# Town of Chino Valley

## MEETING NOTICE
## TOWN COUNCIL

**REGULAR MEETING**
**Tuesday, January 22, 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**

**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)** Quarterly update on Municipal Court operations by Town Magistrate, John Walker.

**b)** Report regarding the Town's Home Rule community outreach plan. (Jami Lewis, Town Clerk)

## 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 November 13, 2012 Regular Meeting minutes. (Jami Lewis, Town Clerk)

**b)** Consideration and possible action to approve the August 14, 2012 amended Regular Meeting minutes with a correction to Item 3 Call to the Public. (Jami Lewis, Town Clerk)

## 7) ACTION ITEMS

**a)** *Continued from January 8, 2013:* Consideration and possible action to direct staff to proceed with the initial 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 initial steps to establish an industrial park at Old Home Manor.

**b)** Presentation of the rough conceptual design for the Community Center Park expansion as discussed on January 8, 2013. (Ron Grittman, Town Engineer)

**c)** Consideration and possible action to approve Monthly Financial Report for month ended December 31, 2012. (Joe Duffy, Finance Director)

Recommended Action: Approve Monthly Financial Report for the month ended December 31, 2012.

**d)** Consideration and possible action to adopt Resolution No. 13-1004, authorizing the Town to enter into the Stategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Agreement. The Town anticipates cost savings on products and services acquired under the cooperative purchasing agreement. (Joe Duffy, Finance Director)

Recommended Action: Adopt Resolution No. 13-1004, authorizing the Town to enter into the Stategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Agreement.

**e)** Consideration and possible action to adopt Ordinance No. 13-763 amending Chapter 10 of the Chino Valley Town Code, by adding a provision relating to authority to correct scrivener's errors. (Jami Lewis, Town Clerk)

Recommended Action: Adopt Ordinance No. 13-763 amending Chapter 10 of the Chino Valley Town Code, by adding new Section 10.20 "Authority to Correct Scrivener's Errors."

**f)** Consideration and possible action to authorize the Mayor to sign a letter on behalf of the Council to the State Legislature with regard to the recommendations made in the final report by the Governor's TPT Simplification Task Force. (Mayor Marley)

Recommended Action: To be determined per Council discussion.

**g)** Consideration and possible action to approve the December 6, 2012 Study Session minutes. (Absent: Councilmember Turner) (Jami Lewis, Town Clerk)

Recommended Action: Approve the December 6, 2012 Study Session minutes.

**h)** Consideration and possible action to approve the December 11, 2012 Regular Meeting minutes. (Absent: Councilmember Croft) (Jami Lewis, Town Clerk)

Recommended Action: Approve the December 11, 2012 Regular Meeting 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 16th 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

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#3

IN THE FALL OF 1999 AND WINTER OF 2000 THE CHINO VALLEY COUNCIL INSTRUCTED THE TOWN MANAGER TO PURSUE THE ANNEXATION OF SECTION #1 SOUTH OF 4 SOUTH AND THE OUTER LOOP.

HE HELD TWO MEETINGS WITH THE LANDOWNERS, ONE WAS IN MY BUILDING, THE GOLF RANGE, AND THE OTHER WAS IN THE TOWN OFFICE.

HE ASKED WHAT WE NEEDED FROM THE TOWN AND SAID THAT THE TOWN WAS WILLING TO DO A GREAT DEAL FOR US.

WE THEN CHOSE BOB FOSTER, WHO OWNED TEN ACRES , TO REPRESENT US DURING OUR NEGOTIATIONS WITH THE TOWN

FINALLY, AT THE RECOMMENDATION OF THE MANAGER AND STAFF THE COUNCIL VOTED UNANIMOUSLY , ONCE ON JANUARY 13, AND AGAIN ON MARCH 30, 2000 AS PART OF THE ANNEXATION AGREEMENT TO CREATE AN ESCROW ACCOUNT NOT TO EXCEED $200,000 TO BE FINANCED BY 80% OF OUR TOWN SALES TAXES FOR FIVE YEARS.

THE MONEY WAS TO BE USED TO BUILD EITHER A FRONTAGE ROAD OR A WATER LINE DOWN TO PALM HARBOR.

NOW, RECOGNIZING THAT FRONTAGE ROADS ARE A MOOT ISSUE, I AM ASKING THE TOWN TO KEEP IT'S WORD AND USE THAT $200,000 TO START PLANNING TO BUILD A WATER LINE TO PALM HARBOR.

Steve Chontos
Chino Golf Range
12/28/2012

| | |
|---|---|
| Vice Mayor St. Pierre | Yes |
| Councilmember Barnes | Yes |
| Councilmember Gray | No |
| Mayor Main | No |
| Councilmember Baker | Yes |
| Councilmember Purdin | No |
| Councilmember Sparzynski | No |

Councilmember Gray MOVED to leave the process as it is and direct staff to respond to groups of homeowners' requests for more information by notifying councilmembers or other town staff to voluntarily go out and meet with those property owners. The motion FAILED for lack of a second.

Councilmember Sparzynski MOVED to take a more neutral position and not aggressively pursue the annexation, and that council set the standard at a two-thirds majority for population and leave it at 50 percent for valuation.

Mr. Farrell informed council that staff would prepare an ordinance as soon as the town gathered signatures totaling the statutory amount required. At that time, the council could choose not to adopt the ordinance until a greater number came in.

The motion FAILED for lack of a second.

Mayor Main MOVED, seconded by Councilmember Gray, to direct staff to take a neutral stance on the annexation process in areas 99-01 through 99-04 and that the town respond to requests from citizens inside and outside the town limits in the annexation areas for information and/or speakers as available. The motion PASSED 4-3 by the following vote:

| | |
|---|---|
| Vice Mayor St. Pierre | No |
| Councilmember Barnes | No |
| Councilmember Gray | Yes |
| Mayor Main | Yes |
| Councilmember Baker | No |
| Councilmember Purdin | Yes |
| Councilmember Sparzynski | Yes |

Mr. Tenney addressed annexation area 99-05, stating that the property owners had met and he then met with their representative, Robert Foster. Those property owners had concerns about access to water, fire protection standards, zoning and highway access.

Mr. Foster summarized the four issues noted above and related that the property owners would be interested in annexation if some of these issues could be resolved.

Mr. Tenney stated that staff would set up a meeting with the 99-05 property owners and continue to answer their questions.

NOTE TO THE FILES
Thursday, October 14, 1999

Meeting with Bob Foster, representative of the Windy Plaza area merchants

In attendance at the Tuesday night meeting (Oct 12th) Dan Harsin, M/M Denney, M/M Scurry, Mike Coury, Bill Mason, Carlos Madrigal, Steve Chantos, Bob Foster.

Not in attendance – Tom Devereaux (Windy Plaza), Feed Store people, Brownlow, Peacock, James.

The group generally doesn't like being in the County, but they have adjusted to it. If improvements can be made, it would be ok to be in Chino.

Issues: Business licenses and signs – They want them to stay as they are. They should be grandfathered in.

They want permitted uses vs conditional uses.

They want commercial zoning to the fence.

The frontage road is an issue.

(Call Don Karcie about the 29 acres).

Fire protection is a problem. Storage tank requirements are a problem. City of Prescott water is desired.

In the 1980's they were granted conditional zoning, conditioned on granting a 50' easement for a frontage road, "to the general public".

The feed store has conforming zoning, but the golf range does not..

Don Harsin is a real estate developer.

Bob Foster 445-4251.

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

**THURSDAY, JANUARY 13, 2000**
**7:00 P.M.**

The Common Council of the Town of Chino Valley, Arizona met for a Regular Meeting in the Chino Valley Town Council Chambers located at 1020 W. Palomino Road, Chino Valley, Arizona, on Thursday, January 13, 2000.

Mayor Main called the meeting to order at 7:00 p.m.

Council Present: Mayor Dan Main, Vice-Mayor Russ St. Pierre, and Councilmembers Joel Baker, Norm Barnes, Don Gray, Pat Purdin and Francia Sparzynski.

Staff Present: Town Manager Carl Tenney, Town Attorney Bill Farrell, Attorney Rob Pecharich, Community Development Manager Brian Preece, Community Services Manager Eric Moore, Public Works Manager Ron Grittman, Engineering Project Managers John Munderloh and Mike Willett, Recreation Director Kathleen Finlayson and Administrative Services Manager/Town Clerk Delores Sliger (recorder).

Councilmember Gray led in the invocation followed by Councilmember Baker leading in the Pledge of Allegiance.

**2) Introductions, Presentations and Proclamations.**

**2a)** Proclamation regarding "National Child Passenger Safety Week," February 13-19, 2000.

Mayor Main read the proclamation for National Child Passenger Safety Week.

**2b)** Presentation to Bill Farrell for his service to the Town of Chino Valley as Town Attorney.

Mayor Main presented Mr. Farrell with a plaque of appreciation. Mr. Farrell thanked past and present councils, staff and citizens, for their respect and support. Mr. Tenney praised Mr. Farrell's support and guidance. Hank Bisjak, resident, spoke about Mr. Farrell being the best attorney the Town has had. Judge Abbott also presented Mr. Farrell with a "Administrative Order of the Court" plaque.

**2c)** Introduction of new Community Services Manager Eric Moore.

Mr. Tenney introduced Eric Moore, Manager of the new Community Services Division and expressed his appreciation for Mr. Moore's assistance.

Ms. Denny related that, in Prescott mobile businesses were permitted as long as they had authorization from the property owner and there were no complaints. She added that she had invested a lot of money in her business and her trailer had been inspected by the Health Department like any other food establishment.

Mr. Farrell told Council that staff could provide them with copies of the regulations from Prescott, Prescott Valley and the County with an analysis of their requirements.

Council further discussed amending the definition of transient merchant and possibly making mobile trailers "permanent." Mr. Preece explained that making a trailer permanent would then require the owner to address bathroom and serving area requirements. He added that this issue was being considered because other businesses began submitting complaints. Mayor Main asked staff to furnish Council with a list of those complaints.

Mrs. Trinka believed that there should be some way for Council to accommodate these people.

Mr. Sawyer mentioned that he encouraged competition and he had not filed a complaint.

Mrs. Sliger noted that the Special Event License for vendors who came in only for special events, was $25.00 per day and they were not considered a transient business.

Councilmembers Purdin and Sparzynski were in favor of accommodating these merchants as they had a financial commitment to their businesses as well as to their community. Mayor Main reiterated that Council needed to determine whether or not they wanted to accommodate this type of business and if so, how. Vice-Mayor St. Pierre believed the Town could solve the problem fairly, yet the Town needed to address the complaints that had been made.

Mayor Main MOVED, seconded by Councilmember Gray, to continue this item to the next regular meeting with some options on the definition, as well as options on fees and time frames. The motion PASSED unanimously.

**18)** Consideration and possible authorization for Town Manager to negotiate terms of annexation of the commercial area known as Annexation 99-05.

Mr. Tenney reported that the Town's interest in annexing Section 3, a commercial area south of Town, was to increase the Town's commercial base. Staff has had discussions with the property owners of this area, of whom there were about 18, who raised questions about zoning, highway access, fire protection and water. Mr. Tenney briefly addressed these issues. The Town could not guarantee zoning, but could commit to making a good faith effort to review the zoning and make it compatible with their needs. Concerning highway access, the Town would assist with negotiations between the property owners and ADOT and the County was willing to turn their part of the issue over to the Town.. Regarding fire protection and water, the Town has had preliminary discussions with the City of Prescott about a water line that could be tapped into.

Staff was proposing to enter into an agreement whereby the Town and the property owners would share a percentage of the sales tax generated from this area for a period of years, up to a certain dollar amount, to provide needed infrastructure for the area. Infrastructure could include assistance with water provision or construction of a frontage road. As the County road plan calls for the highway and Outer Loop Road to be a major intersection within the next 5 years, this area will become a very important commercial area.

Robert Foster, county resident and spokesman for the business owners, told Council that attitudes may be different between those who own undeveloped property and those who are already engaged in business. He noted that three of the undeveloped properties would be a prospective site for a fairly major neighborhood shopping center and another parcel could accommodate light development. He then spoke about the area's history of easements and highway access, some of the difficulties they have had with the County and the need to resolve the issue. Regarding water, he believed it would be appropriate to withhold any water line extensions until there was a commitment for a major development. He also believed this area had the potential to become a significant shopping area for residents of Williamson Valley and the golf course area, as well as for south Chino Valley.

Mike Coury, property owner in Section 3, informed Council that he would like to see businesses come in and provide revenue for the Town so that area youth didn't have to leave to find work.

Mr. Tenney asked if Council wanted to encourage these citizens to annex to the Town and if they would be willing to commit $200,000 over the next five years from sales tax revenues generated from this area to support potential commercial development.

Councilmember Gray MOVED, seconded by St. Pierre, to authorize the Town Manager to negotiate terms of annexation of the commercial area known as Annexation 99-05 as presented at the January 13, 2000 Council meeting, with the Town's guaranteed financial contribution for infrastructure development to be 80% of the sales tax revenues generated from that area during the next five (5) years, with the total financial contribution not to exceed $200,000.00. The motion PASSED unanimously.

**19)** Consideration and possible action regarding the formation of a Traffic Control Committee.

Mr. Tenney was recommending the formation of a committee to address speed limits within the town and traffic signage. He suggested that the committee consist of the police chief and public works director as permanent members, rotating as chairman, a council member and one or two citizens.

Councilmember Gray MOVED, seconded by Councilmember Barnes to establish a Traffic Control Committee as outlined in Town Manager's memo of January 7, 2000 and to appoint Vice-Mayor St. Pierre to represent the council. The motion PASSED unanimously.

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

## THURSDAY, MARCH 30, 2000
## 7:00 P.M.

The Common Council of the Town of Chino Valley, Arizona met for a Regular Meeting in the Chino Valley Town Council Chambers located at 1020 W. Palomino Road, Chino Valley, Arizona, on Thursday, March 30, 2000.

Mayor Main called the meeting to order at 7:02 p.m.

Council Present: Mayor Dan Main, Vice-Mayor Russ St. Pierre, and Councilmembers Joel Baker, Norm Barnes, Don Gray, Pat Purdin and Francia Sparzynski.

Staff Present: Town Manager Carl Tenney, Town Attorney Rob Pecharich, Community Development Manager Brian Preece, Community Services Manager Eric Moore, Police Chief Pat Huntsman, Public Works Manager Ron Grittman, Engineering Project Managers John Munderloh and Mike Willett and Town Clerk Delores Sliger (recorder).

Vice-Mayor St. Pierre led in the invocation followed by Councilmember Baker leading in the Pledge of Allegiance.

**2) Introductions, Presentations and Proclamations.**

**2a)** Acknowledgment and presentation of Appreciation Award to the Volunteer of the Month for February 2000.

Mayor Main presented Jean Robinson, Library volunteer, with a plaque for being selected as Volunteer of the Month for February.

**2b)** Acknowledgment and presentation of Appreciation Award to the Volunteer of the Month for March 2000.

Mayor Main presented John Farber with a plaque for being selected as March's Volunteer of the Month for his outstanding work with the Chino Valley Area Chamber of Commerce. Mayor Main also acknowledged John's wife, Virginia Reid, for her efforts as well.

**2c)** Presentation to Library Clerk Besty Davis upon her retirement from employment with the Town.

Mayor Main spoke about Betsy Davis' 17 years of volunteering and employment with the Town and presented her with a plaque. The Friends of the Library also presented Mrs. Davis with a gift certificate for herbs and seeds. Mrs. Davis expressed that the town had been a great place to work.

Mr. Tenney noted that this account would allow the town to earn money on its dollars invested and the bank was requesting this resolution to make it effective.

Councilmember Baker MOVED, seconded by Councilmember Gray, to adopt Resolution 543 authorizing establishment of a Sweep Account with Bank One to invest inactive funds daily into money market mutual funds. Councilmember Sparzynski noted that the bank offered three different sweep accounts and this resolution was not clear which account was being approved. Mr. Tenney recommended tabling the item until staff could confirm. Councilmember Baker and Councilmember Gray WITHDREW their motion and second.

Councilmember Baker MOVED, seconded by Councilmember Gray, to table this item to the next regular council meeting. The motion PASSED unanimously.

**21)** Consideration and possible adoption of **Resolution No. 544** recording the results of the Special Election of March 14, 2000.

Mrs. Sliger told council that after each election, a resolution recording the results of the vote was required.

Mayor Main MOVED, seconded by Councilmember Gray, to adopt Resolution 544 recording the official results of the Special Election held on March 14, 2000. The motion PASSED unanimously.

**22)** Consideration and possible adoption of **Ordinance No. 401** to provide for the annexation of Area 99-05.

Mr. Tenney congratulated council and staff on the successful annexation effort. The town gained signatures equaling 69% of the property owners and 84% of the assessed value. Upon approval, the ordinance will become effective on April 29. The town will begin collecting sales tax on May 1 and will begin working on economic development with the property owners. In addition, the town was going to hold an open house on April 20, at Gabby's Kitchen, at 7:00 p.m. for council and town officials to meet their new neighbors.

