Wastewater Rates, Fees, and Service Charges and direct staff to publish the same on January 10, 11, and 12, 2013 in the Prescott Courier.

SITUATION AND ANALYSIS:

In compliance with ARS requirements, this Notice of Intention to Increase Water and Wastewater Rates, Fees, and Service Charges is required to be published in the local newspaper of record. This newspaper is Prescott Courier. In order to comply with the various timelines required for this type of fees increase, the dates required to publish are January 10, 11, and 12, of 2013. This will allow sufficient time to have the Public Hearing on February 12, 2013.

Fiscal Impact

Fiscal Impact?:	None
If Yes, Budget Code:	
Available:	
Funding Source:	

Attachments

Notice of Intent

Town of Chino Valley, Arizona, Notice of Intention to Increase in Water and Wastewater Rates, Fees, and Service Charges

NOTICE IS HEREBY GIVEN, in accordance with A.R.S. § 9-511.01, that the Town of Chino Valley, Arizona, will consider approving increases to water and sewer rates, fees, and service charges, not less than twenty (20) days after the publication of this Notice. The proposed increases are posted on the Town of Chino Valley web site, www.chinoaz.net, and posted at the Town of Chino Valley Town Clerk's Office located at Town Hall, 202 North State Route 89, Chino Valley, Arizona, and the Town of Chino Valley Public Library located at 1020 West Palomino Road, Chino Valley, Arizona.

Copies of the written findings supporting the need for said increases are available from the Town Clerk at Town Hall, located at 202 North State Route 89, Chino Valley, Arizona, telephone number (928) 636-2646.

A PUBLIC HEARING will be held at 6:00 P.M. February 12, 2013, during the regular meeting of the Town of Chino Valley Town Council. The meeting will take place at Town Hall, located at 202 North State Route 89, Chino Valley, Arizona.

The increased fee is imposed pursuant to the following statutes: A.R.S. § 9-499.01 and § 9-511.01.

Notice of Intention Publication Dates: January 10, 11, and 12, 2013.

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Town of Chino Valley

2012 Water/Wastewater Rate Study

Council Briefing

January 2013

Facts about Water and Wastewater Rates in the 21st Century

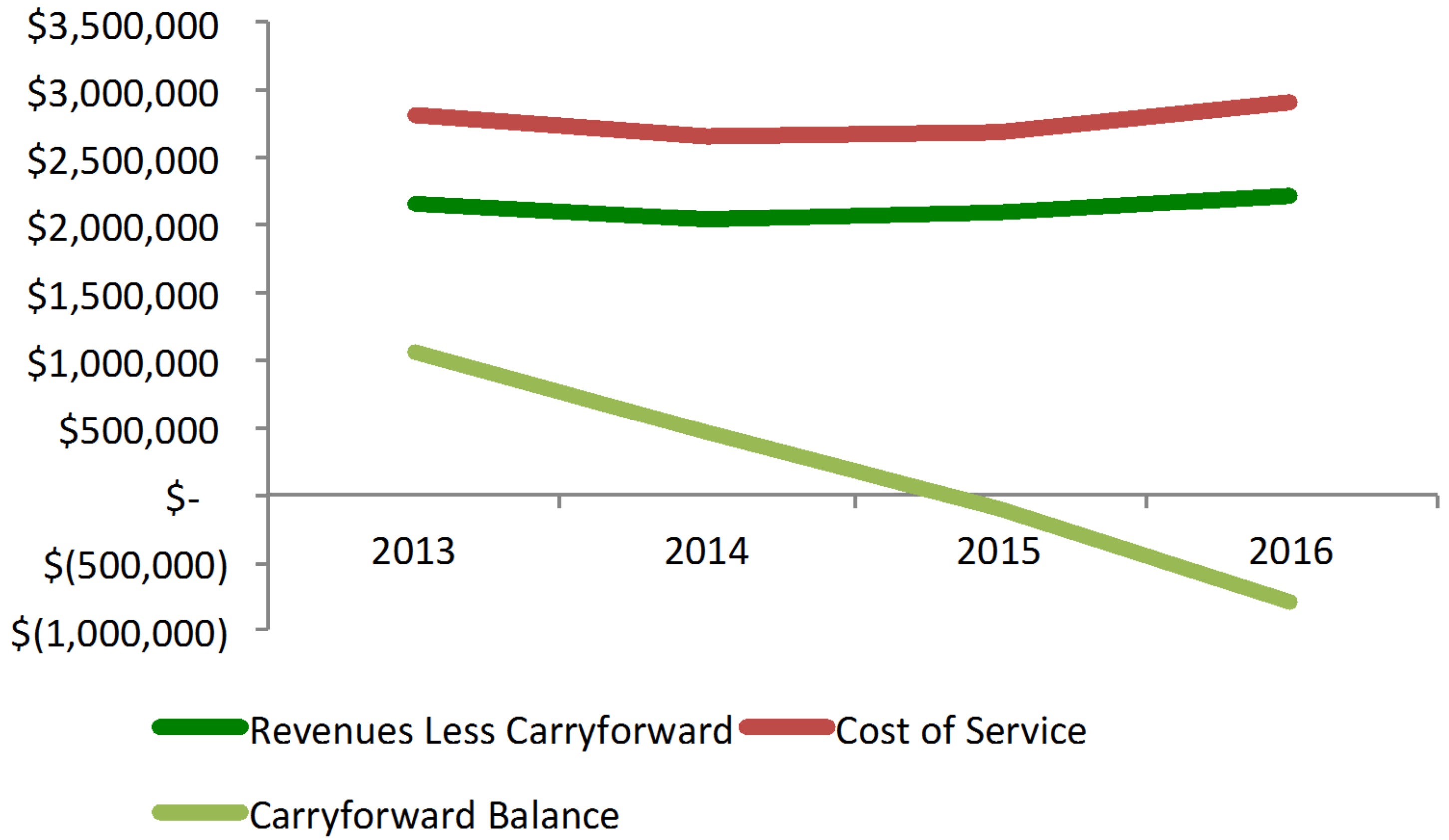
- Average utility has been increasing rates 5-6% per year; trend expected to continue
- AWWA projects that across USA water and wastewater rates will triple in the next 15 years
- Rate adjustments are primarily due to reasons beyond a utility's control – inflation, system replacement, etc.
- 30-40% of utilities currently charge rates that do not cover their costs

economists.com

2012 Water/WW Rate Study
Key Findings

- Growth expected to be minimal in next decade; existing accounts must pay most of the costs of operations and repair
- Operating expenses forecast to continue to increase in coming years
- Millions of dollars of CIP improvements are required for system
- **Water/WW fund is losing money and being subsidized, but by 2015 there will be no money left to continue subsidy!**

Projected Revenue Shortfall with Current Rates



Water/WW Fund is out of money by 2015!