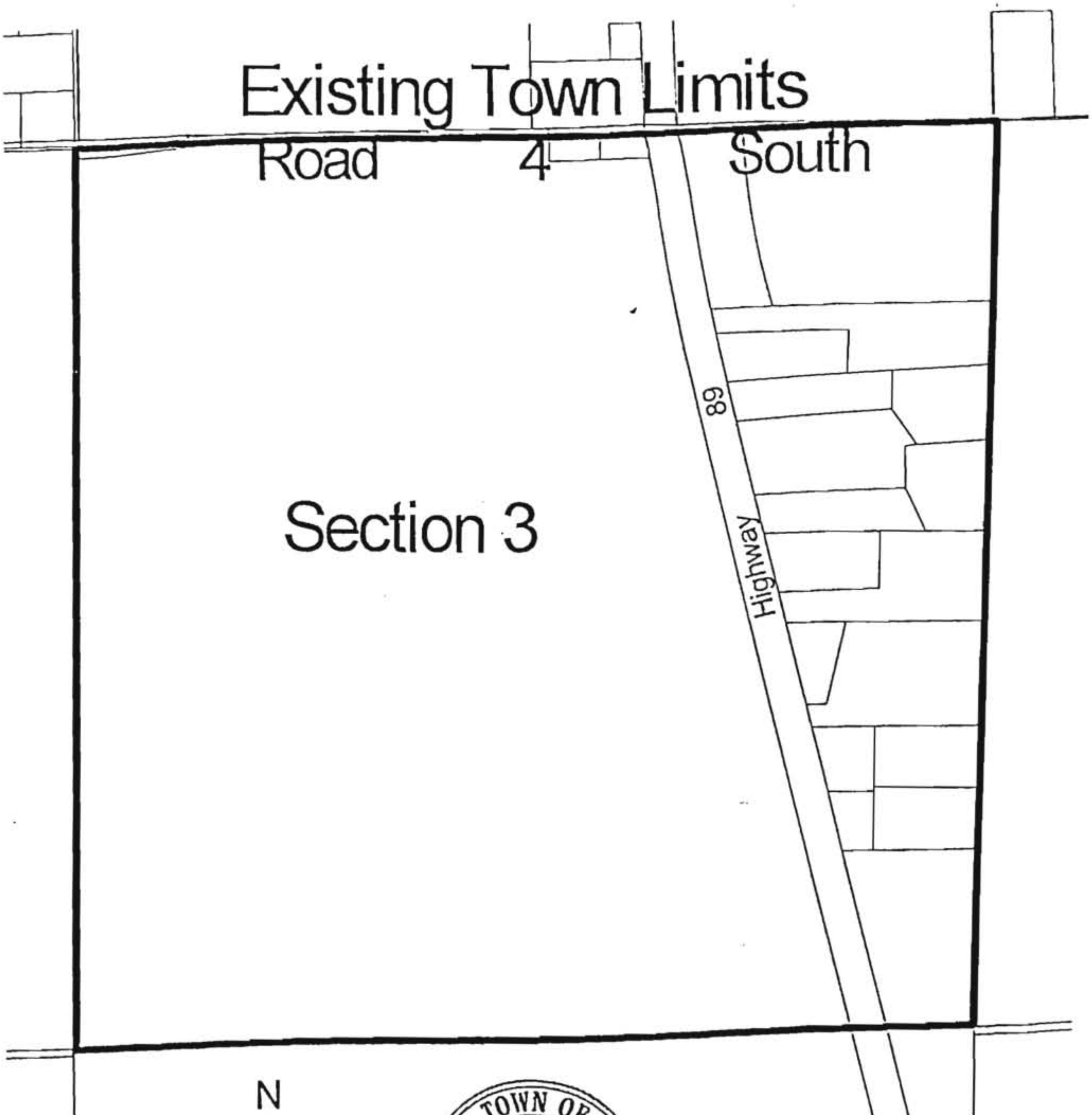
Robert Foster, one of the owners in the annexation area, stated that he had encountered no negative reactions from other property owners. He congratulated staff and council on how the annexation process was handled.

Mayor Main MOVED, seconded by Councilmember Baker, to adopt Ordinance 401 approving the annexation of Section 3, Township 15 North, Range 2 West. The motion PASSED unanimously.

**23)** Consideration and possible action to approve a payment of $1,000 to join the **Tourism Coalition** for the Tri-City area, funds to come from Public Relations budget.

BK 3747 PG 232 FEE#3249462

# Exhibit "B"
# Annexation Map
## Annexation 99-05
## Section 3 Township 15N Range 2W



**ROBERT P. FOSTER**
**2625 LIVE OAK DRIVE**
**PRESCOTT, AZ 86301**

FEBRUARY 5, 2003

Mr. Carl Tenney, Town Manager
Town of Chino Valley
1020 West Palomino Road
Chino Valley, CA 86323

Dear Carl:

Again I am the designated spokesman for our Highway 89 neighbors, Mary Harsin, Dorthy and Stan Skura. We now have a new neighbor, Tony Booker Parcel 223A. A plat of the properties is attached.

This letter concerns the same issues discussed back in January 2000 when annexation was the primary concern. To refresh recollections and restate them for the present I have enclosed some past correspondence.

There are a good many reasons these subjects have resurfaced:

---We are getting numerous inquiries about the property.
---When our inquirers meet with Town personnel to confirm discussions they encounter a wall of denial. "We have never heard or such things, no such commitments have been made." ( I have had this same experience.)
---We can do virtually nothing, development wise or planning development until these matters are either resolved or Town policies concerning them are established.
---Within six months Chino Valley will have a new Town Council, members who participated in the annexation and granting the commitments will not be there to assure they are fulfilled. Presently there is no evidence of action having been taken towards fulfilling them.

The issues, briefly stated:

--The frontage road and network of interior roads. These roads were created in an unusual manner by a unique set of documents by county planning and zoning.
Now annexed into Chino Valley their status, whether private easements, dedicated streets, or public easements subject to city jurisdiction has never been determined, nor a review of their location to serve any purpose. A determination of status will settle questions concerning the frontage road and future points of access onto Highway 89. These matters cannot be resolved without the Town's participation.

--Zoning. After annexation all of the property was zoned for retail commercial uses. Some had the understanding the back--easterly--portion was to be zoned for commercial-light industrial uses. They have strong feelings on that issue. There was discussion concerning such zoning. Most of the inquiries we receive will require such zoning.

--The water line. This subject dominates all discusions and has become something of a "red herring" issue, the other matters are equally important. Hopefully before all new faces appear in the Town Council the past Council's commitment can be formalized. With the commitment now in the fourth year we ask that the water line be identified as a project and included as a part of the Town's current water system project, some planning devoted to it, cost estimates, and a date for installation set.

The only way Chino Valley will achieve its stated objective for annexing this area, i.e. enhance its base of commercial activity, is by the property's development. Hopefully a relationship conducive to that end exists or can be created.

Accordingly, we ask that these matter be considered by the appropriate Town staff with authority to reach and adopt solutions. Our attempts to engage members of the Town staff on these matters has been a futile effort. We are available to participate in any manner that will be helpful.

Respectfully,

Robert P. Foster

cc:
Mary Harsin
Stan and Dorthy Skura
Tony Booker

# TOWN OF CHINO VALLEY
# COUNCIL AGENDA ITEM STAFF REPORT

**Town Council Regular Meeting** **Item No. 5. a.**

| | |
|---|---|
| **Meeting Date:** | 01/22/2013 |
| **Contact Person:** | John Walker, Magistrate |
| | Phone: 928-636-2646 x-1290 |
| **Item Type:** | Report Only |
| **Estimated length of Staff Presentation:** | 10 minutes |
| **Physical location of item:** | Chino Valley Municipal Court |

**AGENDA ITEM TITLE:**

Quarterly update on Municipal Court operations by Town Magistrate, John Walker.

**SITUATION & ANALYSIS:**

Pursuant to the Town's Employment Agreement with the Town Magistrate, Section 4, Essential Duties, the Magistrate "Provides oral or written quarterly reports to the Town Council on the state of the judicial branch."

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# TOWN OF CHINO VALLEY
# COUNCIL AGENDA ITEM STAFF REPORT

**Town Council Regular Meeting** **Item No. 5. b.**

| | |
|---|---|
| **Meeting Date:** | 01/22/2013 |
| **Contact Person:** | Jami Lewis, Town Clerk<br>Phone: 928-636-2646 x-1208 |
| **Item Type:** | Report Only |
| **Estimated length of Staff Presentation:** | 10 minutes |
| **Physical location of item:** | N/A |

**AGENDA ITEM TITLE:**

Report regarding the Town's Home Rule community outreach plan. (Jami Lewis, Town Clerk)

**SITUATION & ANALYSIS:**

Proposition No. 424, the alternative expenditure limitation-Home Rule option, is an important measure for the Town of Chino Valley, and one which is easily misunderstood.
During previous Home Rule presentations, Council asked for a report on staff's outreach plan to educate the community on Home Rule. Staff will review the outreach plan and materials.

**Attachments**

PowerPoint, Home Rule Outreach Plan

Home Rule Brochure

Voter Information Pamphlet

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# "HOME RULE" Outreach Plan– 2013

January 22, 2013

Town Clerk's Office

# Outreach Mediums

- Council Meetings, public hearings
- Town staff and department meetings
- Chino Valley Review and other media
- Town Website
- Channel 13 Bulletin Board
- Talk of the Town Radio
- Town Buildings
- Town Committees, Civic Clubs and Other Group Meetings
- Voter Residences
- Candidate Forum

- Brochure (Town buildings, handouts for presentations)
- PowerPoint Presentations (Council meetings, Channel 13, public presentations, staff training)
- Saturation Mailing (to each household in 86323 area code)
- News Releases (outreach opportunities, saturation mailing, editorial)
- Frequently Asked Questions (Council, web)
- Voter Information Pamphlet (to each Chino Valley household with a registered voter)

# *Informational Materials*

| Activity | January | February | March |
|---|---|---|---|
| Brochure | Completed | | |
| Webpage (all info) | In process | | |
| Channel 13 | In process | | |
| Group presentations | Upon request | | |
| Radio | 14th | | |
| News Release (general outreach) | 16th or 23rd | | |
| News Release (saturation mailing) | 30th | | |
| Saturation mailing | 31st | | |
| Guest Editorial | | TBD | |
| Voter Pamphlet | | 4th | |
| Radio | | 11th | |
| Candidate Forum | | 11th | |
| Mayor’s Report | | TBD | |
| Election | | | 12th |

# *Timeframes*

- Council input, comments?
- Councilmembers as presenters?

# Comments/Input

# Town of Chino Valley

# Proposition 424

# March 12, 2013 Ballot

## Alternative Expenditure Limitation

## Home Rule Option

Q: What is Proposition 424?

A: Proposition 424 will determine the amount of revenues the Town government will be able spend to provide services to the community such as Public Safety, Library, Recreation, Senior Center, Parks, Roads, Water and Sewer.

Q: Why do Town residents have to vote on this?

A: State law requires that the Mayor and Council approve a spending cap for each year's budget. The voters decide the method for determining that spending cap. There are two methods to choose from in 2013: The State Imposed method, which is based on a formula set in 1980, or the "Home Rule Option," where your local elected officials determine how our local revenues should be spent.

Q: What method does the Town use now?

A: In 2009, Chino Valley voters approved the "Home Rule Option." This option allows the Mayor and Council to determine the Town's spending cap based on actual projected revenues and local service needs. Every four years, the citizens must evaluate whether or not to continue with the Home Rule option, adopt another alternative, or default back to the State limit.

Q: Why have Chino Valley voters chosen Home Rule over the State limit?

A: Under Home Rule, the Town sets its spending cap based on actual projected revenues each fiscal year. The State limit requires the Town to set its spending cap based on revenues received and services provided in 1980 when the Town's population was 2,400, its revenues were $255,000, and it had 18 square miles, with no municipal water and sewer service, few paved roads, and only the most basic services.

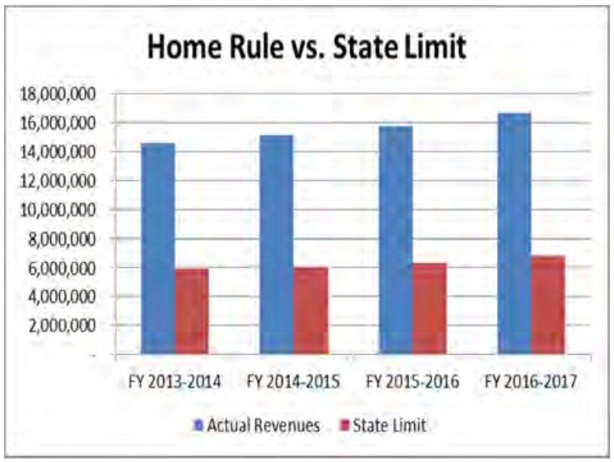
*Under the State Imposed Limitation, the Town's revenues will still be received, but the Town won't be able to spend a large percentage of them to provide services to the community.*

Q: What is the difference between a "YES" vote and a "NO" vote?

A: A "YES" vote will allow the Town to set its annual spending cap annually based on actual projected revenues and current needs for the next four years. A "NO" vote will require the Town to set its spending cap based on the State imposed limit for at least two years.

Q: How does Home Rule affect the Town's ability to continue providing services for its citizens?

A: Under Home Rule, the Town will continue to provide services based on the amount of revenues received each year. Under the State Imposed Limitation the Town would still receive the same amount of revenue, but would not be able to spend a large portion of it to provide services to the community.

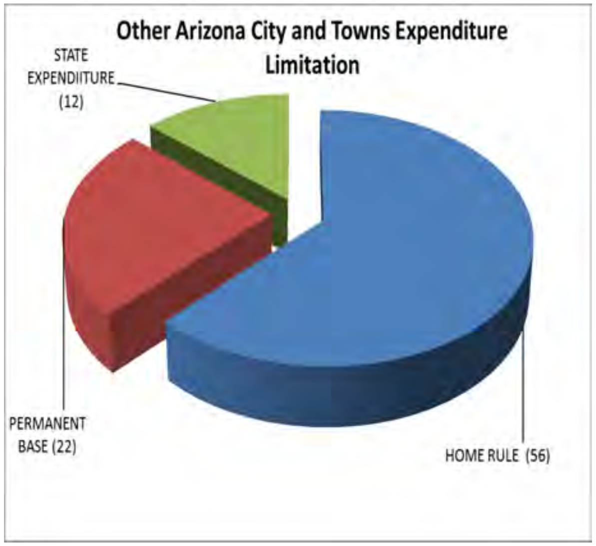



Q: What effect will this vote have on taxes or what I pay for services?

A: A vote for or against Home Rule will not impact any of your taxes or what you pay for local services. The Town's revenues will remain the same from all Federal, State, and local sources.

Q: What do other Cities and Towns do?

A: 56 of the 90 Cities and Towns in Arizona have elected to operate under the "Home Rule" Option.




Chino Valley Residents have approved the Home Rule Option since 1985.

*The Town projects to receive $14,564,000 in revenues next fiscal year; under the State Imposed Limitation, the Town can only spend $5,907,000.*

Q: How will the current economy affect Home Rule?

A: Economic conditions will affect the Town's budget in the same way under either formula, since the law requires the Town's budget to remain balanced.

Q: Where can I learn more?

A: Visit the Town website at www.chinoaz.net or contact the Town Clerk or Finance Director at (928) 636-2646.

Q: Where can I get voter information?

A: In addition to what's available on www.chinoaz.net, registered voters will receive a voter information pamphlet. You can also obtain voter information from the Yavapai County Elections/Voter Registration Divisions at www.yavapai.us/electionsvr or (928) 771-3248.

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# Town of Chino Valley

**VOTER INFORMATION PAMPHLET**
**and**
**BALLOT FORMAT**

## PRIMARY ELECTION
**MARCH 12, 2013**

(Spanish version begins on page 7)

# Pueblo de Chino Valley

**FOLLETO DE INFORMACIÓN PARA LOS VOTANTES**
**y**
**FORMATO DE LA BOLETA**

## ELECCÍON PRIMARIA
**12 DE MARZO DE 2013**

(La versión en Español empieza en la página 7)

To the Voters of the Town of Chino Valley:

The Town of Chino Valley will conduct a "Vote-By-Mail" election to be held on March 12, 2013.

The purpose of this voter information pamphlet is to provide you with information which will appear on the March 12, 2013 Primary Election Ballot. Arizona law requires preparation of this Pamphlet and, in compliance with the Federal Voting Rights Act, it has been prepared in both English and Spanish.

Voters will be asked to elect a mayor and three (3) council members, as well as vote on one Proposition proposing an extension of the alternative expenditure limitation (Home Rule Option), on the March 12, 2013 Primary Election Ballot. This voter information pamphlet contains the complete text of Proposition No. 424, an analysis and overview of the proposed alternative expenditure limitation (Home Rule Option), the ballot formats, and official titles and descriptive titles for the Proposition.

I urge you to carefully read the information contained in this pamphlet and to consider the effect that a "yes" or "no" vote will have, so that you will be prepared to fully exercise your right to vote on the March 12, 2013 ballot.

Sincerely,

/s/ Jami C. Lewis
Town Clerk

## IMPORTANT VOTER INFORMATION

This Primary Election will be held as a "Vote-By-Mail" Election. There will be NO polling places. Mail balloting has several advantages over traditional polling:

- It is cost effective;
- It has resulted in increased participation among voters;
- It is easier for election officials to conduct;
- It allows for a more accurate picture of eligible voters by keeping voting lists up-to-date; and
- It gives voters a longer opportunity to study the ballot and find answers to their questions.

The procedures for this "Vote-By-Mail" Election are as follows:

***When do I have to be registered to vote?***
The last day to register to vote for this election is February 11, 2013.

***When will I receive my ballot?***
Yavapai County Voter Registration will send a ballot by first class mail to each registered voter during the week of February 18, 2013. If you do not receive your ballot by February 25, contact Voter Registration at the number listed below.