Current Water and Wastewater Rate Structure

Water Rates -- Residential

Min Chg -- 3/4" Meter		$4.84

<u>Volume Rate Per 1,000 Gal</u>

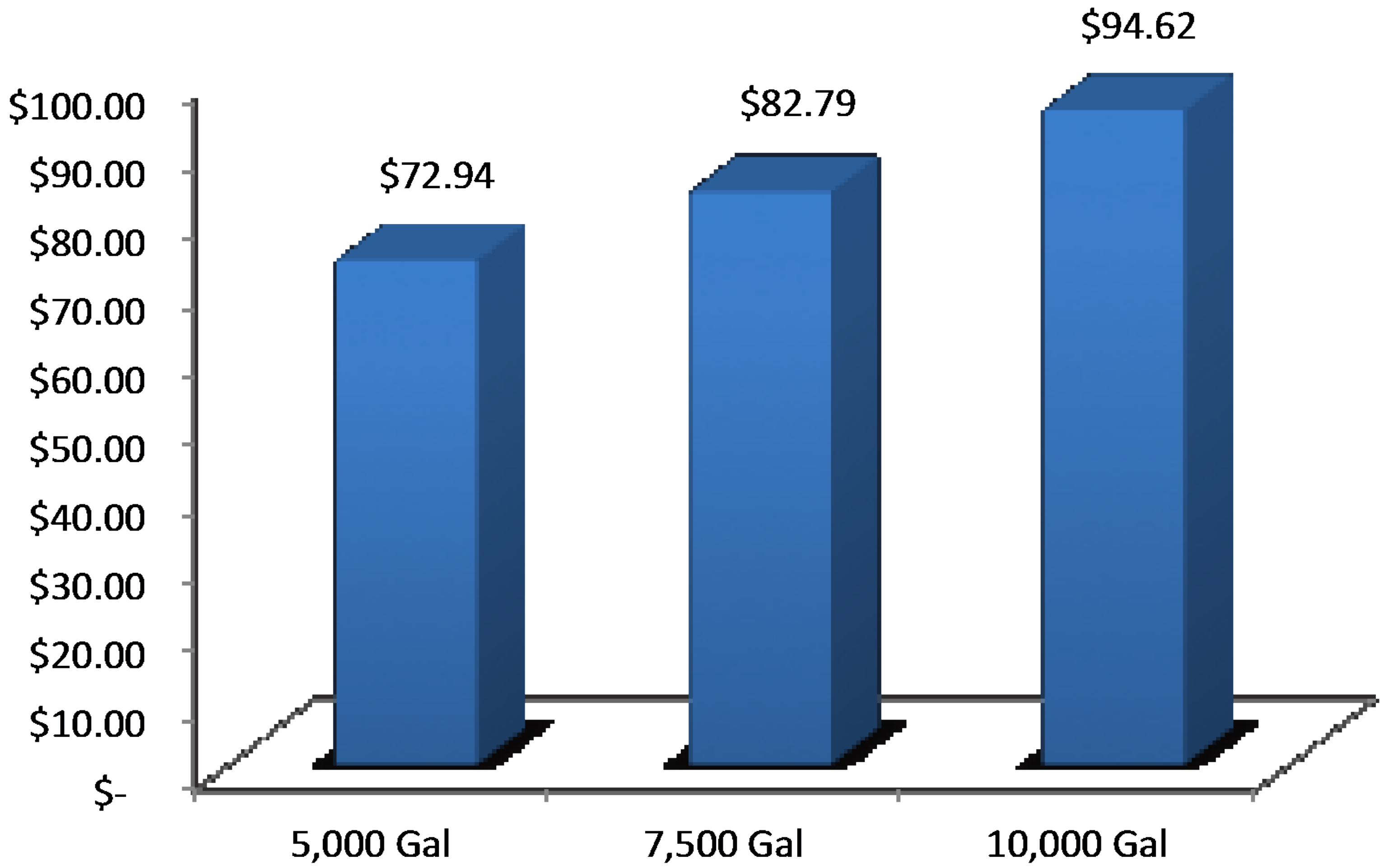
-	8,000	3.94
8,001	20,000	4.93
20,001	Above	6.90

Wastewater Rates -- Residential

Monthly Charge	48.40

economists.com

Residential Monthly Water/Wastewater Charges



Water/Wastewater Rate Plan
Scenario Analysis

- Town reviewed numerous scenarios and alternatives regarding possible rate plans
- A total of 5 scenarios were presented to Council, more were evaluated by staff
- Each scenario was based on achieving a different set of objectives
- After extensive analysis and review Town settled upon one scenario as most appropriate for utility and ratepayers

Factors Evaluated in Differing Rate Scenarios

- How quickly should the subsidy to the water and wastewater fund be phased out?
- Should the Town acquire the WWTP, and if so, for how much?
- How much capital improvements should be funded each year?
- Should Town acquire Chino Meadows accounts?
- How quickly should the new rate plan be phased in?

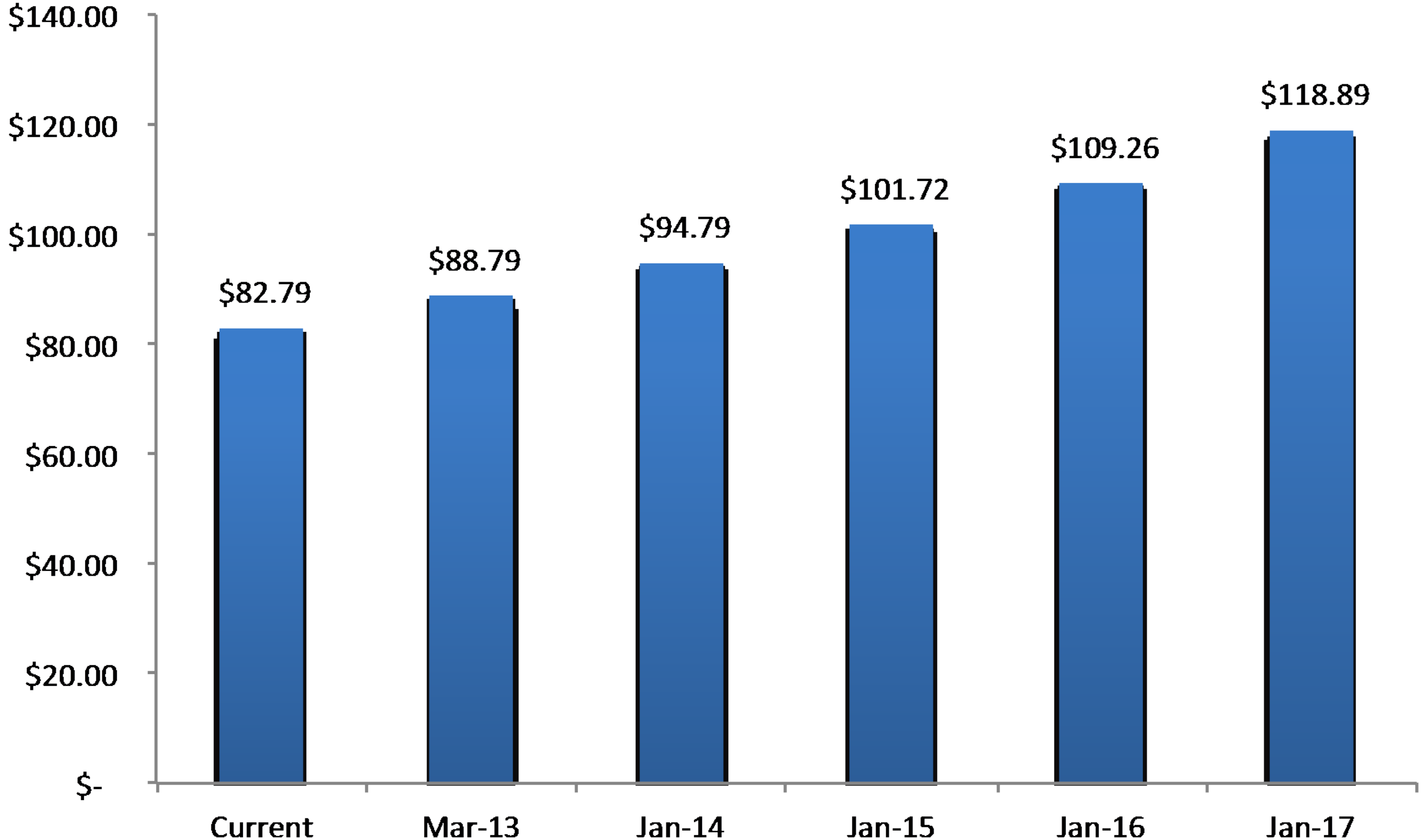
Recommended Rate Plan (Scenario 2A) Key Objectives

- Phases out subsidy out over 4 years
- Enables Town to acquire WWTP for $2.0 million and Chino Meadows water accounts
- Enables Town to pay for $300,000 in CIP per year beginning in FY 2016
- Allows Town to pay for all operating expense increases
- Rate adjustments are set to be consistent for each year to lessen impact on ratepayers

Recommended Rate Plan
Forecast Annual Rates

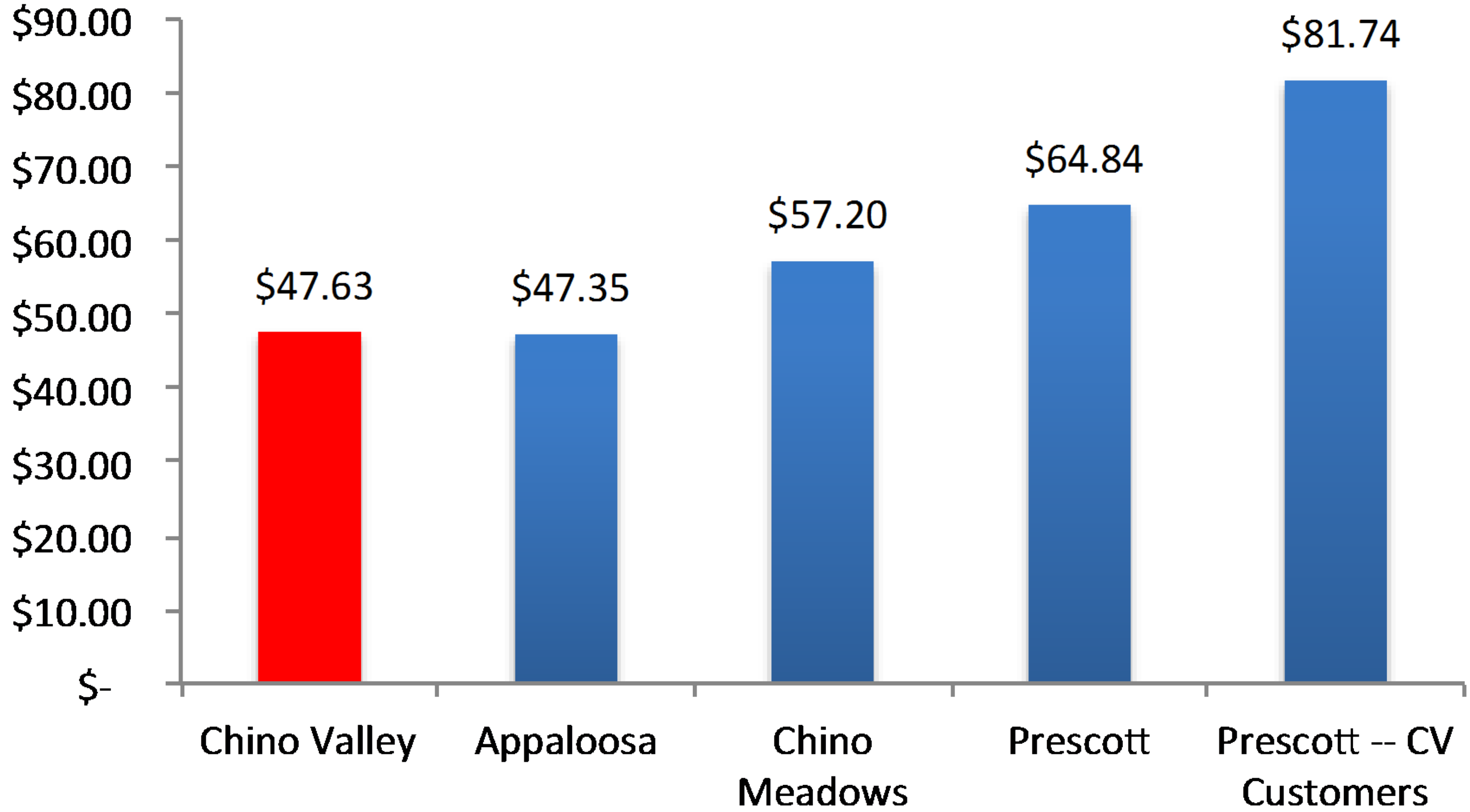
		Current	Effective Mar-13	Effective Jan-14	Effective Jan-15	Effective Jan-16	Effective Jan-17
		SCENARIO:	Scen 2A -- "Comprehensive" -- 13 01 03				
Water Rates -- Residential							
Min Chg -- 3/4" Meter		$ 4.84	**$ 4.99**	**$ 5.13**	$ 5.29	$ 5.45	$ 5.61
Volume Rate Per 1,000 Gal							
-	8,000	3.94	**4.06**	**4.18**	4.31	4.43	4.57
8,001	20,000	4.93	**5.08**	**5.23**	5.39	5.55	5.72
20,001	Above	6.90	**7.11**	**7.32**	7.54	7.77	8.00
Wastewater Rates -- Residential							
Monthly Charge		48.40	**53.37**	**58.31**	64.14	70.55	79.02

Scenario 2A – "Comprehensive" Impact on Monthly Charges



Annual Increase =	**$6.00**	**$6.00**	**$6.93**	**$7.54**	**$9.63**

Comparison of 2013 CV Rates
10,000 Gallons Water Only



Note: 2013 Prescott rates

economists.com

Presentation Summary

- Currently Town is losing money on all water and wastewater service – this cannot continue

- Town must adjust its water and wastewater rates to avoid bankruptcy

- Costs will continue to increase every year due to reasons beyond Town's control

- Recommend that 5 year rate plan be implemented but it should be reviewed every year

economists.com

Presentation Summary
How Will Rate Plan Benefit Town?