***How do I return my ballot?***
Return your ballot to Yavapai County Voter Registration by:

- Mailing it back in the postage prepaid envelope, OR
- Hand-delivering it to one of the following locations no later than 7:00 p.m. on election day, March 12, 2013:
  1) Yavapai County ballot box located outside Chino Valley Town Hall (see address below);
  2) The small ballot box inside Chino Valley Town Hall; or
  3) The Yavapai County ballot box located outside the Yavapai County Administration Building (see address below).

***How do I know my ballot will be secure?***
Return ballot envelopes sent via U.S. mail are coded with a special postal code so that postal officials know to handle them with extreme care and promptness, and not to leave them unsecured.

***How can I be sure my ballot is counted?***
If you return your ballot via U.S. mail, it must be received by Yavapai County Voter Registration no later than 7:00 p.m., March 12, 2013 to be valid and counted. If you are in doubt about your ballot getting to Voter Registration on time, hand-deliver your ballot to one of the above locations.

***What if I do not receive, misplace, or spoil my ballot?***
You may obtain a replacement ballot at the Town Clerk's Office or by contacting Yavapai County Voter Registration.

***What if I will be out of Town or incapacitated during the election period?***
ELECTION MATERIALS CANNOT BE FORWARDED.

- To have your ballot sent to an alternate address, contact Yavapai County Voter Registration prior to March 1, 2013.
- You may also vote an early ballot at Chino Valley Town Hall starting on February 14, 2013.

***What if I have moved or changed my name since the last time I voted?***
If you do not receive a ballot because you have moved from the address within Yavapai County at which you are registered to vote, to another address within the Town of Chino Valley, or have changed your name, you may still vote and correct the voter registration records by completing and submitting a new voter registration form and including it with your ballot. You must be a resident of Chino Valley at least 29 days prior to the election.

***Where can I learn more about the candidates and proposition?***
Contact the following for candidate information: Town Clerk's Office to obtain candidate contact information; Chino Valley Area Chamber of Commerce, (928) 636-2493, for the Candidates Forum on February 11, 2013; Chino Valley Review, (928) 445-3333 or www.cvrnews.com, for candidate profiles. Information about Home Rule is outlined on the Town's website at www.chinoaz.net/clerk/elections.shtml or contact the Town Clerk's Office.

Contact Information:

Town Clerk
Town of Chino Valley (Town Hall)
202 N. State Route 89
Chino Valley, AZ 86323
(928) 636-2646
www.chinoaz.net

Yavapai County Voter Registration
1015 Fair Street
Prescott, AZ 86305
(928) 771-3248
www.yavapai.us

Chino Valley Public Library
1020 West Palomino Road
Chino Valley, AZ 86323
(928) 636-2687

# ALTERNATIVE EXPENDITURE LIMITATION
# (HOME RULE OPTION)
# PROPOSITION NO. 424

## RESOLUTION NO. 12-1000

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, YAVAPAI COUNTY, ARIZONA, PROPOSING AN EXTENSION OF THE ALTERNATIVE EXPENDITURE LIMITATION.**

WHEREAS, the Arizona State Constitution permits the submission to the voters of a City or Town of an Alternative Expenditure Limitation; and

WHEREAS, the voters of the Town of Chino Valley in 2009 adopted an Alternative Expenditure Limitation; and

WHEREAS, the Town Council of the Town of Chino Valley after two Public Hearings, has determined that an extension of the Alternative Expenditure Limitation is necessary for the Town of Chino Valley.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Common Council of the Town of Chino Valley, County of Yavapai, Arizona, that the following Alternative Expenditure Limitation be submitted to the Voters of the Town of Chino Valley.

Shall the following be adopted by the Town of Chino Valley as an Alternative Expenditure Limitation:

The Mayor and Common Council of the Town of Chino Valley shall annually, as part of the annual budget adoption process, adopt an Alternative Expenditure Limitation equal to the total amount of budgeted expenditures/expenses as it appears on the annual budget as adopted by the Council to apply to the Town of Chino Valley for each of the four fiscal years immediately following adoption of the Alternative Expenditure Limitation. The Alternative Expenditure Limitation shall be adopted each year after a public hearing at which the citizens of the Town of Chino Valley may comment on the proposed Alternative Expenditure Limitation. No expenditures may be made in violation of such Alternative Expenditure Limitation, nor may any proposed expenditures be in excess of estimated available revenues, except that the Mayor and the Common Council may, by three-fourths vote, declare an emergency and suspend the Alternative Expenditure Limitation. The suspension of the Alternative Expenditure Limitation shall be in effect for only one fiscal year at a time.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona this 18th day of October, 2012.

/s/ Chris Marley, Mayor

ATTEST:
/s/ Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:
/s/ Musgrove, Drutz & Kack, PC, Town Attorney

## SUMMARY ANALYSIS

The voters of the Town of Chino Valley in 2009 adopted an alternative expenditure limitation (Home Rule Option). The purpose of this election is for the continued use of the Home Rule Option.

Pursuant to the Arizona State Constitution, the Town of Chino Valley seeks voter approval to adopt a Home Rule Option to apply to the Town for the next four years beginning in 2013-2014. Under the Home Rule Option if approved by the voters, the Town estimates it will be allowed to expend approximately approximately $14,564,385 in 2013-2014, $15,158,848 in 2014-2015, $15,771,992 in 2015-2016, and $16,629,000 in 2016-2017.

With approval of the Home Rule Option, the Town will utilize the expenditure authority for all local budgetary purposes including; General Government; Public Safety; Parks & Recreation; Aquatics; Library; Senior Center; Magistrate; Prosecutor; Planning & Building; Public Works & Engineering; Roads; Water & Sewer Utilities; Capital Improvements; Debt Service; and Impact Fee Projects.

Under the state-imposed limitation, after considering the constitutionally allowed exclusions, the Town estimates it will be allowed to expend approximately $5,906,982 in 2013-2014, $6,037,050 in 2014-2015, $6,317,822 in 2015-2016, and $6,841,751 in 2016-2017 for the operation of your local government.

The amount of revenue estimated to be available to fund the operation of your Town government is $14,564,385 in 2013-2014, $15,158,848 in 2014-2015, $15,771,992 in 2015-2016, and $16,629,000 in 2016-2017. These revenue estimates are the same under the Home Rule Option or the state-imposed expenditure limitation.

Any and all dollar figures presented in this summary are estimates only and are based upon information available at the time of preparation of this analysis. The budget and actual expenditures in any of the four years may be more or less than expenditures noted above depending on available revenue.

If no alternative expenditure limitation is approved, the state-imposed expenditure limitation will apply to the Town.

## HOME RULE OPTION - OVERVIEW

On March 12, 2013, Chino Valley voters will be asked to vote on a resolution proposing an extension of the alternative expenditure limitation (Home Rule Option) for the Town of Chino Valley.

A "yes" vote will allow the Town to budget its revenues to provide basic government services for the next four years. A "no" vote will allow the Town to budget only a portion (approximately 41%) of its revenues to provide services for at least the next two years. This will require an approximate 59% reduction in basic government services.

**How is the Town's spending limited?**
In 1980, Arizona voters established a constitutional expenditure limitation for cities and towns, which is adjusted annually for inflation and population growth. Each year, when the Mayor and Council adopt the Town's annual budget, it also must approve an expenditure limitation which limits the Town from spending anything above that amount. The "default" limitation is calculated from a formula provided by the state and in the Town's case, it is substantially less than projected revenues. The state-imposed limitation uses expenditures of local revenues from Fiscal Year 1979-1980 as a baseline.

**Why is the Town asking the voters to approve an alternative expenditure limitation?**
Recognizing that the state expenditure limitation may not meet the needs of local governments, the Arizona State constitution was amended to allow the Town's voters to authorize the Mayor and Council to adopt an alternative method for calculating its expenditure limitation. There are four alternative expenditure limitations. The Town is currently operating under the Home Rule Option. The Home Rule Option allows the Town to adopt its own "alternative" expenditure limitation and sets the limit as its adopted budget. Stated another way, it allows the Town to establish its own expenditure limitation without being subject to the state-imposed limitation.

**Under the Home Rule Option, how will the Town calculate its expenditure limitation?**
As it has in the past, for each of the next four fiscal years, the Town's expenditure limitation will equal the total amount of budgeted expenditures in the annual Town budget, which is adopted by the Mayor and Council after input from citizens at a public hearing. Because the Town will still be required to have a balanced budget, the Town's expenditures will never exceed available revenues.

**Why does the Town need an alternative expenditure limitation?**
Since 1985, the Town's population growth and rising costs of municipal services, such as public safety, fuel, construction, water, and sewer have exceeded the growth factor used by the State's expenditure limitation formula. Town voters have approved the alternative expenditure limitation (Home Rule Option) every four years since 1985.

**How does the alternative expenditure limitation (Home Rule Option) differ from the State limitation?**
Projections indicate that, next fiscal year, the Town will have available $8,657,403 more in revenues than the State's expenditure limitation would allow the Town to spend. In other words, the Town would not be able to spend its available revenue resources to provide services for its residents and approximately 59% of the Town's overall budget for the next two years would have to be eliminated.

**CHINO VALLEY'S ESTIMATED REVENUES COMPARED TO THE STATE IMPOSED EXPENDITURE LIMITATION AND HOME RULE FOR THE NEXT FOUR YEARS**

| | FY 2013-2014 | FY 2014-2015 | FY 2015-2016 | FY 2016-2017 |
|---|---|---|---|---|
| Estimated revenues available from all sources | $14,564,385 | $15,158,848 | $15,771,992 | $16,629,000 |
| Expenditures allowed under the State imposed limitation plus exclusions* | $5,906,982 | $6,037,050 | $6,317,822 | $6,841,751 |
| Expenditures allowed under Home Rule | $14,564,385 | $15,158,848 | $15,771,992 | $16,629,000 |

* Exclusions are certain expenditures not included in the calculation, such as revenues received from issuance of bonds, dividends or interest, certain grants and aid, and certain highway user (HURF) revenues.

**Does the alternative expenditure limitation (Home Rule Option) authorize the Town to impose new taxes?**
No. It only allows the Town to budget the revenues it collects. It does not change the sales tax rate or the property taxes imposed by Yavapai County, nor does it authorize the Town to impose a property tax. The Town does not currently levy a property tax.

**What happens if the Town's voters do not approve this alternative expenditure limitation option?**
The Mayor and Council will not be authorized to establish an alternative expenditure limitation and the Town's spending will be limited by the State's expenditure formula, thereby eliminating local control of the Town's spending by Chino Valley residents. This will also result in programs and services such as public safety, library, and Senior Center competing with needed capital projects such as street and other infrastructure improvements, with expenditures for some services needing to be reduced or eliminated. The Town will also be prohibited from submitting an alternative expenditure limitation to the voters again for at least two years.

## DETAILED ANALYSIS

Pursuant to the Arizona State Constitution, the Town of Chino Valley as authorized by Resolution No. 12-1000 passed on October 18, 2012 will seek voter approval to adopt an alternative expenditure limitation (Home Rule Option) to apply to the Town for the next four years beginning in 2013-2014.

Under a Home Rule Option if approved by the voters, the Town estimates it will be allowed to expend approximately $14,564,385 in 2013-2014, $15,158,848 in 2014-2015, $15,771,992 in 2015-2016, and $16,629,000 in 2016-2017.

With approval of the Home Rule Option, the Town will utilize the expenditure authority for all local budgetary purposes including: General Government; Public Safety; Parks & Recreation; Aquatics; Library; Senior Center; Magistrate; Prosecutor; Planning & Building; Public Works & Engineering; Roads; Water & Sewer Utilities; Capital Improvements; Debt Service; and Impact Fee Projects. We estimate that the expenditures for the next four years under the Home Rule Option will be as follows:

### ESTIMATED AMOUNTS TO BE EXPENDED IN SPECIFIC AREAS

| Purpose | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
|---|---|---|---|---|
| General Government | $ 3,450,806 | $ 3,892,928 | $ 4,207,715 | $ 4,918,805 |
| Public Safety | 2,496,276 | 2,546,202 | 2,597,126 | 2,649,068 |
| Parks & Recreation | 421,971 | 430,410 | 439,019 | 447,799 |
| Aquatics | 281,772 | 287,407 | 293,155 | 299,018 |
| Library | 266,507 | 271,837 | 277,273 | 282,819 |
| Senior Center | 199,489 | 203,478 | 207,548 | 211,699 |
| Magistrate | 273,925 | 279,403 | 284,991 | 290,691 |
| Prosecutor | 109,892 | 112,089 | 114,331 | 116,618 |
| Planning & Building | 285,081 | 290,783 | 296,598 | 302,530 |
| Public Works & Engineering | 63,859 | 65,136 | 66,439 | 67,768 |
| Roads | 820,418 | 836,826 | 853,563 | 870,634 |
| Water & Sewer Utilities | 2,943,827 | 2,984,864 | 3,026,626 | 3,069,068 |
| Capital Improvements | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Debt Service | 576,643 | 583,527 | 733,610 | 728,445 |
| Impact Fee Projects | 373,919 | 373,958 | 373,998 | 374,038 |
| Total Expenditures | $14,564,385 | $15,158,848 | $15,771,992 | $16,629,000 |

If approved, the expenditures authorized will be funded from revenues obtained from federal, state and local sources. It is estimated that the amount of revenue from each source for the next four years will be as follows:

### ESTIMATED AMOUNTS OF REVENUE FROM ALL SOURCES

| Source | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
|---|---|---|---|---|
| Federal | $ 146,560 | $ 146,560 | $ 146,560 | $ 536,560 |
| State | 3,877,878 | 3,921,685 | 3,966,086 | 4,011,089 |
| Local | 10,539,947 | 11,090,603 | 11,659,346 | 12,081,351 |
| Total Revenues | $14,564,385 | $15,158,848 | $15,771,992 | $16,629,000 |

In determining the revenue sources to fund the authorized additional expenditures under the alternative expenditure limitation, it is assumed that the federal, state and local revenues received by the Town will continue to be available in 2013-2014 as they have for the past four (4) years. Their continued availability is also assumed for the next three (3) consecutive years following 2013-2014.

Any and all dollar figures shown in this analysis are estimated figures only and are based upon information available at the time of preparation of this report. The budgets and actual expenditures in any given year may be more or less than the figures noted above depending on available revenues. The actual expenditure limitation for each fiscal year shall be adopted as an integral part of the budget for that fiscal year.

## ARGUMENTS “FOR” AND "AGAINST" PROPOSITION 424

No Arguments Received

**NOTICE TO VOTERS:** The candidates listed below may not appear on your ballot in the same order as shown.
**AVISO A LOS VOTANTES:** Los candidatos que aparecen abajo pueden aparecer en orden diferente en su boleta de lo que se muestra.

## BALLOT FORMAT
## PRIMARY ELECTION
## MARCH 12, 2013
## TOWN OF CHINO VALLEY
## COUNTY OF YAVAPAI
## STATE OF ARIZONA

## FORMATO DE LA BOLETA
## ELECCIÓN PRIMARIA
## 12 DE MARZO DE 2013
## PUEBLO DE CHINO VALLEY
## CONDADO DE YAVAPAI
## ESTADO DE ARIZONA

**INSTRUCTIONS TO VOTERS:**
To vote for a candidate or to vote for or against a question, fill in the oval to the left of your choice. To vote for an official write-in candidate, write the name in the space provided and fill in the oval. Do not exceed the number to be elected. **VOTE LIKE THIS** ⬬. No other marks will be valid or counted.

**INSTRUCCIONES PARA LOS VOTANTES:**
Para votar por un candidato o para votar a favor o en contra de una cuestión, llene el óvalo a la mano izquierda de su selección. Para votar por un candidato oficial de votación por escrito, escriba el nombre del candidato en el espacio proporcionado y llene el óvalo. No exceda el número a ser elegidos. **VOTE DE ESTA MANERA** ⬬. Ningunas otras marcas serán válidas o se contarán.

**MAYOR**
**ALCALDE**
VOTE FOR NOT MORE THAN 1
VOTE POR NO MÁS DE 1

- ○ **MARLEY, CHRIS**
- ○ ____________ Write-in/Escrito

**COUNCIL MEMBER**
**MIEMBRO DEL CONCEJO**
VOTE FOR NOT MORE THAN 3
VOTE POR NO MÁS DE 3

- ○ **HATCH, LINDA**
- ○ **McKEE, PAT**
- ○ **MENDOZA, COREY**
- ○ **WOJCIK, DON**
- ○ ____________ Write-in/Escrito
- ○ ____________ Write-in/Escrito
- ○ ____________ Write-in/Escrito

## PROPOSITION 424 - PROPOSICIÓN 424

**REFERRED TO THE PEOPLE BY THE TOWN COUNCIL OF CHINO VALLEY**

**OFFICIAL TITLE**
A RESOLUTION PROPOSING AN EXTENSION OF THE ALTERNATIVE EXPENDITURE LIMITATION FOR THE TOWN OF CHINO VALLEY.

**DESCRIPTIVE TITLE**
Pursuant to the Arizona State Constitution, this proposal extends the alternative expenditure limitation for the Town of Chino Valley for the next four years. Annually, the Town Council will determine the amount of the alternative expenditure limitation for the fiscal year after at least one public hearing. This alternative expenditure limitation replaces the state-imposed expenditure limitation.