- It will eliminate the subsidy of water and wastewater service within 4 years
- It will enable Town to acquire WWTP and Chino Meadows, both of which will lower costs for all ratepayers
- It will enable Town to fund $300,000 per year in capital repairs to improve quality of service
- It will fund all operating expense increases in next five years

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 7. b.**

Meeting Date:	01/08/2013
Contact Person:	Ron Grittman, Town Engineer Phone: 928-636-2646 x-1223
Department:	Public Works
Item Type:	Action-Presentation
Estimated length of staff presentation:	5 minutes
Physical location of item:	Road 4 South at Highway 89, Perkinsville Road at Highway 89, and Approximately 1,000' north of the future Road 5 South at Highway 89

AGENDA ITEM TITLE:

Consideration and possible action to adopt Resolution Number 13-1003 endorsing the Arizona Department of Transportation intention to construct three round-abouts along Highway 89 at Road 4 North, Perkinsville Road, and approximately 1,000' north of the future alignment of Road 5 South.

RECOMMENDED ACTION:

Approve Resolution Number 13-1003 endorsing the Arizona Department of Transportation intention to construct three round-abouts along Highway 89 at Road 4 North, Perkinsville Road, and approximately 1,000' north of the future alignment of Road 5 South.

SITUATION AND ANALYSIS:

Over the past year Town staff has been working with the Arizona Department of Transportation (ADOT) regarding the design the round-abouts at the intersections of Road 4 North and Highway 89 along with Perkinsville Road and Highway 89. ADOT has developed a round-about that is capable of meeting the design requirements.

At the northwest and southeast corners of each of these intersections buildings, structures, propane tanks, and driveways exist such that the construction of a round roundabout was not prudent. Because of the desire to limit any right-of-way on these properties the roundabout takes on a more oval shape. With this more oval shape the intersection is still designed pass full sized commercial trucks and passenger vehicles at the same time.

Funding for the construction of these intersection improvements come from two sources. The intersection at Road 4 North will be funded through ADOT Highway safety funds. The intersection at Perkinsville Road is funded by the Central Yavapai Metropolitan Planning Organization (CYMPO.)

While the round-about at the intersection of Highway 89 approximately 1.000' north of the future alignment of Road 5 South has not completed its design, there are ample other example that demonstrate that ADOT will fulfill the Town's design requirements that are included in this resolution. Staff has included this intersection in this resolution in order to expedite the necessary approvals and provide ADOT with a vote of confidence.

Fiscal Impact

Fiscal Impact?: None

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Resolution 13-1003

Perkinsville Design

Road 4 North Design

RESOLUTION NO. 13-1003

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE ARIZONA DEPARTMENT OF TRANSPORTATION TO CONSTRUCT A ROUNDABOUT AT THE INTERSECTION OF ROAD 4 NORTH AND HIGHWAY 89, WITH PERKINSVILLE ROAD AND HIGHWAY 89 AND APPROXIMATLEY 1,000' NORTH OF THE FUTURE ALIGNMENT OF ROAD 5 SOUTH AND HIGHWAY 89.

WHEREAS, the Town of Chino Valley ("Town"), Yavapai County, and the Arizona Department of Transportation ("ADOT") are coordinating toward the successful completion of the Highway 89 improvements through Chino Valley; and

WHEREAS, on January 8, 2013, the Common Council of the Town adopted Resolution No. 13-1003, authorizing ADOT to proceed with the formal design in accordance with the Project Assessment of three roundabouts located at the intersections of Road 4 North and Highway 89, Perkinsville Road and Highway 89, and Road 5 South and Highway 89; and

WHEREAS, ADOT has requested that the Town execute a resolution of support for the construction of the roundabouts at these intersections; and

WHEREAS, the Town has developed various design criteria that this resolution of support is based upon, such as the ability for the roundabout to convey and traverse a full size tractor trailer rig and a passenger vehicle while staying in-lane simultaneously; and

WHEREAS, the Town and Roundabouts Traffic Engineering have determined that the proposed design that ADOT has submitted is able to meet this criteria;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, ARIZONA, that the Town:

1. Approves the proposed design of a roundabout to be located at the intersection of Road 4 North and Highway 89 and authorizes ADOT to move forward with this design and development of construction documents, including but not limited to:

    a. Street lights for the roundabout and intersection;
    b. Incorporate two full departure lanes for each direction of travel on Highway 89;

c. Provide sufficient design to accommodate a single full size tractor-trailer rig (WB-57) and a passenger vehicle simultaneously through the roundabout while each vehicle is able to stay in-lane.

2. Approves the proposed design of a roundabout to be located at the intersection of Perkinsville Road and Highway 89 and authorizes ADOT to move forward with this design and development of construction documents, including but not limited to:

   a. Street lights for the roundabout and intersection;
   b. Incorporate two full departure lanes for each direction of travel on Highway 89;
   c. Provide sufficient lane width to accommodate a single full size tractor-trailer rig (WB-57) and a passenger vehicle simultaneously through the roundabout while each vehicle is able to stay in-lane.

3. Approves the proposed design of a roundabout to be located at approximately 1,000' north of the intersection of Road 5 South and Highway 89 and authorizes ADOT to move forward with this design and development of construction documents including but not limited to:

   a. Street lights for the roundabout and intersection.
   b. Incorporate two full departure lanes for each direction of travel on Highway 89.
   c. Provide sufficient lane width to accommodate a single full size tractor-trailer rig (WB57) and a passenger vehicle simultaneously through the roundabout while each vehicle is able to stay in-lane.

4. Appoints the Town Engineer as the Town's agent to conduct all project reviews and engineering coordination with ADOT.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 8th day of January, 2013.

____
Chris Marley, Mayor

ATTEST:

____
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

____
Musgrove Drutz & Kack, PC,
Town Attorney

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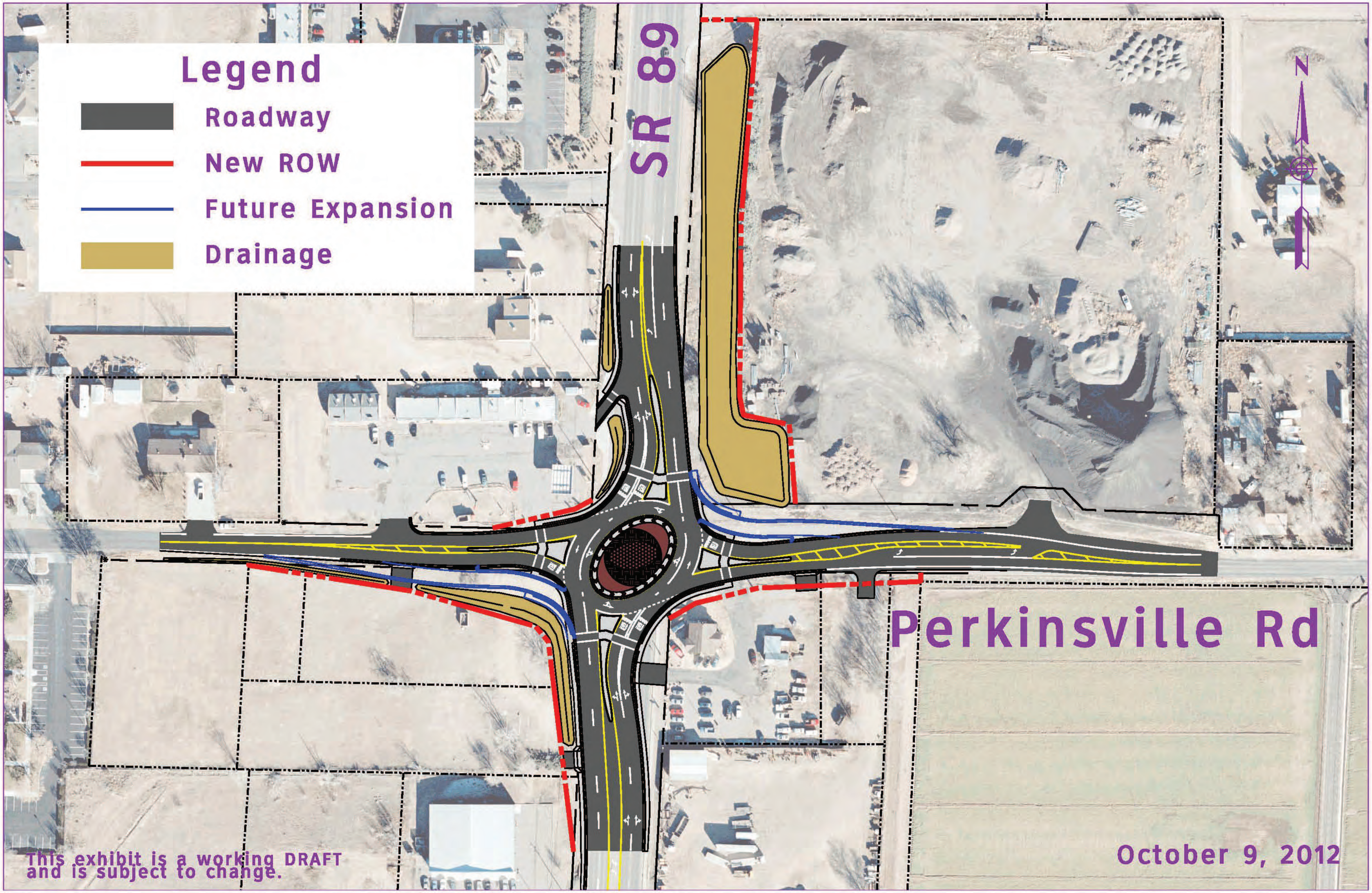
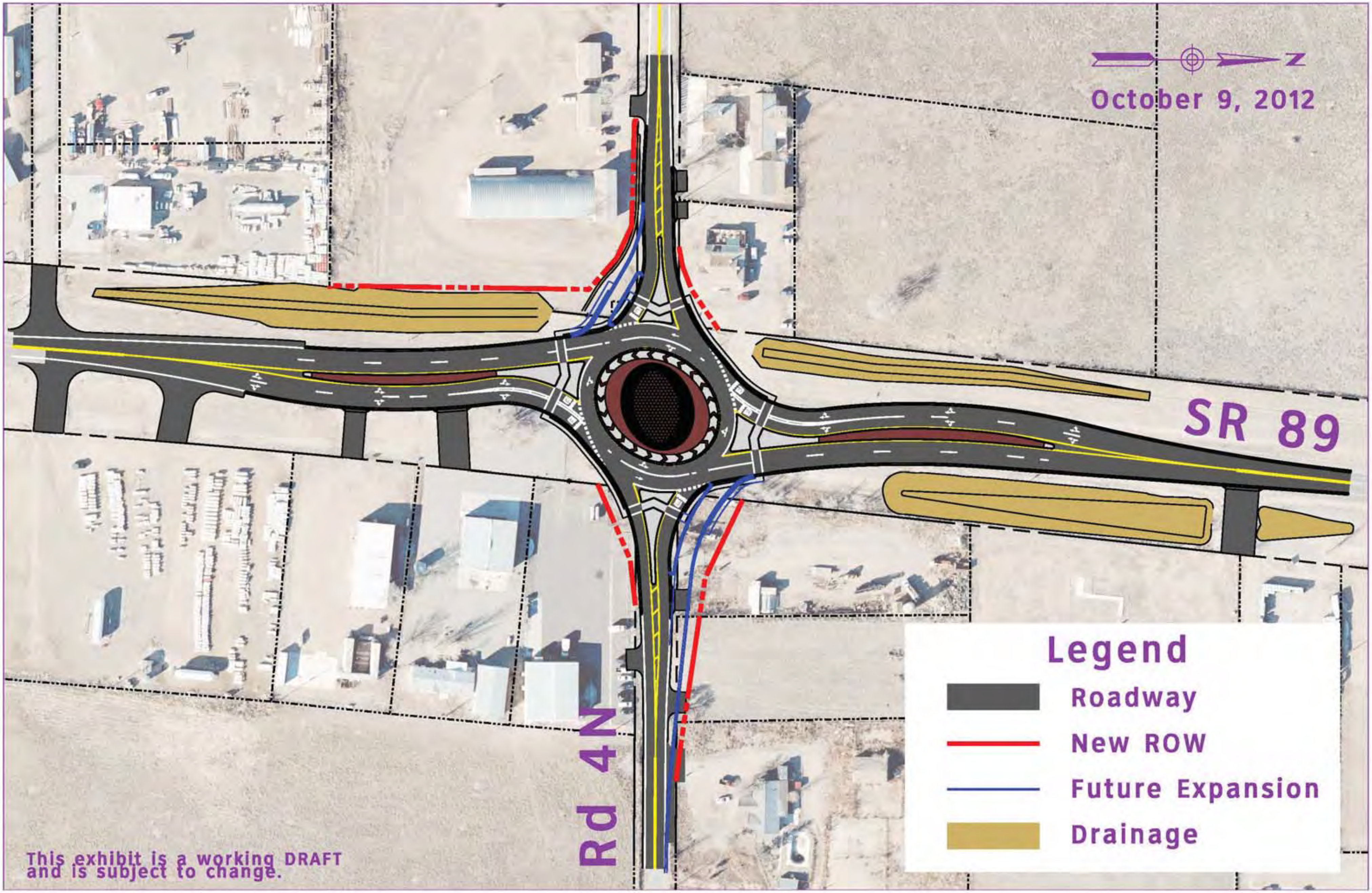

Legend
Roadway
New ROW
Future Expansion
Drainage
SR 89
Perkinsville Rd
N
This exhibit is a working DRAFT and is subject to change.
October 9, 2012


October 9, 2012
SR 89
Rd 4N
Legend
Roadway
New ROW
Future Expansion
Drainage
This exhibit is a working DRAFT
and is subject to change.