A "YES" vote shall have the effect of extending an alternative expenditure limitation for the Town of Chino Valley.

A "NO" vote shall have the effect of not allowing the Town of Chino Valley to continue an alternative expenditure limitation and to require expenditures of the Town to be limited by the state-imposed expenditure limit.

**REFERIDO A LA GENTE POR EL CONCEJO MUNICIPAL DEL PUEBLO DE CHINO VALLEY**

**TÍTULO OFICIAL**
UNA RESOLUCIÓN QUE PROPONE UNA EXTENSIÓN DE LA LIMITACIÓN DE GASTOS ALTERNATIVA PARA EL PUEBLO DE CHINO VALLEY.

**TÍTULO DESCRIPTIVO**
De acuerdo con la Constitución del Estado de Arizona, esta propuesta extiende la limitación de gastos alternativa para el Pueblo de Chino Valley para los siguientes cuatro años. Anualmente, el Concejo Municipal determinará la cantidad de la limitación de gastos alternativa para el año fiscal después de a lo una audiencia pública. Esta limitación de gastos alternativa reemplaza la limitación de gastos ordenada por el estado.

Un voto de "SÍ" tendrá el efecto de extender una limitación de gastos alternativa para el Pueblo de Chino Valley.

Un voto de "NO" tendrá el efecto de no permitir al Pueblo de Chino Valley continuar una limitación de gastos alternativa y requerir que los gastos del Pueblo sean limitados por el límite de gastos ordenado por el estado.

- ○ **YES / SÍ**
- ○ **NO**

A los Votantes del Pueblo de Chino Valley:

El 12 de marzo de 2013 el Pueblo de Chino Valley celebrará una elección de "Boleta Enviada por Correo."

El fin de este folleto de información para los votantes es de proveerle de información que aparecerá en la Boleta de la Elección Primaria del 12 de marzo de 2013. La ley de Arizona ordena la preparación de este Folleto y, de acuerdo con el Acta Federal de Derechos de Votar, se ha preparado en ambos Inglés y Español.

Se les pedirá a los votantes elegir un alcalde y tres (3) miembros del concejo, así como votar por una Proposición que propone una extensión de la limitación de gastos alternativa (Opción de Autonomía), de la Boleta de la Elección Primaria del 12 de marzo de 2013. Este folleto de información para los votantes contiene el texto completo de la Proposición No. 424, un análisis y una perspectiva general de la propuesta limitación de gastos alternativa (Opción de Autonomía), formatos de la boleta, y títulos oficiales y títulos descriptivos de la Proposición.

Le urjo que lea con cuidado la información contenida en este folleto y que considere el efecto que tendrá un voto de "si" o "no" para que este preparado a ejercer completamente su derecho de votar el 12 de marzo de 2013.

Atentamente,

/f/ Jami C. Lewis
Secretaria Municipal

## INFORMACIÓN IMPORTANTE PARA LOS VOTANTES

La Elección Primaria se celebrará como una Elección de "Boleta Enviada por Correo." NO se proporcionarán centros electorales. La votación por correo tiene varias ventajas sobre la votación tradicional:

- ➢ Es económica;
- ➢ Ha resultado en un aumento de participación de los votantes;
- ➢ Es más fácil para los oficiales de elecciones administrarlas;
- ➢ Permite un registro de votantes más correcto al llevar al corriente las listas de votantes; y
- ➢ Les ofrece a los votantes una oportunidad de más tiempo para estudiar la boleta y obtener respuestas a sus preguntas.

Los procedimientos para esta Elección de "Boleta Enviada por Correo" son como lo siguiente:

***¿Para cuándo tengo que estar inscrito para Votar?***
La última fecha para inscribirse para votar en esta elección será el 11 de febrero de 2013.

***¿Cuándo recibiré mi boleta?***
El Registro de Votantes del Condado Yavapai le enviará una boleta por correo a una tarifa superior a cada votante inscrito durante la semana del 18 de febrero de 2013. Si no recibe su boleta para el 25 de febrero, comuniquese con el Registro de Votantes al número que aparece abajo.

***¿Cómo regreso mi boleta?***
Regrese su boleta al Registro de Votantes del Condado Yavapai por:

- ➢ Enviándola por correo en el sobre de franqueo pagado, O
- ➢ Entréguela en persona en uno de los siguientes sitios no más tarde que las 7:00 p.m. el día de la elección, 12 de marzo de 2013:
    1) Buzón para boletas del Condado Yavapai localizado afuera del Ayuntamiento de Chino Valley;
    2) El buzón para boletas pequeño al interior del Ayuntamiento de Chino Valley; o
    3) El buzón para boletas del Condado Yavapai localizado afuera del Edificio de Administración del Condado Yavapai (vea la dirección abajo).

***¿Cómo puedo estar seguro que mi boleta estará segura?***
Los sobres de regreso de boleta enviados por Correo de los Estados Unidos se identifican con un código especial para que los oficiales postales sepan tratarlos con extremo cuidado y rapidez, y no dejarlos sin garantía.

***¿Cómo puedo estar seguro que mi boleta se contará?***
Si regresa su boleta por correo de los Estados Unidos, el Registro de Votantes del Condado Yavapai tiene que recibirla no más tarde que las 7:00 p.m., 12 de marzo de 2013 para que sea válida y para que se cuente. Si no esta seguro de que su boleta no se reciba por el Registro de Votantes en tiempo, entregue su boleta en persona en uno de los sitios de arriba.

***¿Qué pasará si no recibo, extravío, o hecho a perder mi boleta?***
Puede obtener una boleta de reemplazo en la Oficina de la Secretaria del Pueblo o se puede comunicar con el Registro de Votantes del Condado Yavapai.

***¿Qué pasará si estoy ausente del Pueblo o estoy incapacitado durante el período de la elección?***
LOS MATERIALES DE ELECCIÓN NO SE PUEDEN HACER SEGUIR.

- ➢ Para que su boleta se le envía a otra dirección , comuniquese con el Registro de Votantes del Condado Yavapai antes del 1 de marzo de 2013.
- ➢ También puede votar una boleta de antes de la elección en el Ayuntamiento de Chino Valley comenzando el 14 de febrero de 2013.

***¿Qué se me he mudado o he cambiado mi nombre desde la última vez que voté?***
Si no recibe una boleta debido a que se mudó de la dirección dentro del Condado Yavapai en el cual estaba inscrito para votar a otra dirección dentro del Pueblo de Chino Valley, o si ha cambiado su nombre, siempre puede votar y corregir sus registros de inscripción como votante al completar y someter un formulario de inscripción como votante nuevo e incluyéndolo con su boleta. Tiene que ser residente de Chino Valley por a lo menos de 29 días antes de la elección.

***¿Dónde puedo obtener más información tocante los candidatos y la proposición?***
Para información tocante los candidatos comuniquese con lo que sigue: Oficina de la Secretaria Municipal para obtener información de comunicación con los candidatos; Cámara de Comercio de la Área de Chino Valley (928) 636-2493, para el Foro de Candidatos el 11 de febrero de 2013; periódico Chino Valley Review, (928) 445-3333 o wwwcvrnews.com, para perfiles de los candidatos. Información tocante la Opción de Autonomía se describe en general en el sitio web del Pueblo al www.chinoaz.net/clerk/elections.shtml o comuniquese con la Oficina de la Secretaria Municipal.

Directorio de Información:

Secretaria del Pueblo
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202 N. State Route 89
Chino Valley, AZ 86323
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# LIMITACIÓN DE GASTOS ALTERNATIVA
# (OPCIÓN DE AUTONOMÍA)
# PROPOSICIÓN NO. 424

## RESOLUCIÓN NO. 12-1000

**UNA RESOLUCIÓN DEL ALCALDE Y DEL CONCEJO COMÚN DEL PUEBLO DE CHINO VALLEY, CONDADO YAVAPIA, ARIZONA , QUE PROPONE UNA EXTENSIÓN DE LA LIMITACIÓN DE GASTOS ALTERNATIVA**

VISTO QUE, la Constitución del Estado de Arizona permite la presentación a los votantes de una Ciudad o un Pueblo de una Limitación de Gastos Alternativa; y

VISTO QUE, en 2009 los votantes del Pueblo de Chino Valley adoptaron una Limitación de Gastos Alternativa; y

VISTO QUE, después de dos Audiencias Públicas el Concejo del Pueblo de Chino Valley ha determinado que una extensión de la Limitación de Gastos Alternativa es necesaria para el Pueblo de Chino Valley.

**AHORA, POR CONSIGUIENTE, RESUELVE** el Alcalde y el Concejo Común del Pueblo de Chino Valley, Condado Yavapai, Arizona, que la siguiente Limitación de Gastos Alternativa se les presente a los Votantes del Pueblo de Chino Valley.

¿Deberá el Pueblo de Chino Valley adoptar lo que sigue como una Limitación de Gastos Alternativa:

Cada año el Alcalde y el Concejo Común del Pueblo de Chino Valley, como parte del proceso anual de adoptar el presupuesto, deberán adoptar una Limitación de Gastos Alternativa igual a la cantidad total de los gastos/costos presupuestados como aparece en el presupuesto anual como adoptado por el Concejo que se le aplicará al Pueblo de Chino Valley para cada uno de los cuatro años fiscales inmediatamente después de adoptar la Limitación de Gastos Alternativa. La Limitación de Gastos Alternativa se deberá adoptar cada año después de una audiencia pública en la cual los ciudadanos del Pueblo de Chino Valley puedan comentar sobre la propuesta Limitación de Gastos Alternativa. No se permitirán ningunos gastos en violación de dicha Limitación de Gastos Alternativa, ni se permitirán propuestos gastos en exceso de los calculados ingresos disponibles, con la excepción de que el Alcalde y el Concejo Común pueden, por un voto de tres cuartos, declarar una emergencia y suspender la Limitación de Gastos Alternativa. La suspensión de la Limitación de Gastos Alternativa deberá estar en vigor por solamente un año fiscal a la vez.

**PASADA Y ADOPTADA** por el Alcalde y el Concejo Común del Pueblo de Chino Valley, Arizona este día 18 de octubre de 2012.

/f/ Chris Marley, Alcalde

CERTIFICIA:
/f/ Jami C. Lewis, Secretaria Municipal

APROBADA EN FORMA:
/f/ Musgrove, Drutz & Kack, PC, Abogado del Pueblo

## RESUMEN DEL ANÁLISIS

En 2009 los votantes del Pueblo de Chino Valley adoptaron una limitación de gastos alternativa (Opción de Autonomía). El propósito de esta elección es para el continuo uso de la Opción de Autonomía.

De acuerdo con la Constitución del Estado de Arizona, el Pueblo de Chino Valley procura la aprobación de los votantes de adoptar una Opción de Autonomía que se le aplicará al Pueblo durante los siguientes cuatro años comenzando en 2013-2014. Bajo una Opción de Autonomía si aprobada por los votantes, el Pueblo calcula que se le permitirá gastar aproximadamente $14,564,385 en 2013-2014, $15,158,848 en 2014-2015, $15,771,992 en 2015-2016, y $16,629,000 en 2016-2017.

Con aprobación de la Opción de Autonomía, el Pueblo usará la autorización de gastos para todos los propósitos presupuestarios locales incluyendo: Gobierno General, Seguridad Pública, Parques y Recreo; Acuático, Biblioteca; Centro de las Personas de la Tercera Edad; Magistrado; Acusador; Planificación y Construcción; Obras Públicas y Ingeniería; Caminos; Servicios Públicos de Agua y Alcantarillado; Mejoramientos de Capital; Servicio de Deuda; y Proyectos de Derechos de Impacto.

Bajo la limitación de gastos ordenada por el estado, después de considerar las exclusiones permitidas constitucionalmente, el Pueblo calcula que se le permitirá gastar aproximadamente $5,906,982 en 2013-2014, $6,037,050 en 2014-2015, $6,317,822 en 2015-2016, y $6,841,751 en 2016-2017 para la operación de su gobierno local.

La cantidad de ingresos calculados a estar disponibles para pagar por la operación del gobierno de su Pueblo es $14,564,385 en 2013-2014, $15,158,848 en 2014-2015, $15,771,992 en 2015-2016, y $16,629,000 en 2016-2017. Estos cálculos de ingresos son iguales bajo la Opción de Autonomía o la limitación de gastos ordenada por el estado.

Cualesquier y todas cifras que se muestran en este análisis son solo cifras calculadas y se basan en información disponible al momento que se preparó este análisis. El presupuesto y los gastos actuales de cualesquier de los cuatro años pueden ser más o menos que los gastos indicados arriba dependiendo de los ingresos disponibles.

Si no se aprueba una limitación de gastos alternativa, la limitación de gastos ordenada por el estado se le aplicará al Pueblo.

## LIMITACIÓN DE GASTOS ALTERNATIVA - PERSPECTIVA GENERAL

El 12 de marzo de 2013 se les pedirá a los votantes de Chino Valley votar por una resolución que propone una extensión de la limitación de gastos alternativa (Opción de Autonomía) del Pueblo de Chino Valley.

Un voto de "si" le permitirá al Pueblo presupuestar sus ingresos para proveer servicios básicos gubernamentales durante los siguientes cuatro años. Un voto de "no" le permitirá al Pueblo presupuestar solamente una parte (aproximadamente 41%) de sus ingresos para proveer servicios por lo menos de los siguientes dos años. Esto requiere una reducción de los servicios básicos gubernamentales de aproximadamente 59%.

**¿Cómo se limitan los gastos del Pueblo?**
En 1980, los votantes de Arizona establecieron una limitación de gastos constitucional para las ciudades y para los pueblos, que se ajusta cada año para el crecimiento de la inflación y población. Cada año, cuando el Alcalde y el Concejo adoptan el presupuesto anual del Pueblo, también tienen que aprobar una limitación de gastos que limita al Pueblo en gastar cualquier cosa más que esa cantidad. La limitación "opción por defecto" se calcula de una fórmula proporcionada por el estado y en el caso del Pueblo, es bastante más baja que los ingresos proyectados. La limitación ordenada por el estado usa gastos de los ingresos locales del Año Fiscal 1979-1980 como una base.

**¿Por qué les pide el Pueblo a los votantes aprobar una limitación de gastos alternativa?**
Reconociendo que la limitación de gastos del estado posiblemente no podrá satisfacer las necesidades de gobiernos locales, la constitución del Estado de Arizona se enmendó para permitir a los votantes de los Pueblos autorizar al Alcalde y al Concejo adoptar un método alternativo para calcular su limitación de gastos. Existen cuatro limitaciones de gastos alternativas. Actualmente el Pueblo opera bajo la Opción de Autonomía. La Opción de Autonomía le permite al Pueblo adoptar su propia limitación de gastos alternativa y fijar el límite al adoptar su presupuesto. Declarado en otro sentido, le permite al Pueblo establecer su propia limitación de gastos sin estar sujeta a la limitación ordenada por el estado.

**¿Bajo la Opción de Autonomía, cómo va a calcular el Pueblo su limitación de gastos?**
Como lo ha hecho en el pasado, para cada uno de los siguientes cuatro años, la limitación de gastos del Pueblo va a ser igual que la cantidad total de los gastos presupuestados del presupuesto anual del Pueblo, adoptado por el Alcalde y el Concejo después de recibir información de los ciudadanos en una audiencia pública. Siendo que siempre se leva a exigir al Pueblo tener un prepuesto balanceado, los gastos del Pueblo jamás van a exceder los ingresos disponibles.

**¿Por qué necesita el Pueblo una limitación de gastos alternativa?**
Desde 1985, la creciente población del Pueblo y los aumentados costos de los servicios municipales, tal como la seguridad pública, combustible, construcción, agua, y alcantarillado han excedido el factor de crecimiento que usa la fórmula de limitación de gastos del Estado. Desde 1985 los votantes del Pueblo han aprobado la limitación de gastos alternativa (Opción de Autonomía) cada cuatro años.

**¿Qué es la diferencia entre la limitación de gastos alternativa (Opción de Autonomía) y la limitación del Estado?**
Las proyecciones indican que, el siguiente año fiscal, el Pueblo tendrá disponible $8,657,403 más en ingresos, que la limitación de gastos del Estado le iba a permitir al Pueblo gastar. En otras palabras, el Pueblo no iba poder gastar sus recursos de ingresos disponibles para proveer servicios a sus residentes y aproximadamente el 59% del presupuesto total del Pueblo en los siguientes dos años se iba a tener que eliminar.

### INGRESOS CALCULADOS DE CHINO VALLEY EN COMPARACIÓN CON LA LIMITACIÓN DE GASTOS ORDENADA POR EL ESTADO Y OPCIÓN DE AUTONOMÍA PARA LOS SIGUIENTES CUATRO AÑOS

| | AF 2013-2014 | AF 2014-2015 | AF 2015-2016 | AF 2016-2017 |
|---|---|---|---|---|
| Calculados ingresos disponibles de todas las fuentes | $14,564,385 | $15,158,848 | $15,771,992 | $16,629,000 |
| Gastos permitidos bajo la limitación ordenada por el Estado más las exclusiones* | $5,906,982 | $6,037,050 | $6,317,822 | $6,841,751 |
| Gastos permitidos bajo la Opción de Autonomía | $14,564,385 | $15,158,848 | $15,771,992 | $16,629,000 |

* Las exclusiones son ciertos gastos que no se incluyen en el cálculo, tal como ingresos que se han recibido de la emisión de bonos, dividendos o interés, ciertas concesiones y ayuda, y ciertos ingresos de usuarios de caminos (HURF).