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 7. c.**

Meeting Date:	01/08/2013
Contact Person:	Ron Grittman, Town Engineer Phone: 928-636-2646 x-1223
Department:	Public Works
Item Type:	Action-Presentation
Estimated length of staff presentation:	10 minutes
Physical location of item:	Community Park Facility at Perkinsville Road and Road 1 East

AGENDA ITEM TITLE:

Consideration and possible action to authorize staff to spend up to $90,000 of Parks Impact Fee funds to expand the Community Center Park by approximately 7 acres into the area that is currently vacant along Perkinsville Road.

RECOMMENDED ACTION:

Authorize staff to spend up to $90,000 of Parks Impact Fee fund to expand the Community Center Park by approximately 7 acres.

SITUATION AND ANALYSIS:

The proposal is to allow Public Works and Utilities crews to improve the northerly section of the Community Center Park that is adjacent to Perkinsville Road. The site currently is an accumulation of bare dirt and weeds and has a very large mound of dirt that parallels Perkinsville Road. The eastern portion of this area is currently a surfaced parking lot to can accommodate some overflow parking to the Community Center.

Public Works proposes to move the existing mound of dirt into a series of undulating vertical relief series of mounds that will be constructed over the 7 acre area. A detention pond will be constructed on the western side of the entrance into the overflow parking lot along the frontage of Perkinsville Road. All grading will be performed such that this detention pond is the location of stormwater runoff.

An off-leash Dog Park will constructed immediately west of the overflow parking and south of the new detention area. The off-leash dog arena will be fenced with a 6’ chain link fence approximately 100’x200’. This arena may be enlarged once further grading occurs and the availability of funds.

The undulations and vertical relief mounds will be constructed in such a fashion that a 4' wide decomposed granite walking path will meander throughout this 7 acre area traversing over these vertical mounds and undulations. Special attention will be given the frontage of Perkinsville Road in order to create an appealing and visible sight of the meandering walking path lined with tress, shrubs and decorative rock. In the future, exercise equipment could be placed along, and adjacent to, the walking path. These pieces of equipment would allow the patron of the facility to enhance their physical experience of the area.

Water, both potable and irrigation, will be extended across the area. Drinking fountains can be placed around the walking path tied into the potable waterline. A dog drinking fountain will also be placed in the off leash fenced in Dog Park. Because of water restrictions to the installation of additional turf, staff believes that this 7 acre area can be vast areas of dense shrubs and trees planted throughout the area. The water system will be constructed such that its extension can be easily brought to where the proposed trees and shrubs are planted. Additional trees and shrubs can be sponsored by local civic groups, boy scouts, and garden clubs creating a sense of participation in this public enhancement.

While the Town has adopted a concept of the enhancements of this portion of the Community Center Park, Public Works is <u>not</u> proposing that this construction will comply with these concepts. The last cost estimates for the construction as proposed is well into the millions of dollars. Staff does not believe that these funds will be available within the foreseeable future. We are proposing to create a useable walking area that can be enhanced with public participation in the planting of trees and shrubs. We will provide the backbone and the foundation for the public to donate trees and shrubs that will enhance the region providing a tranquil opportunity to enjoy this newly available area. Special attention will be applied to the amphitheater and gazebo areas in order to assure that the proposed enhancements will not preclude future construction of these amenities.

Staff will rent heavy earth moving equipment and field engineer the site. The Parks and Utility crews will install the backbone water system that will have separate connections into the potable and irrigation systems. We will use up to $90,000 of Parks Impact Fees in order to pay for equipment rental, materials, 4" PVC pipe, decomposed granite, edging, and decorative rock. Trees and shrubs will only be purchased with these funds pending availability after construction of the major improvements. These improvements will provide a palette that can enhanced and added to as public participation is offered.

Fiscal Impact

Fiscal Impact?:	Yes
If Yes, Budget Code:	
Available:	117,000

Funding Source:

Parks Impact Fee Funds.


E PERKINSVILLE RD
N ROAD 1 EAST

BMA
ARCHITECTS, PLANNERS
LANDSCAPE ARCHITECTS

CHINO VALLEY COMMUNITY CENTER PARK
PHASE 3

0' 40' 80'

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 7. d.**

Meeting Date:	01/08/2013
Contact Person:	Robert Smith, Town Manager Phone: 928-636-2646 x-1201
Department:	Town Manager
Item Type:	Action
Estimated length of staff presentation:	None
Physical location of item:	Old Home Manor

AGENDA ITEM TITLE:

Consideration and possible action to direct staff to proceed with the necessary steps to establish an industrial park at Old Home Manor as presented at the Council study session on September 6, 2012.

RECOMMENDED ACTION:

Direct staff to proceed with the necessary steps to establish an industrial park at Old Home Manor.

SITUATION AND ANALYSIS:

On September 6, 2012, staff presented the concept of creating an industrial park at Old Home Manor for the purpose of providing jobs and business to business industries to support the park. Staff desires for Council to formally direct staff to begin taking the steps outlined in the study session to create the industrial park.

The minutes from the September 6 meeting are attached. The staff report and associated materials for the study session industrial park item may be viewed online at http://www.chinoaz.net/clerk/townagenda.shtml, in the agenda packet, pages 15-24.

Fiscal Impact

Fiscal Impact?: TBD

If Yes, Budget Code:

Available:

Funding Source:

Attachments

September 6, 2012 minutes

MINUTES OF THE COUNCIL STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

TUESDAY, SEPTEMBER 6, 2012
6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona, met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, September 6, 2012.

Present:	Mayor Chris Marley; Vice-Mayor Carl Tenney; Councilmember Mike Best; Councilmember Darryl Croft; Councilmember Dean Echols; Councilmember Linda Hatch
Absent:	Councilmember Lon Turner
Staff Present:	Town Manager Robert Smith; General Services Director Cecilia Watts; Finance Director Joe Duffy; Police Commander Mark Garcia; Town Engineer/Public Works Director Ron Grittman; Utilities Supervisor Chris Bartels; Associate Planner David Nicolella; Building Official Dan Trout; Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Marley called the meeting to order at 6:00 p.m.

2) Presentation, review, and discussion of User Fee Study and Recommendations dated August 2012, prepared by Heinfeld, Meech & Co. (Robert Smith, Town Manager)

Mr. Smith and Cheri Wright with Heinfeld, Meech & Co. (H&M) reported that:

- The Town engaged H&M to perform a User Fee Study for all Town fees for services. The study included, the actual cost of providing those services, cost recovery at three different levels, and a regional market comparison of fees to other local municipalities to ensure market-competitiveness.
- The Cost Allocation Plan included cost recovery of both direct costs, such as the fully-burdened labor rate, and indirect costs, such as overhead. It also incorporated any salary adjustments that were recommended in the Town's newly incorporated Compensation and Classification Plan. H&M worked directly with each department to understand and determine the materials, supplies, amortization, and depreciation that were necessary to capture the full cost of delivering services.
- Differences between the current fees and those derived in the study were due to changes in processes over the years, new efficiencies developed, and policy decisions to subsidize certain fees, such as those for the Aquatic Center; and when comparing fees with other entities, such policy decisions were not known.
- H&M's general recommendation was that the Town set most fee levels to recover the full cost of providing the service.