**¿Le autoriza al Pueblo la limitación de gastos alternativa (Opción de Autonomía) gravar impuestos nuevos?**
No. Solamente le permite al Pueblo presupuestar los ingresos que recauda. No cambia la tasa de impuestos sobre las ventas o los impuestos sobre la propiedad gravados por el Condado Yavapai, ni le autoriza al Pueblo gravar un impuesto sobre la propiedad. Presentemente, el Pueblo no grava un impuesto sobre la propiedad.

**¿Qué pasará si los votantes del Pueblo no aprueban esta opción de limitación de gastos alternativa?**
No se le autorizará al Alcalde y al Concejo establecer una limitación de gastos alternativa y los gastos del Pueblo serán limitados por la fórmula de gastos del Estado, por consiguiente eliminando el control local de gastos del Pueblo por los residentes de Chino Valley. Esto también resultará en programas y servicios tal como la seguridad pública, biblioteca, y el Centro de las Personas de la Tercera Edad competiendo con los proyectos de capital necesarios tal como mejoramientos de las calles y otra infraestructura, con la necesidad de reducir o eliminar algunos servicios. También se le va a prohibir presentarles a los votantes una limitación de gastos alternativa de nuevo por lo menos de dos años.

## ANÁLISIS DETALLADO

De acuerdo con la Constitución del Estado de Arizona, El Pueblo de Chino Valley como autorizado por la Resolución No. 12-1000 adoptada el 18 de octubre de 2012 procurará la aprobación de los votantes de adoptar una limitación de gastos alternativa (Opción de Autonomía) que se le aplicará al Pueblo por los siguientes cuatro años comenzando en 2013-2014.

Bajo una Opción de Autonomíasi aprobada por los votantes, el Pueblo calcula que se le permitirá gastar aproximadamente $14,564,385 en 2013-2014, $15,158,848 en 2014-2015, $15,771,992 en 2015-2016, y $16,629,000 en 2016-2017.

Con la aprobación de la Opción de Autonomía, el Pueblo usará la autorización de gastos para todos los propósitos locales presupuestarios incluyendo: Gobierno General, Seguridad Pública, Parques y Recreo; Acuático, Biblioteca; Centro de las Personas de la Tercera Edad; Magistrado; Acusador; Planificación y Construcción; Obras Públicas y Ingeniería; Caminos; Servicios Públicos de Agua y Alcantarillado; Mejoramientos de Capital; Servicio de Deuda; y Proyectos de Derechos de Impacto. Nosotros calculamos que los gastos para los siguientes cuatro años bajo la Opción de Autonomía serán como lo siguiente:

### CALCULADAS CANTIDADES QUE SE GASTARÁN EN ÁREAS ESPECÍFICAS

| Propósito | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
|---|---|---|---|---|
| Gobierno General | $ 3,450,806 | $ 3,892,928 | $ 4,207,715 | $ 4,918,805 |
| Seguridad Pública | 2,496,276 | 2,546,202 | 2,597,126 | 2,649,068 |
| Parques y Recreo | 421,971 | 430,410 | 439,019 | 447,799 |
| Acuático | 281,772 | 287,407 | 293,155 | 299,018 |
| Biblioteca | 266,507 | 271,837 | 277,273 | 282,819 |
| Centro de las Personas de la Tercera Edad | 199,489 | 203,478 | 207,548 | 211,699 |
| Magistrado | 273,925 | 279,403 | 284,991 | 290,691 |
| Acusador | 109,892 | 112,089 | 114,331 | 116,618 |
| Planificación y Construcción | 285,081 | 290,783 | 296,598 | 302,530 |
| Obras Públicas y Ingeniería | 63,859 | 65,136 | 66,439 | 67,768 |
| Caminos | 820,418 | 836,826 | 853,563 | 870,634 |
| Servicios Públicos de Agua y Alcantarillado | 2,943,827 | 2,984,864 | 3,026,626 | 3,069,068 |
| Mejoramientos de Capital | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Obligaciones de Servicio de Deuda | 576,643 | 583,527 | 733,610 | 728,445 |
| Proyectos de Derechos de Impacto | 373,919 | 373,958 | 373,998 | 374,038 |
| Total de los Gastos | $14,564,385 | $15,158,848 | $15,771,992 | $16,629,000 |

Si se aprueban, los gastos autorizados se pagarán con ingresos obtenidos de fuentes federales, del estado y locales. Se calcula que la cantidad de ingresos de cada fuente para los siguientes cuatro años serán como lo que sigue:

### CALCULADAS CANTIDADES DE INGRESOS DE TODAS LAS FUENTES

| Fuente | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
|---|---|---|---|---|
| Federal | $ 146,560 | $ 146,560 | $ 146,560 | $ 536,560 |
| Estatal | 3,877,878 | 3,921,685 | 3,966,086 | 4,011,089 |
| Local | 10,539,947 | 11,090,603 | 11,659,346 | 12,081,351 |
| Total de los Ingresos | $14,564,385 | $15,158,848 | $15,771,992 | $16,629,000 |

Al determinar las fuentes de ingresos para pagar por los gastos adicionales autorizados bajo la limitación de gastos autorizada, se supone que los ingresos federales, del estado y locales que el Pueblo recibe continuarán a estar disponibles en 2013-2014 como han estado disponibles por los últimos cuatro años. También se asume su disponibilidad continúa para los siguientes tres (3) años consecutivos después de 2013-2014.

Cualesquier y todas cifras que se muestran en esta análisis son solamente cifras calculadas y se basan en información disponible al momento de preparar este informe. Los presupuestos y gastos actuales de cualquier año pueden ser más o menos que las cifras que indican arriba dependiendo de los ingresos disponibles. La limitación de gastos actual de cada año fiscal será adoptada como una parte integral del presupuesto para ese año fiscal.

## ARGUMENTO “A FAVOR” y "EN CONTRA" DE LA PROPOSICIÓN 424

No se Recibieron Argumentos

**TOWN OF CHINO VALLEY**
202 N. State Route 89
Chino Valley, AZ 86323





**OFFICIAL VOTING MATERIALS -** ONLY ONE PAMPHLET HAS BEEN MAILED TO EACH HOUSEHOLD CONTAINING A REGISTERED VOTER. PLEASE MAKE IT AVAILABLE TO ALL REGISTERED VOTERS IN THE HOUSEHOLD.

**MATERIALES OFICIALES ELECTORALES -** SOLAMENTE UN FOLLETO SE HA ENVIADO A CADA DOMICILIO EN EL CUAL RESIDE UN VOTANTE REGISTRADO. FAVOR DE UTILIZARLO PARA TODOS LOS VOTANTES REGISTRADOS EN SU DOMICILIO.

# TOWN OF CHINO VALLEY
# COUNCIL AGENDA ITEM STAFF REPORT

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

**Meeting Date:** 01/22/2013

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

**Department:** Town Clerk

**Item Type:** Consent

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**AGENDA ITEM TITLE:**

Consideration and possible action to approve November 13, 2012 Regular Meeting minutes. (Jami Lewis, Town Clerk)

**RECOMMENDED ACTION:**

Approve November 13, 2012 Regular Meeting minutes.

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**Attachments**

November 13, 2012 minutes

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# D R A F T

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

## TUESDAY, NOVEMBER 13, 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, November 13, 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 Chief Chuck Wynn; Police Commander Mark Garcia; Magistrate John Walker; Town Engineer/Public Works Director Ron Grittman; Civil Engineer Richard Straub; Utilities Supervisor Chris Bartels; Town Clerk Assistant Liz Hart; Town Clerk Jami Lewis (recorder) |
| Attendees: | IT Specialist Spencer Guest |

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

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

Councilmember Croft gave the invocation and Mayor Marley led the Pledge of Allegiance.

**2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**

**a)** Presentation of donation check from Davidson's Inc./ProForce for the Chino Valley Shooting Range. (Chuck Wynn, Police Chief)

Chief Wynn reported on the status of the shooting range, the 9-11 steel memorial, and the facility's formal dedication.

Mr. Tucker from Davidson's Inc./ProForce then presented a $50,000 check to the Town for corporate sponsorship of the pistol range and law enforcement tactical range.

**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.*

No one from the public spoke.

**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 23, Sally Brown spoke about right-of-way issues with her property. Council referred her to the town manager, and she later met with the associate planner.

Mayor Marley also completed an overview of the Council/Manager form of government that he began in the 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.*

Councilmember Hatch reported on a Yavapai Regional Medical Center hospital board opening for the next year and the board reviewing possible uses for their north campus, to be located near Chino Valley.

Vice-Mayor Tenney recognized members of Boy Scout Troop 7016. He also reported on the upcoming Council election and that he would not be running again.

Police Chief Chuck Wynn announced that Commander Mark Garcia had given his notice to retire.

General Services Director Cecilia Watts reported that the Town received 400 citizen surveys in the first week.

Mayor Marley gave the Mayor's Report, which focused on the spring 2013 election and candidate process.

**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.*

Council set down items 6c and 6d for discussion.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to accept Consent Agenda items 6a, 6b and 6e.

**Vote:** 7 - 0 PASSED - Unanimously

**a)** Consideration and possible action to approve the August 6, 2012 study session minutes. (Jami Lewis, Town Clerk)

**b)** Consideration and possible action to approve the August 14, 2012 regular meeting minutes. (Jami Lewis, Town Clerk)

**c)** Consideration and possible action to approve Amendment No. 1 to Agreement between Burgess & Niple, Inc. and the Upper Verde River Watershed Protection Coalition for Program Management Services, dated November 28, 2007, to extend the effective date of the agreement through June 30, 2013, with the understanding that the Town shall remain as a non-dues paying non-voting member until further notice. (Vice-Mayor Tenney; Mayor Marley)

Vice-Mayor Tenney reported that:

- In November 2007, the Upper Verde River Watershed Protection Coalition ("Coalition") hired the engineering firm of Burgess & Niple, Inc. ("B&N") to provide program management services and to complete projects identified and approved by the Coalition Board.
- The initial contract with B&N will expire on November 27, 2012.
- On October 24, 2012, the Coalition Board approved a seven month extension of the contract to June 30, 2013, which introduced certain cost-saving measures, established a trial period for the change in services, and provided time to negotiate a longer-term program management contract.
- Although the Town had formerly been a dues paying, voting member of the Coalition, due to the Town's budget difficulties, on September 13, 2011, Council voted to continue participating with the Coalition as a non-dues paying, non-voting member.

Town Attorney Sharon Sargent-Flack reported that the original intergovernmental agreement between B&N and the Coalition allowed the Town and other participating entities to contribute fiscal resources to the Coalition. Although the Town was not obligated to contribute at this time and the Coalition acknowledged this, she wanted Council to be aware that B&N could look to the Town for a fiscal commitment per their original agreement, and Council might want to include an indemnification provision to protect the Town.

Council briefly debated the apparent minimal risk versus needing to protect the Town from possible changes.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to approve Amendment No. 1 to Agreement between Burgess & Niple, Inc. and the Upper Verde River Watershed Protection Coalition for Program Management Services, dated November 28, 2007, with the understanding that the Town shall remain as a non-dues paying non-voting member until further notice.

**Vote:** 6 - 1 PASSED

NAY: Councilmember Linda Hatch

**d)** Consideration and possible action to authorize a $500 expenditure for the Town of Chino Valley to join the Prescott Valley Economic Development Foundation. Funds to come from Contingency. (Robert Smith, Town Manager)

Mr. Smith reported that:

- The Town's limited staffing and funding sources had kept the Town from working on economic development matters, and the Foundation was allowing the Town to petition for membership.
- Benefits of membership included opportunities to: access the network of economic development professionals, list the Town's vacant commercial properties, link to the business website, post on the online investor directory, create Town initiatives through the Foundation's framework, receive newsletters, and display the Town's logo in its directory.

Mayor Marley asked staff to keep close watch, and if the Town did not get its money's worth, advise Council to cancel the membership at the end of the fiscal year.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to authorize an expenditure of $500 for the Town of Chino Valley to join the Prescott Valley Economic Development Foundation.

**Vote:** 7 - 0 PASSED - Unanimously

**e)** Consideration and possible action to approve final change order to contract with CLM Earthmovers, for the Center Street Community Development Block Grant Project, in the amount of $11,995. Funds to come from Community Development Block Grant. (Ron Grittman, Public Works Director)

**7) ACTION ITEMS**

**a)** Consideration and possible action to approve a utility rate schedule and direct staff to post the proposed schedule in accordance with ARS §9-499.15 to its home web page and direct staff to prepare the required resolution for consideration and possible action in accordance with ARS §9-511.01 at its January 22, 2013 meeting. (Ron Grittman, Public Works Director)

Mr. Grittman reported that:

- In June 2012, the Town contracted with Economists.com to develop a utility rate schedule to address deficiencies within the Utilities Division that will result in it being out of money by 2015.
- On October 4, 2012, staff presented the first draft of a proposed rate schedule to Council, with three alternative rate plan scenarios: Scenario 1 proposed no change from the current situation; Scenario 2 proposed comprehensive changes; and Scenario 3 proposed moderate changes.
- Variables were: (i) phasing out the carryover; (ii) ownership of the wastewater treatment plant; (iii) funding a capital improvement program, and (iv) acquiring the water company in Chino Meadows Unit 1.
- Assumptions were: (i) the Town could add new water ratepayers through buyouts of two other water companies; (ii) new sewer accounts would be minimal; and (iii) the Town could acquire the wastewater treatment plant through bonding.
- The Utilities Committee then reviewed the first draft and requested that two new scenarios be developed: Scenario 1A to hold lower rate increases for two years, followed by larger increases in the following three years; and Scenario 2A to have higher increases in years one and two and comparable increases in the next three years.

At this point in the presentation, Council and staff determined that some of the numbers in the presentation appeared to be inconsistent with what the Utilities Committee asked for. Mayor

Marley suggested tabling the item, staff contacting the consultant, and Council addressing it later in the meeting.

Craig Brown, Williamson Valley resident, pointed out another possible error.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Lon Turner, to table item 7a until the end of the meeting.
**Vote:** 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch, to move up item 7j.
**Vote:** 7 - 0 PASSED - Unanimously

(Council returned to this item after item 7l, but it is retained here for clarity.)

Mr. Grittman contacted consultant Dan Jackson via conference phone and they reviewed the corrected rate schedule scenarios. Mr. Grittman then continued his report:

- Once Council selected a scenario, staff will publish the proposed rate schedule on the Town's website for the required 60 days, and then bring it to Council for formal adoption.
- The proposed capital improvement projects will fund additional pipe in the ground; with $300,000, staff could do 1/2 mile per year. Location of new pipe will be determined per Council priority and/or certain situations such as a new commercial entity or neighborhood with failing septic systems.
- Mr. Jackson was recommending that Council adopt a five-year schedule, and eliminate the split buy-in fee and establish a standard rate of $6,000 for sewer and $4,000 for water, which covered the cost of installing the pipe. In addition, the Utilities Committee was also recommending to eliminate the interest fees on the buy-in amortization.

Council and staff discussed: adopting a two-year rate schedule with a review in 2014 for possible adjustments; needing to fix the deficit first then initiating the CIP and listing such priorities in a resolution; the Utilities Committee reviewing these priorities annually and bringing their recommendations to Council; and staff working on a strategy to get water and sewer to the highway.

Council then discussed the five scenarios and concluded that although 2A's rate plan was the highest, it would stop the deficit nose dive, extend the system faster, and spread out the payments.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Mike Best to approve a five-year plan with review and amendments in two years.

**Vote:** 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to approve utility rate schedule, Alternative 2A, and direct staff to post the proposed the schedule in accordance with A.R.S. § 9-499.15 to its home web page and direct staff to prepare the required resolution for consideration at its December 11 meeting and possible action in accordance with A.R.S. § 9-511.01 at its January 22, 2013 meeting.

**Vote:** 7 - 0 PASSED - Unanimously

**b)** *Continued from September 6, 2012:* Discussion regarding the extension of Road 1 East between Road 3 South and the future alignment of Road 5 South.

(This item was heard after item 7j but is retained here for clarity.)

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

Mr. Grittman reported that:

- ADOT proposed two alternatives regarding the configuration of State Route 89 between Road 4 South and the Town's southern limits (Road 5 South alignment).
- The first alternative would provide two left turns for south bound traffic: one at the approximate location of Road 4½ South and the other at Road 5 South. Neither of these locations will allow for southbound left turns into the current businesses.
- The second alternative would provide three left turns for south bound traffic: one into Windy Valley Plaza, in addition to the two left turns in the first alternative. This was contingent upon the Town extending Road 1 East between Road 4 South and 1,000 feet north of the Road 5 South alignment. In an effort to better provide circulation, Council had expressed a desire to look at extending Road 1 East between Road 3 South and Road 4 South, as well.
- ADOT will provide the Town with all the millings from the project for construction of Road 1 East, which will be performed by Public Works crews for an estimated $30,000. Drainage culverts and a low water crossing will also be constructed at Autumn Wash, south of Road 3 South.
- Staff recommended that Council approve extending Road 1 East all the way to the Road 5 South alignment.

Town Attorney Sharon Sargent-Flack disclosed that Tom Kack and Mark Drutz, principals of the Town Attorney's firm, also held a minority interest with others in Dirt on the Range, LLC, which owned some property in the vicinity of the Road 1 East extension near State Route 89 and Road 4½ South.

Dennis Colgan, Managing Member of Dirt on the Range, spoke about an easement from the highway to Road 1 East that pre-dated the Road 4 South roundabout and was established as a truck turn-around, and many affected business owners favoring placing an east-west road at Road 4½ South, although there were some safety concerns.

Tom Foster, former traffic engineer with ADOT, hired by Mr. Colgan, spoke about safety issues with the latest design, especially between Roads 4½ and 5 South. After discussions with the current ADOT engineer and area business owners, they were recommending a roundabout to replace the left turn north of Road 5 South or at Road 4.5 South. This would not eliminate the proposed driveways.

Alvin Stump, ADOT's current District Engineer, stated that a roundabout at Road 5 South would impact the project's budget, but would fix the whole problem and make for better circulation for the businesses. However, as the roundabout would need to connect to the local street system, an east-west road from the roundabout to Road 1 East was essential.

Gary Warren, affected business owner, spoke about a roundabout being the best solution for the design.

County Supervisor-Elect Craig Brown supported a roundabout at Road 5 South.

J. B. Jordan, Road 4 South property owner, expressed an interest in working with the Town to extend Road 1 East from Road 4 South to Road 3 South.

Council discussed:

- extending Road 1 East benefitting the entire neighborhood;
- a roundabout not compromising the businesses further south;
- extending Road 1 East all the way down or stopping at the easement; and ADOT giving the Town the millings providing an opportunity to take the road all the way down;
- staff needing to research legal ramifications of one business owner who was not willing to dedicate right-of-way for the Road 1 East extension; and
- the roundabout being north of or at Road 5 South.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Dean Echols to instruct staff to work with ADOT to obtain millings and other plans necessary to extend Road 1 East from Road 3 South to Road 5 South and connect it to State Route 89 at Road 5 South.

Councilmember Hatch suggested amending the motion to get legal advice regarding Mr. Chontos' statements that the Town did not have a legal right to the right-of-way. Vice-Mayor Tenney stated that staff would have to research that as part of the process to secure the easements.

**Vote:** 6 - 1 PASSED

NAY: Councilmember Linda Hatch

**c)** Consideration and possible action to approve the drawings of the proposed maquette rendition of the equine sculptures for the roundabout at Road 4 South and State Route 89. (Ron Grittman, Public Works Director)

Mr. Grittman reported that Jon Hair was under contract to cast three equine sculptures for the roundabout at Road 4 South and State Route 89. He had provided renderings of the statues and needed Council's approval of them prior to casting and completing the design.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Dean Echols to approve the drawings of the proposed maquette rendition of the equine sculptures for the roundabout at Road 4 South and State Route 89.

**Vote:** 7 - 0 PASSED - Unanimously

**d)** Consideration and possible action to adopt Resolution No. 12-1002, approving a Call of Election for Spring 2013, designating election date, purpose of election, deadline for voter registration, and location and deadline for candidates to file nomination papers. (Jami Lewis, Town Clerk)

Town Clerk Jami Lewis reported that:

- Proposed ballot items for the 2013 election included election of a mayor and three councilmembers and a ballot measure for the Alternative Expenditure Limitation–Home Rule Option.
- Pursuant to House Bill 2826, passed during the previous legislative session, the Town's general elections will move from the Spring of odd-numbered years to the Fall of even-numbered years starting in 2014. Thus, current councilmembers elected in 2011 and candidates elected in 2013 will not serve the standard 4-year term: their terms will either be shortened to 3.5 years or lengthened to 5.5 years. This will not be decided until next spring.
- Staff received notification this morning that the Auditor General had approved the Town's analyses for Home Rule, and arguments for the publicity pamphlet were due by December 12.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to adopt Resolution No. 12-1002, approving a Call of Election for Spring 2013.

**Vote:** 7 - 0 PASSED - Unanimously

**e)** Discussion and possible action to approve 2012 LTAF II Grant Agreement between Yavapai County and Chino Valley Senior Center for Senior Center transportation needs. Funds for the required 25% match to come from Senior Center miscellaneous maintenance line in the general fund. (Cecilia Watts, General Services Director)

Acronym used in this item:
LTAF (Local Transportation Assistant Funds)

Ms. Watts reported that:

- Yavapai County notified the Town that approximately $1,325 in 2012 LTAF funds will be available in December 2012.
- In the past, such funds had been used to support the Transit System; however, since the Transit System had $23,567 in LTAF II funds as of June 30, 2012, staff and the transit manager were recommending that these funds be used to supplement Senior Center transportation needs.
- The LTAF II funds require a 25% match from the General Fund, and staff will not know the exact amount until December 2012.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve 2012 LTAF II Grant Agreement between Yavapai County and Chino Valley Senior Center.

**Vote:** 7 - 0 PASSED - Unanimously

**f)** Consideration and possible action to authorize the Mayor to sign a letter of support for the proposal by Yavapai Regional Transit for a Section 5311 Federal discretionary grant for federal fiscal year (FFY) 2013 to fund establishment of a regional transit system for the City of Prescott, Town of Prescott Valley, and Town of Chino Valley area.

Acronym used in this item:
TAC (Transit Advisory Committee)

Transit Manager Ed Steinback and TAC Chair Ron Romley reported that:

- At the request of current and potential customers, and upon learning about the subject grant, the Transit Committee was proposing to establish the Yavapai Regional Transit ("YRT") from the Chino Valley system.
- YRT would operate as a non-profit without any local government financial involvement, with an innovative funding structure and new funding sources through public/private partnerships, and provide services from Chino Valley to Prescott and Prescott Valley.
- The Arizona Department of Transportation was supportive of the unique approach and would, along with the Central Yavapai Metropolitan Planning Organization, provide technical, planning, guidance, and procurement assistance.
- As part of the grant application, TAC desired a letter of support from Council.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to authorize the Mayor to sign a letter of support for a Section 5311 federal discretionary grant for the regional transit system proposal.

**Vote:** 7 - 0 PASSED - Unanimously

**g)** *Continued from October 23, 2012:* Consideration and possible action to approve the copier usage agreement and maintenance agreement for managed print services with Arizona Office Technologies (AOT). Funds to come from various department lines for equipment purchase and maintenance. (Spencer Guest, IT Specialist)

Mr. Guest reported that:

- At the previous Council meeting, Council asked staff for additional detail on the costs and services to be provided, as well as the meaning of a fuel charge documented on the maintenance agreement.
- Staff had been investigating managed print services (MPS) as a potential way to enhance the Town's copier/printer fleet and leverage new technologies, resulting in staff efficiency and overall reductions in Town operational costs.
- While current costs for print services were around $1,901 per month, staff estimated that monthly costs using MPS would be $1,725.
- Three vendors provided quotes, which included the Town's current equipment that they would support under their pricing and monthly cost estimates, as well as pricing for leasing new equipment.
- Arizona Office Technologies (AOT) was selected based on the lowest per month cost, their willingness to support a larger amount of the Town's printer and copier fleet, and greater flexibility in reviewing the lease contract on a regular basis to accommodate changes in the Town's fleet and usage.
- The proposed agreements, based on the Mohave Contract to fulfill the Town's Cooperative Purchasing requirements, provided for a 60 month lease on six pieces of new equipment, supplies, and ongoing repair and maintenance on 21 devices from the Town's current fleet.
- The monthly cost for these agreements was $1,309.29 plus a variable cost based on volume for the Town's main copier for a total of approximately $1,609.29.
- Staff found that the fuel charge referenced in the maintenance agreement would be void due to a Mohave Contract stipulation that required any transportation or fuel charges to be expressly documented in the pricing. The final draft of the agreement had a note to

that effect.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Dean Echols to approve the copier usage agreement and maintenance agreement with Arizona Office Technologies (AOT) for a 60 month lease term.

**Vote:** 7 - 0 PASSED - Unanimously

**h)** Consideration and possible action to approve Second Amendment to Professional Services Agreement dated November 1, 2010, with Marc E. Hammond for prosecutorial services. (Cecilia Watts, General Services Director)

Ms. Watts reported that, through an RFQ process in 2010, the Town entered into an agreement with Marc Hammond for prosecutorial services. His two-year contract with the Town expired October 30, 2012 and as the Town was going through a program-by-program review, staff felt it was desirable to not bind the Town for an annual contract at this time. Therefore, this Second Amendment will provide for month-by-month prosecutorial services with a provision for 30-day termination notice by either party.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve Second Amendment to Professional Services Agreement with Marc E. Hammond for prosecutorial services, effective November 1, 2012 and reflecting a month-to-month contractual agreement with a 30-day notice by either party for termination.

**Vote:** 7 - 0 PASSED - Unanimously

**i)** Consideration and possible action to approve the yearly Indigent Legal Services Contract for Court Misdemeanors with J. Andrew Jolley in the amount of $15,000. Funds to come from Court professional services line. (John Walker, Magistrate)

Magistrate Walker reported that the Town and the Court had determined that entering into indigent legal services agreements with attorneys was an appropriate method to provide legal services to indigent defendants in cases arising pursuant to Rule 6.1 of the Rules of Criminal Procedure for Arizona and for certain other types of legal proceedings. The proposed $15,000 covered up to 40 cases at 30 hours per case. Should there be more than 40 cases, the agreement provided for $100 per hour, although that had not happened before.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the yearly Indigent Legal Services Contract for Court Misdemeanors with J. Andrew Jolley in the amount of $15,000.

**Vote:** 7 - 0 PASSED - Unanimously

**j)** Consideration and possible action to approve Professional Services Agreement with Red Oak Consulting for the calculation of the Town's Development Impact Fees pursuant to Senate Bill 1525 and Arizona Revised Statutes §9-463.05, with anticipated start date of December 2012 and completion anticipated in January 2014, in an amount not to exceed $72,000. Funds to come from Non-Departmental expenses, with $35,000 being budgeted for this fiscal year, and the remainder to be included in FY 2013/2014 budget. (Cecilia Watts, General Services Director)

(This item was heard after the first part of item 7a but is retained here for clarity.)

Ms. Watts (staff report) and Pat Walker (oral presentation) reported that:

- Senate Bill 1525 (A.R.S. § 9-463.05), which became effective January 1, 2012, required municipalities to calculate Development Impact Fees differently than the current procedure in order to continue collecting such fees.
- Implementing the new requirements included the following tasks: (i) develop Impact Fees for applicable service areas; (ii) determine projected capital projects; (iii) analyze and collect data; (iv) incorporate General Plan Land Use Assumptions; (v) develop Infrastructure Improvement Plan; and (vi) calculate Development Impact Fees and a funding and cash flow analysis.
- The Red Oak Team will facilititate up to two stakeholder meetings with the development community, associations, citizens and/or advisory committees, in addition to a public hearing and several Town Council presentations. This project will be primarily led by Pat Walker, as a sub-consultant of Red Oak Consulting.
- This project will take at least one year to complete and will be funded over two fiscal years. Staff anticipated that new fees will be adopted in January 2014 and become effective 75 days after Council approval.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to approve Professional Services Agreement with Red Oak Consulting, in a total amount not to exceed $72,000.

**Vote:** 7 - 0 PASSED - Unanimously

**k)** Consideration and possible action regarding legal services for the Town of Chino Valley. Funds for advertising in the approximate amount of $1,000 to come from Human Resources advertising line. (Cecilia Watts, General Services Director)

Acronym used in this item:
RFQ (Request for Qualifications)

Ms. Watts (staff report) and Vice-Mayor Tenney reported that:

- Council had not evaluated the Town's legal services in many years and formed a Legal Services Review Committee, consisting of Vice-Mayor Tenney (Chair), and Councilmembers Hatch and Croft, to evaluate the process and examine options. The Committee examined hiring inhouse, full and part-time, drafting a new agreement with the current firm, and putting out an RFQ.
- Discussions resulted in the Committee drafting an RFQ for Council's review, as they determined that hiring inhouse was not viable, as it would cost at least $200,000, while the Town currently paid $150,000 for legal services.
- Should Council agree to this process, staff anticipated a cost of $1,000 for advertising and a December 20 deadline for proposals. The Committee would perform the first review of the submittals and bring a subset of the proposals to Council in January 2013 for review and interviews, with the anticipation of entering into an agreement in March.
- Besides regular attendance at Council meetings and serving as General Counsel for Town affairs, the Committee was recommending that the individual or firm selected keep office hours at Town Hall on the Tuesdays of regularly-scheduled Council Meetings from 2:00 p.m. through the evening's Council meeting. This would allow Council and staff to schedule meetings with the attorney, thus enhancing access to this

resource.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to solicit RFQs from law firms interested in provideing legal services for the Town of Chino Valley.

**Vote:** 7 - 0 PASSED - Unanimously

**l)** Consideration and possible action to approve the July 2, 2012 special meeting minutes. (Absent: Councilmember ~~Turner~~ Echols ) (Jami Lewis, Town Clerk)

Mayor Marley asked for an amendment to the minutes to reflect that the motion under item 5 include Council allowing the Court the opportunity to send the matter back to the consultant.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Lon Turner to approve the minutes, as amended.

**Vote:** 6 - 0 PASSED

Other: Councilmember Dean Echols (ABSTAIN)

**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 Darryl Croft to adjourn the meeting at 8:46 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 13th day of November, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 22nd 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. b.**

| | |
|---|---|
| **Meeting Date:** | 01/22/2013 |
| **Contact Person:** | Jami Lewis, Town Clerk<br>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 approve the August 14, 2012 amended Regular Meeting minutes with a correction to Item 3 Call to the Public.

**RECOMMENDED ACTION:**

Approve the August 14, 2012 amended Regular Meeting minutes with a correction to Item 3 Call to the Public.

**SITUATION AND ANALYSIS:**

During the August 14, 2012 regular Council meeting, Steve Chontos, a local business owner, spoke during Call to the Public about the highway widening from Road 4 South/Outer Loop Road to the airport and his opposition to medians being installed south of Road 4 South. In December 2012, Mr. Chontos contacted staff and requested that the minutes for his comments during that meeting be amended as he did not specify where the medians were to be placed and the first statement could imply that he stated the medians were to be from Road 5 South to the airport.

Staff re-reviewed the minutes and listened to the audio from the meeting and determined that the phrase "...from Road 5 South to the airport..." could refer to the medians *or* the widening project in general. Staff proposed to delete the entire phrase to eliminate the ambiguity. Mr. Chontos reviewed and supported the change.

**Attachments**

August 14, 2012 minutes, amended

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

## TUESDAY, AUGUST 14, 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, August 14, 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: | Interim Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Tom Kack; Finance Director Joe Duffy; Police Commander Mark Garcia; Town Engineer/Public Works Director Ron Grittman; Utilities Supervisor Chris Bartels; Town Clerk Assistant Liz Hart; Town Clerk Jami Lewis (recorder) |
| Attendees: | Utilities Crew Leader Joe Grassi |

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

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

Mayor Marley gave the invocation and led the Pledge of Allegiance.

**2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**

**a)** Recognition of outgoing members of the Parks and Recreation Advisory Board, Senior Center Advisory Board, Roads and Streets Committee, and Municipal Property Corporation. (Mayor Marley; Jami Lewis, Town Clerk)

Mayor Marley presented Certificates of Appreciation to outgoing members of several Town public bodies.

**b)** Recognition of Chino Valley Library volunteers. (Mayor Marley)

Mayor Marley acknowledged the Chino Valley Library volunteers, who had saved the Library a great deal of money through their efforts.

## 3) CALL TO THE PUBLIC

George Garewal, resident since 2011, spoke about problems with living next to Wade's Custom Meats, which he felt was an incompatible use for a residential area. He provided a DVD and pictures of his concerns.

Joe Iaccarino, resident, spoke about submitting two public records requests and staff's response to the first being that there were no records; he questioned the Town's policy, as he believed citizens were entitled to such records. Councilmembers stated that the town attorney had already agreed to check into the matter, Council minutes addressed some of his concerns, and the Town did not hide its records.

Cara Brennion, resident, asked several questions about a Hell's Angels' event in Town relative to funding for extra duty officers, lack of event permit, drinking and riding in a motorcycle "parade," and Town regulations not being strict enough to keep such events from the Town. Police Commander Mark Garcia reported that:

- Funding for police coverage was coming out of the Police budget; all vacations and days off had been cancelled, and they will receive assistance from several other law enforcement entities.
- Per the Development Services Department, because Doreen's was a business, it did not need a permit, and Town regulations had no provisions for parades.
- Law enforcement personnel will make sure state liquor laws were followed, assist parade participants, and conduct DUI saturation patrols over the weekend.
- He agreed that this matter provided the Town an opportunity to review its ordinances.

Steve Chontos, owner of Chino Golf Range, spoke in opposition to plans to use raised medians on the highway widening project ~~from Road 5 South to the airport~~, as the current medians in Town had hurt businesses and the Town did not receive promised uncurbed shoulders, resulting in a safety hazard. He suggested a wide center lane instead of medians for the future project and that Council appeal to the state engineer if they agreed with him.

Tom Payne spoke about the next Chamber of Commerce mixer at his print shop.

Ron Romley, resident, former councilmember, and former ADOT employee, spoke about the highway medians being built for drainage and safety; and his beliefs that the former Council made the right decision, the road was very safe now, and the medians did not run out businesses.

David Richardson, resident, spoke about a noise problem from a dog training business next door to his residence.

Todd League, Chair of the Parks and Recreation Advisory Board, spoke about the Board's opposition to the Town's plans to change the current recreation activity center building to other uses, especially since the Town had closed down the skate park and rodeo grounds.

## 4) RESPONSE TO THE PUBLIC

Mayor Marley had nothing to report.