Council reviewed and asked questions about several fee proposals from staff that differed from the study:

- They supported eliminating the business license application inspection fee, reducing the business license application fee, restructuring the liquor licensing fees to align with those of the State, and reducing animal control fees.
- They asked staff to reduce the late fees for business licensing, reduce the fee for swap meets, revise the fee structure for festival/special event permits along with the revisions currently being made to the special events policy, and provide more information regarding building permit and inspection fees not matching the market study.

Mr. Smith stated that more departments would provide proposals on the study at a future time.

3) Discussion regarding the proposed Old Home Manor Industrial Park which consists of five, forty-acre parcels, identified as Assessor's Parcel Numbers 306-02-001J, L, N, S and U, located on the west side of the Town's Old Home Manor Property. (David Nicolella, Associate Planner)

Acronym used in this item:
OHM (Old Home Manor)

Mr. Nicolella and Town Manager Robert Smith reported that:

- The concept for an industrial park came out of discussions with a business that was interested in locating in Town.
- OHM was a good location for such a park, due to its nearness to the highway, appropriate nearby zoning, and available utilities.
- One purpose for this would be to provide jobs and business to business industries to support the park.
- The Town would need help getting gas to the area, but the businesses in the park could not bear the full burden.
- Staff had begun talks with Arizona Public Service about creating power generation using biomass or solid waste to create steam that could be used to power the businesses on that site.
- The steps needed to create an industrial park were: (i) Determine the fiscal impact; (ii) Research existing ordinances and resolutions relating to OHM to ensure there were no conflicts; (iii) Hire a firm to create a survey and identify needed rights-of-way along Perkinsville Road to the corner of the park; (iv) Work with the General Plan Committee to assign an appropriate General Plan designation; (v) Identify appropriate zoning designations; and (vi) Set a timeline and hold applicable public hearings.

Council comments:

- Drake Cement would be interested in partnering with the Town on this.
- Staff would need to investigate possible issues with odor.
- Staff would need to investigate issues with water credits.

4) Discussion regarding the possible extension of Road 1 East between Road 4 South and the future alignment of Road 5 South. (Ron Grittman, Town Engineer)

Acronym used in this item:
ADOT (Arizona Department of Transportation)

Mr. Grittman reported that:

- ADOT was intending to widen the highway between the Town and Deep Well Ranch Road, which was a new east-west roadway north of the existing Ruger Road.
- The roadway design, which included a divided roadway with median between Road 4 South and the future alignment of Road 5 South, would remove left turn movement onto the highway.
- In July 2012, ADOT met with local business owners to discuss the project. Two alternatives that came out of the discussions were: (i) extend Road 1 East from Road 4 South to approximately Road 4-1/2 South with two east-west connectors; or (ii) extend Road 1 East from approximately Road 4-1/2 South to the Road 5 South alignment.
- If the Town extended Road 1 East, ADOT will then commit to allow a left turn movement at Road 5 South like the current one at Road 3 South.
- At the meeting with the business neighborhood, business owners asked about using a frontage road that had been created years ago. While there was a small frontage to the south and documentation for abandoned right-of-way in the area, staff found no documentation for another frontage road.
- There was no perfect solution for entrance into each business in the area, but the new connector and a U-Turn at Road 5 South would provide a reasonable solution to accommodate the overall traffic problem, as well as provide an alternative route during highway closures.
- As ADOT would provide millings from the highway project, the total cost of constructing the extension using public works forces and Town fuel would be under $20,000 in actual cash.

Public comment:

Steve Chontos, business owner, opposed the proposed plan, as extending Road 1 East would do nothing for the public's general welfare; it only benefited Windy Valley Plaza, and he would lose access to his business. If Council determined to extend the easements, he would not be prepared to dedicate his part of it. Instead, he urged the Town to take advantage of the existing 25 feet of right-of-way dedicated to the Town in 2004.

Alvin Stump, ADOT District Engineer, stated that ADOT believed the parallel roadway was important, as the State was limited with it could do with just one roadway, and they were willing to work with the Town.

Council comments:

- As three of four businesses near Mr. Chontos' property used his entrance, they wanted a safe access to his business.
- They asked for more information on costs, timeframes, alternatives, better maps, traffic patterns and movements, and the access road in front of the businesses.
- They stressed working with the businesses and finding a way to ensure minimal impact to them.
- If the business community could live with ADOT's plan, the Town should consider the Road 4 South extension.

5) ADJOURNMENT

MOVED by Councilmember Darryl Croft, seconded by Councilmember Dean Echols to adjourn the meeting at 8:30 p.m.

Vote: 6 - 0 PASSED

Other: Councilmember Lon Turner (ABSENT)

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, 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 Chino Valley, Arizona held on the 6th day of September, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 11th day of December, 2012.

Jami C. Lewis, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No. 7. e.**

Meeting Date:	01/08/2013
Contact Person:	Jami Lewis, Town Clerk
	Phone: 928-636-2646 x-1208
Department:	Town Clerk
Item Type:	Action
Estimated length of staff presentation:	None
Physical location of item:	Doreen's Backstreet Bar & Grill, 2879 N. Arizona Trail

AGENDA ITEM TITLE:

Consideration and possible action to approve application from Timothy Smith for a Liquor License Permanent Extension of Premises for Doreen's Backstreet Bar & Grill, located at 2879 N. Arizona Trail in Chino Valley, with the condition that no alcohol be served in the extension area until appropriate fencing and signage, as determined by the Police Department, is installed and the site has passed inspection by Town personnel.

RECOMMENDED ACTION:

Approve application from Timothy Smith for a Liquor License Permanent Extension of Premises for Doreen's Backstreet Bar & Grill, located at 2879 N. Arizona Trail in Chino Valley, with the condition that no alcohol be served in the extension area until appropriate fencing and signage is installed and the site has passed inspection by Town personnel.

SITUATION AND ANALYSIS:

Pursuant to A.R.S. 4-207.01, any change to include additional space to a liquor-licensed premises requires application to the Arizona Department of Liquor Licenses and Control, who also requests a recommendation from the local government body or its designate.

Doreen's currently holds a Series 6 Bar Liquor License. They have applied with the State Liquor Board to extend their licensed premises an additional 2,240 square feet to accommodate events.

The Police Department reviewed the application and recommended approval, conditioned upon the applicant installing appropriate fencing and signage. "Appropriate fencing" means some sort of barrier that cannot be stepped over, and "appropriate signage" refers to inward-facing signs stating "No Alcohol Beyond This Point." Zoning Enforcement Officer

Mike Bovee and Police Chief Chuck Wynn will be keeping in touch with Doreen's to ensure that no alcohol will be served in the extension area until the conditions are met, the site has passed an inspection, and staff provides notice of such passage in writing.

The Planning Department reviewed the application and recommended approval with no further comments.

Other Pertinent Documents Available Upon Request:

Application from Timothy Smith for Permanent Extension of Premises.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **Item No.** **7. f.**

Meeting Date: 01/08/2013
Contact Person: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
Item Type: Action

AGENDA ITEM TITLE:
Consideration and possible action to approve the October 4, 2012 Study Session minutes.