## 5) CURRENT EVENT SUMMARIES AND REPORTS

Mayor Marley reported that Council will hold a special meeting on August 23 and a study session on September 6.

General Services Director Cecilia Watts recognized Utilities Supervisor Chris Bartels, Utilities Technician Joe Grassi, and Building Official Dan Trout for re-establishing a Safety Committee, which had been inactive since 2005. The group intended to perform a facility assessment, job analysis, and employee training over the next year for all departments.

Councilmember Hatch reported that the Appointments Committee was meeting on the 16th to review applications for several public body positions.

**a)** Status report regarding HB 2826 "Consolidated Elections." (Jami Lewis, Town Clerk)

Town Clerk Jami Lewis reported on the status of HB 2826. Key points were:

- HB 2826 mainly required that all municipal candidate elections move to the fall of even-numbered years starting in 2014. The bill's sponsor indicated a willingness to sponsor a cleanup bill to address issues such as term lengths and home rule matters.
- In light of this, the League of Arizona Cities and Towns will request that the Legislature determine whether term lengths should be shortened or lengthened or give the municipalities legal coverage to make that choice. Once the Legislature acted, the League will then draft implementation guidelines and forward them to the municipalities, hopefully in mid-Spring 2013.
- Thus, the League, as well as Yavapai County Elections Department, were now recommending that municipalities with Spring 2013 elections, especially those with a Home Rule election, proceed as usual and not implement any changes.

**b)** Report on the Council Study Session held on August 6, 2012 regarding strategic financial planning. (Mayor Marley)

Mayor Marley stated that he had been asked to report on the timelines for enactment of a sales tax increase, and primary and secondary property tax. Starting today, a sales tax increase could be effective about March 1, 2013. A primary property tax could only be approved by the voters on the third Tuesday of May; a tax approved on May 21, 2013 would be effective between 2013-2014. A secondary property tax/bond election would take about a year and could be on a ballot in November 2013. All three were long and involved processes.

## 6) CONSENT AGENDA

Council set down item 6c to send it back to committee for further review on August 23.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve Consent Agenda items 6a, b, d and e.

**Vote:** 7 - 0 PASSED - Unanimously

**a)** Consideration and possible action to cancel the December 25, 2012 Council meeting and authorize the Mayor to cancel the November 27, 2012 Council meeting should there be no items needing attention. (Jami Lewis, Town Clerk)

**b)** Consideration and possible action to accept the Charter for the Mayor's Ad Hoc Revenue Options Committee. (Mayor Marley)

**c)** Consideration and possible action to adopt Resolution No. 12-999, declaring as a public record that certain document filed with the Town Clerk and entitled "Chino Valley Town Code, Chapter 90: Animals," adopt Ordinance No. 12-760 adopting the same by reference, and amend the Town Code by replacing Town Code Chapter 90 in its entirety. (Public Safety Committee)

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Mike Best

**Vote:** 7 - 0 PASSED - Unanimously

**d)** Consideration and possible action to approve the June 12, 2012 Regular Meeting minutes. (Jami Lewis, Town Clerk)

**e)** Consideration and possible action to approve the June 19, 2012 Special Meeting minutes. (Jami Lewis, Town Clerk)

**7) ACTION ITEMS**

**a)** Financial report by Ed Steinback regarding Chino Valley Transit System operations. (Robert Smith, Town Manager)

Mayor Marley reported that Mr. Steinback was unable to attend tonight's meeting.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to postpone item 7a to August 23.

**Vote:** 7 - 0 PASSED - Unanimously

**b)** Consideration and possible action to approve the Chino Valley Transit Advertising Policy and Procedures, and Transit Advertising Contract.

Ron Romley, Chair, Transit Advisory Committee (TAC), reported that at Council's request, TAC researched other transit entities and prepared these documents. Nine entities had already indicated an interest in advertising, and funds received for this will be used to keep the system budget neutral.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch

**Vote:** 7 - 0 PASSED - Unanimously

**c)** Consideration and possible action to approve Letter of Interest and Ground Lease Agreement Amendment from SBA Structures, Inc. regarding cell site lease and lump sum payment of rents, in the amount of $300,000. This item was budgeted as a one time Revenue in Fiscal Year 2012/2013.

Mr. Smith reported that through negotiations with SBA, the Town could secure a lump sum payment in lieu of monthly rents for SBA's continued use of the site.

Mayor Marley pointed out that the dollar amount in the agenda item title was incorrect and should be $330,000.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft

**Vote:** 7 - 0 PASSED - Unanimously

**d)** Consideration and possible action to establish and accept a Charter for the Ad Hoc Program Review Committee. (Mayor & Council)

Town Clerk Jami Lewis reported that during the August 6, 2012 study session, the Council discussed forming two new committees, the Mayor's Ad Hoc Revenue Options Committee and an Ad Hoc Program Review Committee, to assist with researching issues for the strategic financial plan.. The Program Review Committee will review the Town's current programs for impacts on the general fund and submit their findings to the Finance Committee, who will then combine the data with that of the other committees and report back to Council.

Councilmember Turner added that he met with staff to identify discussion topics for the committee, which will hold its first meeting soon.

Councilmember Hatch requested that staff include the strategic financial plan meetings in the Council Quorum Notices in case additional councilmembers wanted to attend the meetings.

Vice-Mayor Tenney invited the public to help the Town find ways to manage its budget.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft

**Vote:** 7 - 0 PASSED - Unanimously

**e)** Discussion and possible direction to staff regarding mandatory connection to the Town of Chino Valley sewer system. (Ron Grittman, Town Engineer)

Mr. Grittman reported that:

- Per Town Code Section §51.155 (A), “When the town’s sanitary sewer mains are extended to within 400 feet of the property, property owners with existing businesses or residences requiring sewer service are required to connect to the town’s sewer system within 120 days of written notice by the town that the service is available.”
- Over the last several years, at the direction of previous councils, staff had interpreted the 400-foot distance to be measured from the sewer main to the septic system rather than the property line.
- Recently, after staff re-issued letters to 39 residents whose properties met the code requirement to tie into the sewer system, the town manager directed staff to delay further efforts to implement the current code until staff received further direction from Council.

Mayor Marley added that although Council wanted to pay the Town’s debts, they wanted to be as fair to the citizens as possible.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft

**Vote:** 7 - 0 PASSED - Unanimously

**f)** Consideration and possible action to approve the right-of-way abandonment and the settlement terms for the abandonment of nine feet (9') of right-of-way for Perkinsville Road across the frontage of Assessor's Parcel Number 306-20-006B. (Owner: Sally Brown) (Ron Grittman, Town Engineer)

Acronym used in this item:
ROW (Right of Way)

Mr. Grittman reported that:

- Assessor's Parcel No. 306-20-006B had two ROW dedications along Perkinsville Road: one dedication for nine feet, execut on December 8, 1994 and one for 25 feet on December 23, 1994. Staff found no documentation as to why these dedications occurred, and the nine-foot dedication encroached on the structure located on this property by approximately four to seven feet.
- This encroachment created a "nonconforming use," which disallowed any building permits from being issued, resulting in the current property owner, Sally Brown, not being able to refinance the residence.
- Ms. Brown purchased the property during the time between the dedications, and neither she nor her title company, First American Title, were aware of the December 8, 1994 dedication. Upon learning of it, she entered into litigation with the title company.
- In 2007, the Town had some negotiations with Ms. Brown to acquire the additional ROW and compensate her for the property by paying for demolition of the existing home. She, in turn, could construct a new home that met all setback requirements. These negotiations were never finalized.
- In 2011, the office of Musgrove, Drutz, and Kack, P.C., the town attorney, who also represented First American Title, met with staff several times to discuss a resolution.
- The resolution that seemed most acceptable to all parties was that First American Title will pay the Town of Chino Valley $10,000 for the value of the ROW due to the belief that at some point in the future, another more significant ROW dedication for Perkinsville Road will be required. Because of the location of Ms. Brown's home, in all likelihood, a taking of the complete home will be required.
- The $10,000 will also compensate the Town for giving up the rights that it already had to the nine-foot dedication and these funds could be used as compensation to Ms. Brown for the future ROW acquisition. It must be noted that no appraisal was performed to determine the exact cost to cure for acquisition of the structure.

Council asked about problems with utility extensions. Mr. Grittman stated that staff will make sure utility lines were within the 25 feet.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch

**Vote:** 7 - 0 PASSED - Unanimously

## 8) EXECUTIVE SESSION

Council held no executive sessions.

## 9) ADJOURNMENT

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to adjourn the meeting at 7:20 p.m.

**Vote:** 7 - 0 PASSED - Unanimously

___________________________________
Chris Marley, Mayor

ATTEST:

___________________________________
Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing amended minutes are a true and correct copy of the amended minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 14th day of August, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 22nd 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. 7. a.**

| | |
|---|---|
| **Meeting Date:** | 01/22/2013 |
| **Contact Person:** | Robert Smith, Town Manager<br>Phone: 928-636-2646 x-1201 |
| **Department:** | Town Manager |
| **Item Type:** | Action-Presentation |
| **Estimated length of staff presentation:** | 5 minutes |
| **Physical location of item:** | Old Home Manor |

---

**AGENDA ITEM TITLE:**
Consideration and possible action to direct staff to proceed with the initial 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 initial 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 staff report and associated materials for the September 6th study session industrial park item, as well as the minutes from that meeting may be viewed online at http://www.chinoaz.net/clerk/townagenda.shtml.

---

**Fiscal Impact**

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

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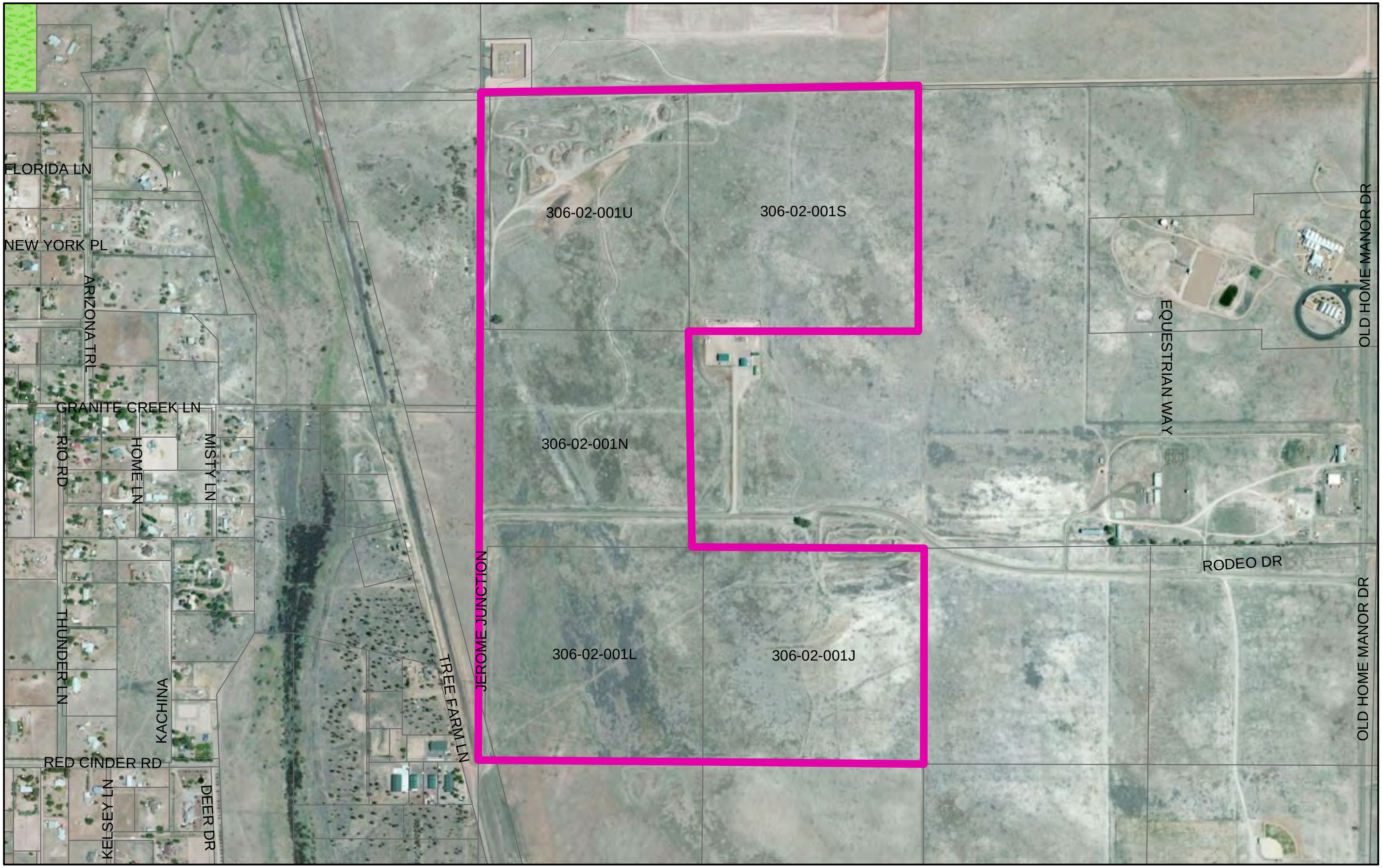
## Attachments

OHM industrial park maps

# OLD HOME MANOR INDUSTRIAL PARK
# 306-02-001J, L, N, S & U

## AERIAL MAP




Town of Chino Valley
202 N State Route 89
Chino Valley, AZ 86323
(928) 636-2646 FAX (928) 636-2144

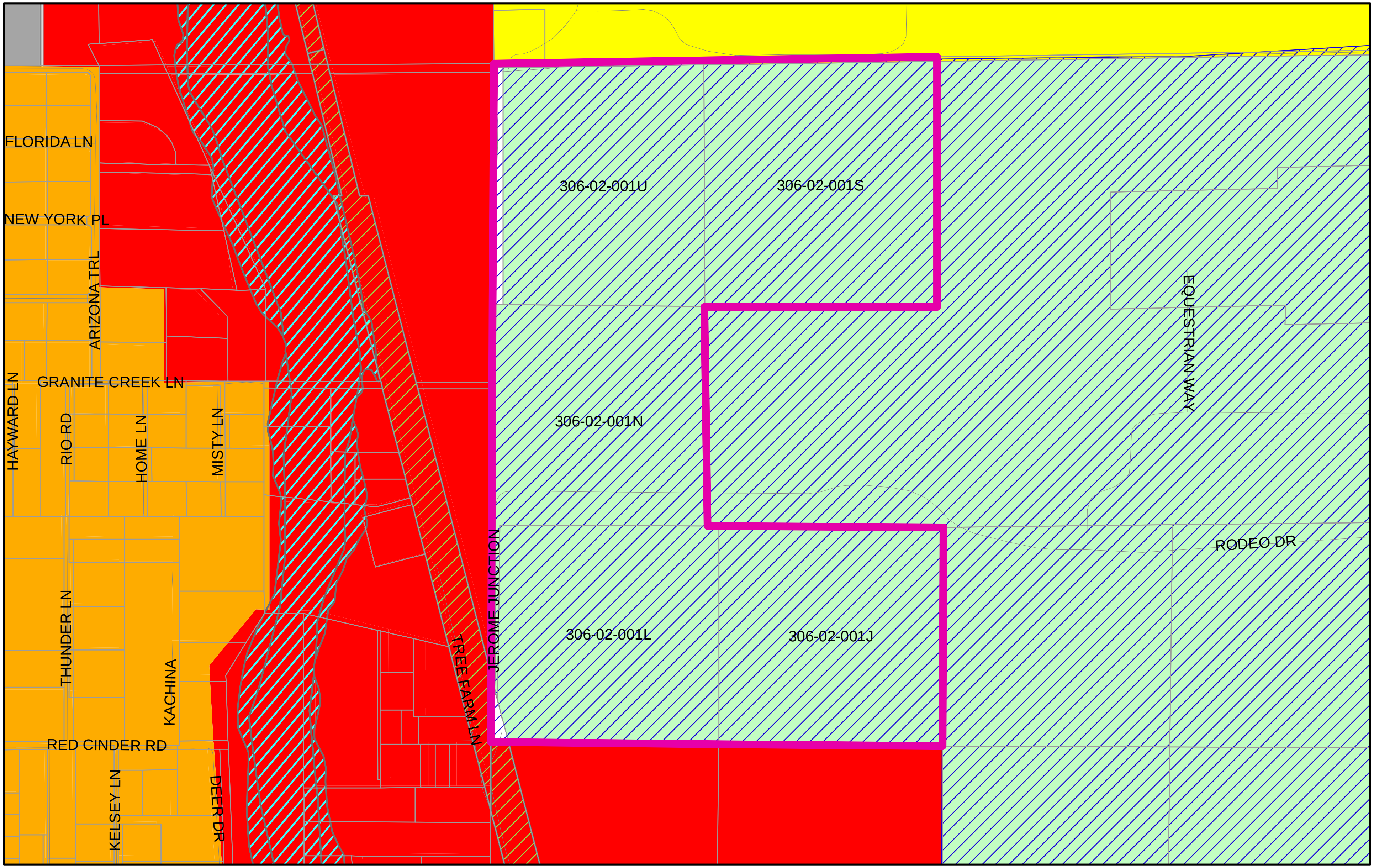
Town Boundary 082308
Chino_Parcels081312
OHM_Industrial_Park
StreetNames2009