RECOMMENDED ACTION:
Approve the October 4, 2012 Study Session minutes.

Attachments

October 4, 2012 minutes

D R A F T

MINUTES OF THE STUDY SESSION
OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

THURSDAY, OCTOBER 4, 2012
6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona, met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, October 4, 2012.

Present:	Mayor Chris Marley; Vice-Mayor Carl Tenney; Councilmember Mike Best; Councilmember Darryl Croft; Councilmember Linda Hatch; Councilmember Lon Turner
Absent:	Councilmember Dean Echols
Staff Present:	Town Manager Robert Smith; General Services Director Cecilia Watts; Town Engineer/Public Works Director Ron Grittman; Utilities Supervisor Chris Bartels; Town Clerk Assistant Liz Hart (recorder)
Attendees:	Lien & Collections Technician Mike Bovee, Utilities Crew Leader Joe Grassi

1) CALL TO ORDER; ROLL CALL

Mayor Marley called the meeting to order at 6:05 p.m.

2) Presentation of Proposed Utility Water and Sewer Rate Analysis by Dan Jackson, President of Economist.com. (Ron Grittman, Town Engineer)

Acronym used in this item:
CIP (Capital Improvement Program)

Town Manager Robert Smith presented an overview of the Town's sewer plant:

- Unlike most Arizona municipalities, the Town did not obtain financing for its sewer plant through the Water Infrastructure Finance Authority (WIFA), which would have resulted in standardized operational procedures and rates. Instead, the Town entered into construction and operating and maintenance agreements with Fann Contracting.
- Under the construction agreement: the Town paid Fann $4,100 from each residential connection on homes built after 2004; he received nothing for homes built prior to that date; there was no mention of any commercial connections; and Fann was required to expand the plant up to one million gallons per day at no cost to the Town. The lack of commercial connection payments and exclusion of connection fees had created legal conflicts between the parties.
- Due to the anticipated pace of growth not materializing and the assumptions failing, upon satisfaction of the agreement, the Town will have paid $12 million to Fann, whereas typical financing for the plant would have cost $7-$8 million.

- Under the operation and maintenance agreement, the Town was paying Fann $21 per month from each utility account, generating $422,000 a year for operation of the plant. As this agreement was up for renewal soon, the Town should consider ending it, as the Town could use the proceeds to fund capital extension of the system.
- Several problems with the Town's utility structure were contributing to the Town's overall structural financial deficit: utility payments were not covering expenses or contributing toward capital improvements; the utility funds had a $900,000 annual shortfall; the Town's current water and sewer connection fees were not covering the cost to install the pipe; utility-related expenses were increasing; and the General Fund had subsidized $2.25 million to the utility accounts and toward sewer plant operation since 2007.
- Adjusting rates and connection fees, and expanding the system will eliminate the drain on the General Fund and spread the costs across more users, resulting in lower increases and a portion of the utility payments going toward capital reserves. There were no rate models that would allow the Town to reduce rates in the next five years.

Mr. Grittman added that Mr. Jackson had valued all the local private water companies and included as an assumption acquisition of Chino Meadows I, currently owned by the City of Prescott. Rate increases would drop dramatically by adding new users.

Dan Jackson reported that:

- Currently, in the water and sewer service business, water and sewer rates were going up 5-6% per year and were expected to triple in the next 15 years; 30%-40% of utilities currently charged rates that did not cover their costs; it was very common for smaller utilities to have higher rates due to economies of scale; rate adjustments were often due to reasons beyond one's control such as inflation, or system replacement; and many Arizona cities had implemented significant rate increases in recent years.
- Due to the annual loss in the utility funds, the Town government would be out of money in a couple years; thus, rates must be increased to prevent bankruptcy. Council had some flexibility regarding the size of rate increases, which will be dependent upon how aggressively Council desired to phase out the carryover subsidy, the terms of taking over the sewer plant from Fann, how much to fund a CIP each year, and whether or not the Town acquired additional water users.
- He had developed three rate increase scenarios, based upon certain assumptions: personnel and operating costs increasing; other expenses, such as chemicals and electricity, increasing; new account growth remaining limited; the Town acquiring Chino Meadows I at no cost; water and sewer buy-in fees increasing to $4,000 and $6,000 for all homes; the Town funding its CIP through pay as you go in lieu of new debt; the Town assuming Fann's interest in operation and maintenance; and any purchase of the plant exceeding $2 million resulting in increased costs and rates.
- Scenario #1 Status Quo: Provided for phaseout of subsidy over four years, no change in Fann relationship, no CIP, no Chino Meadows I acquisition, modest rate increases in water; and substantial sewer increases. This was risky, as it provided no funding for expansion or maintenance.
- Scenario #2 Comprehensive: Provided for phaseout of subsidy over four years, buying out Fann for $2 million, $300,000 CIP beginning in 2014, and Chino Meadows I acquisition, higher water increases in the first three years and higher sewer increases in years three through five. This was the most aggressive scenario, but provided the quickest path toward solvency.
- Scenario #3 Moderate: Provided for phaseout of subsidy over four years, taking over the plant or operations only at no cost, $150,000 CIP beginning in 2014, and Chino

Meadows I acquisition.

- Scenarios #2 and #3 depended upon taking over Chino Meadows I. As the two scenarios had the same rate increases for the first two years, if the acquisition did not happen, they would have to reassess the situation.
- Once Council agreed upon a scenario, there was a 60-day window for publishing the notice of intent, followed by a public hearing, and adoption of the rate change Ordinance, which would be effective 30 days after that.
- He recommended that Council adopt their selected scenario with a five-year schedule, which would be required for future bonding.

Mssrs. Smith and Grittman added that:

- As long as the Town was under the Fann contract, it could not qualify for tax-exempt financing or proceed with establishing improvement districts, which would allow the Town to waive the buy-in fees for those in the district. If the Town took over the plant, it could then qualify for said financing.
- Staff needed direction from Council for negotiations regarding the plant, and if the Town could not acquire the sewer plant, adjustments to the plan would be needed.
- The Town needed to add 400 or more water users, but it did not matter how they were obtained. If the Town purchased Chino Meadows I, those users would not have to pay the buy-in fee; however, others who were along the way would need to buy in and pay for septic abandonment and pipe installation.
- Connection fees in the Town's neighboring cities cost about $22,000.
- The Town could consider giving citizens the ability to prepay their connection fee before the costs went up. Currently, users buying into the system could amortize their payments over 10 years.
- The Council Utility Committee will continue this discussion on October 23.

Council comments:

- Due to the economy, it was a good time to enter into negotiations with Fann.
- Some preferred Scenario 2, as it corrected the problem the quickest, while others preferred Scenario 3, as the assumptions might not materialize and it put less burden on the ratepayers.
- The Town needed to pursue acquisition of water users.

3) ADJOURNMENT

Mayor Marley adjourned the meeting at 7:43 p.m.

____

Chris Marley, Mayor

ATTEST:

____

Jami C. Lewis, 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 Chino Valley, Arizona held on the 4th day of October, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of January, 2013.

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Jami C. Lewis, Town Clerk