1 inch = 800 feet

N

# OLD HOME MANOR INDUSTRIAL PARK
# 306-02-001J, L, N, S & U

## GENERAL PLAN - AMENDED FUTURE LAND USE MAP




Town of Chino Valley
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OHM_Industrial_Park
Town Boundary 082308
StreetNames2009
Chino_Parcels081312

**Schools**
Existing Schools
Future Schools

Flood Plain
Highway 89
Industrial Overlay
Industrial Overlay - Amended Area

Old Home Manor
Peavine Trail
Public Land
Special Development Areas
State Land

**Zoning_GeneralPlan**
Commercial
Low Density Residential Greater than 2 Acres
Medium Density Residential 2 acres or Less

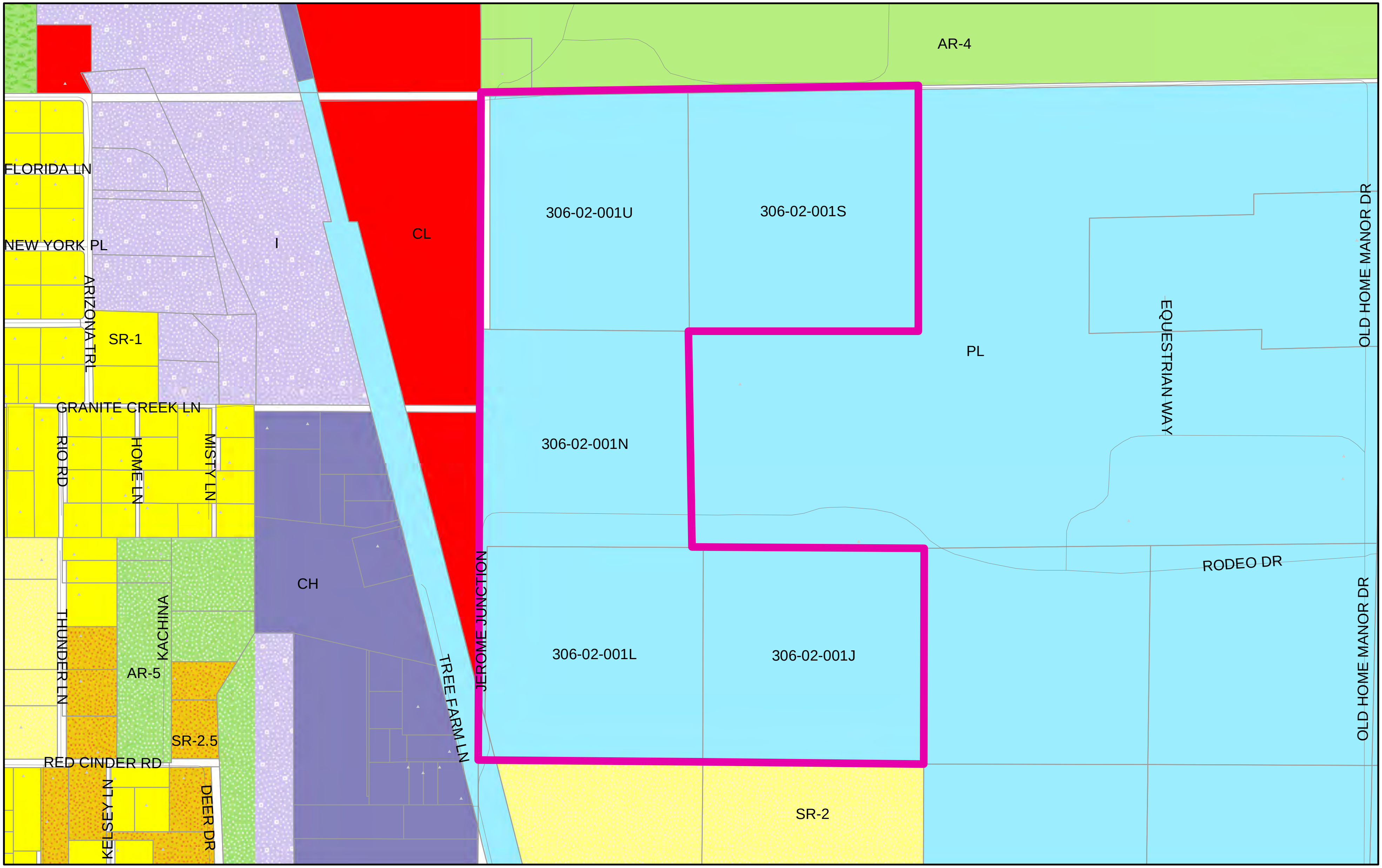
1 inch = 800 feet

N

The Town of Chino Valley assumes no responsibility for errors, omissions, and/or inaccuracies in this mapping product.

# OLD HOME MANOR INDUSTRIAL PARK
# 306-02-001J, L, N, S & U

## ZONING MAP

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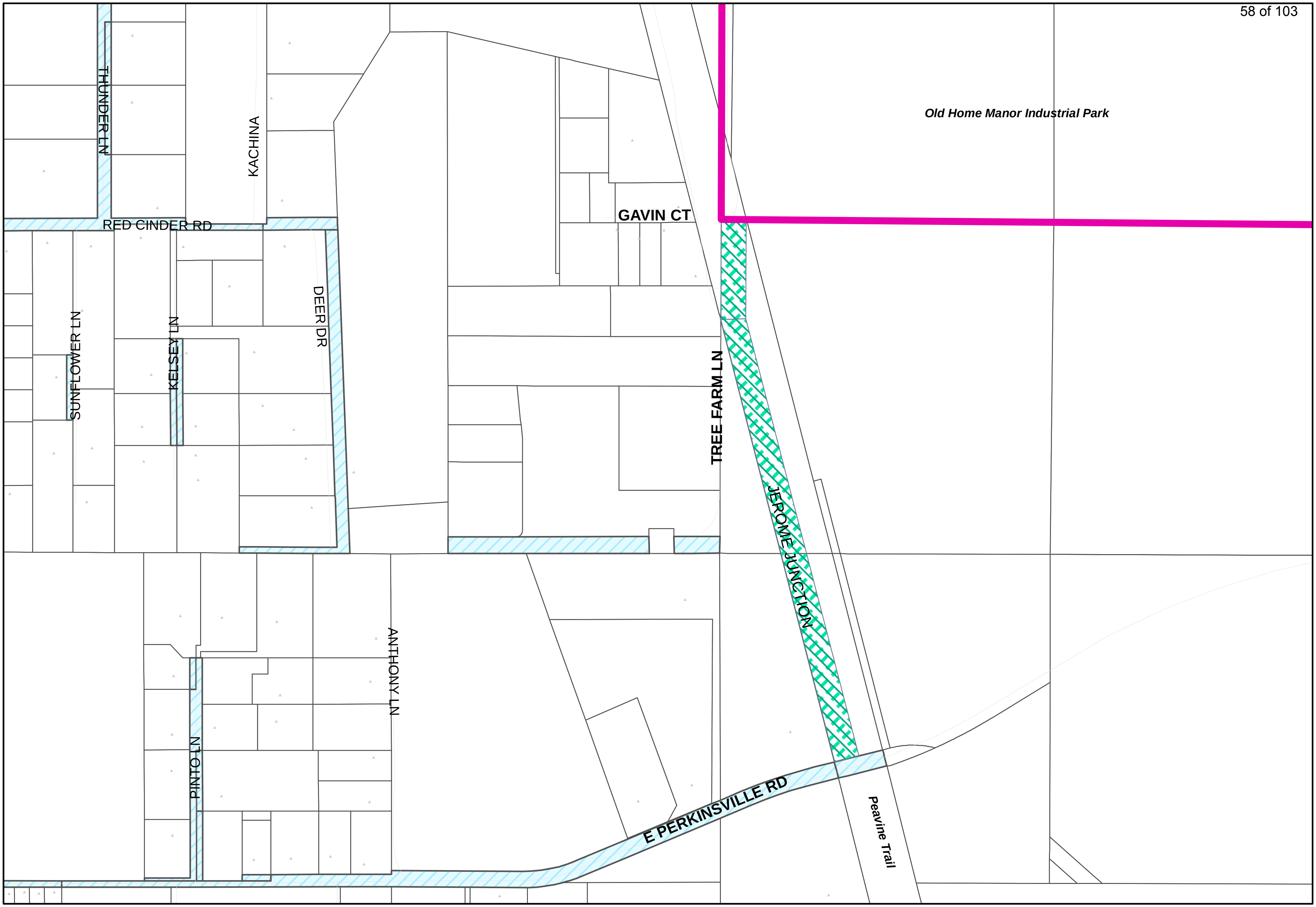
Town Boundary 082308
Chino_Parcels081312
OHM_Industrial_Park
StreetNames2009

**Zoning**
AR-5 | CL | CL/AR-5 | CL/SR-1 | CH | CH/AR-5 | I | PL | SR-2.5 | SR-1 | SR-2 | SR-0.16 | MR-1/MHP-4 | State | AR-4 | AR-36 | SR-1.6 | OS | MR1/CL | MR1 | MHP-4 | I/CH

1 inch = 800 feet

N




Town of Chino Valley
202 N State Route 89
Chino Valley, AZ 86323
(928) 636-2646 FAX (928) 636-2144

Chino_Parcels081312
StreetNames2009
OHM_Industrial_Park
Right of Way - Needed - Version 2
Right of Way - Existing

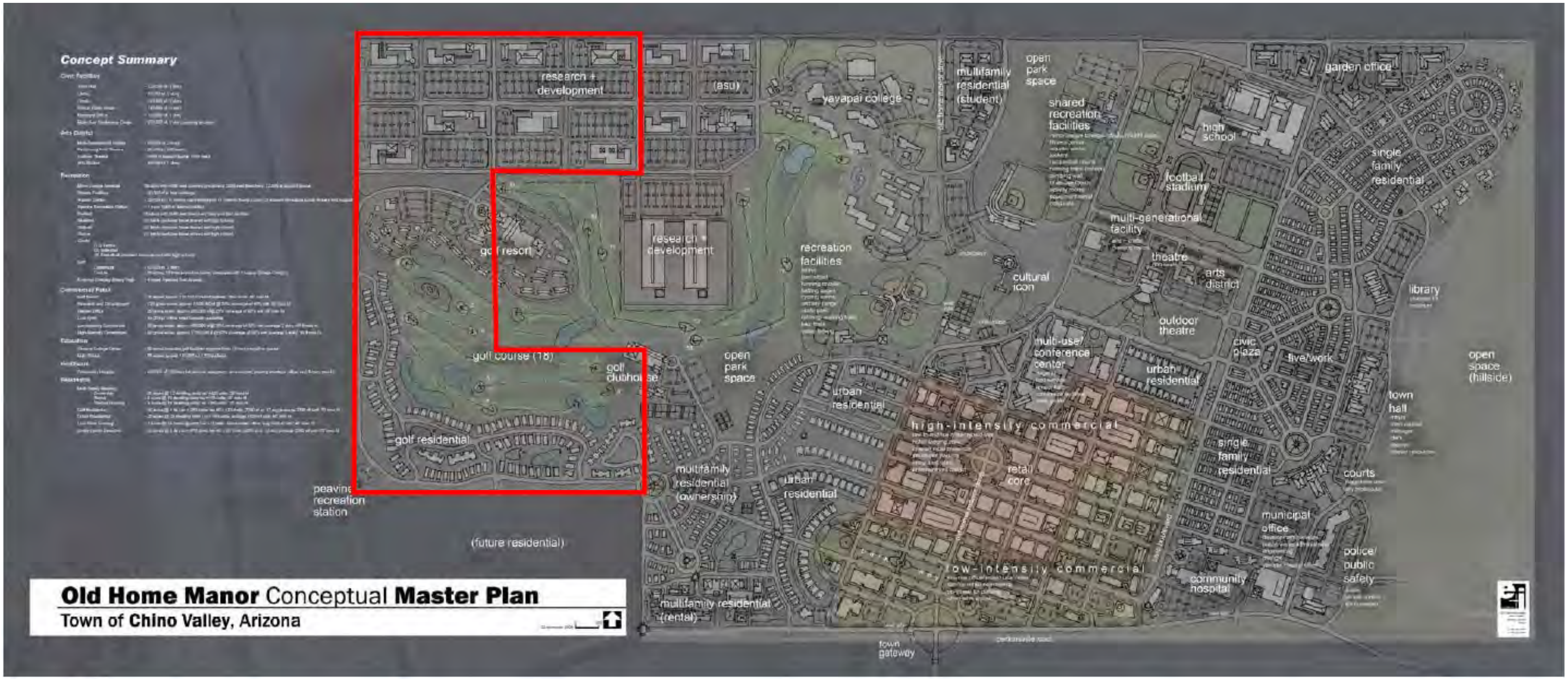
# Old Home Manor Industrial Park

Needed Right-of-Way - Version 2

100 ft on east side of property line

1 inch = 500 feet

N




# Old Home Manor Conceptual Master Plan

Town of Chino Valley, Arizona

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# TOWN OF CHINO VALLEY
# COUNCIL AGENDA ITEM STAFF REPORT

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

| | |
|---|---|
| **Meeting Date:** | 01/22/2013 |
| **Contact Person:** | Ron Grittman, Town Engineer<br>Phone: 928-636-2646 x-1223 |
| **Item Type:** | Presentation Only |
| **Estimated length of Staff Presentation:** | 5 minutes |
| **Physical location of item:** | Community Center Park, vacant area along Perkinsville Road |

**AGENDA ITEM TITLE:**

Presentation of the rough conceptual design for the Community Center Park expansion as discussed on January 8, 2013. (Ron Grittman, Town Engineer)

**SITUATION & ANALYSIS:**

On January 8, 2013, staff presented a proposal to allow Public Works and Utilities crews to improve the northerly section of the Community Center Park that is adjacent to Perkinsville Road and create a useable walking area that can be enhanced with public participation in the planting of trees and shrubs; a detention pond, and off-leash dog park, and extend potable and irrigation water. The expansion will by done by Parks and Utility crews and will not preclude future construction of the amphitheater and gazebo as depicted in the Community Center Master Plan. Staff may use up to $90,000 of Parks Impact Fees 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.

Council approved the proposal and asked staff to return to this meeting with a sketch of the proposed improvements.

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TOWN OF CHINO VALLEY, ARIZONA

# CHINO VALLEY COMMUNITY CENTER

IMPROVEMENTS AT PERKINSVILLE RD

CHINO VALLEY, ARIZONA

sketch
LANDSCAPE ARCHITECTURE STUDIO
P 928.277.7336 | E INFO@SKETCH-LA.COM

SHEET L1.2
CONCEPTUAL PLAN

SCALE: 1"=30'-0"
ORIGINAL SHEET SIZE: 24X36

# CHINO VALLEY COMMUNITY CENTER

IMPROVEMENTS AT PERKINSVILLE RD

CHINO VALLEY, ARIZONA

sketch
LANDSCAPE ARCHITECTURE STUDIO

P 928.277.7336 | E INFO@SKETCH-LA.COM

SHEET L2.2
CONCEPTUAL PLAN

SCALE: 1"=30'-0"

# TOWN OF CHINO VALLEY
# COUNCIL AGENDA ITEM STAFF REPORT

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

| | |
|---|---|
| **Meeting Date:** | 01/22/2013 |
| **Contact Person:** | Joe Duffy |
| **Department:** | Finance |
| **Item Type:** | Action-Presentation |
| **Estimated length of staff presentation:** | 5 minutes |
| **Physical location of item:** | N/A |

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**AGENDA ITEM TITLE:**

Consideration and possible action to approve Monthly Financial Report for month ended December 31, 2012.

**RECOMMENDED ACTION:**

Approve Monthly Financial Report for the month ended December 31, 2012.

**SITUATION AND ANALYSIS:**

The Finance Department per Town Code is preparing Monthly Financial Reports for the Mayor, Council, Staff and Community.

Upon Council approval, the reports will be posted on the Town's website.

The report includes the following sections;

**Revenue and Expense Summary -** This section details the Revenues and Expenditures of each fund. Comparing the year to date figures to the current year's annual budget and the prior year's month to date figures..

**Major Revenue Summary -** This section details the year to date figures for the Town's eight major revenue sources that account for 60% of the Towns Revenue.

**Other Information -** This section details other pertinent financial and statistical information including the Impact Fee Fund balance and the amount of General Fund Contingencies that have been allocated this fiscal year. Additional items will be added in the future.

The Finance Director will supplement these reports with periodic presentations and other information throughout the fiscal year.

*Due to the delay in receiving the state revenue figures, the report will not be availabe until after the packet is published, and will be emailed to Council and uploaded to the web upon completion.*

## Fiscal Impact

**Fiscal Impact?:** None

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

# Town of Chino Valley

## Arizona

### Monthly Financial Report

### To The Town Council

**For the Month Ended December 31, 2012**

| Town of Chino Valley | | | | | | |
|---|---|---|---|---|---|---|
| Revenue and Expense Summary | | | | | | |
| For the Six Ended December 31, 2012 50% of the Fiscal Year | | | | | | |
| | | | | | | |
| | | | Actual vs Prior Year | | | |
| **Revenues** | **Actual Year to Date FY 2011-12** | **Actual Year to Date 2012-13 (2)** | **Amount** | **% FY 2012-13/ FY 2011-12** | **Annual Budget 2012-13 (1)** | **% of Budget YTD** |
| **GENERAL FUND** | | | | | | |
| **General Fund Revenues by Category** | | | | | | |
| Franchise Taxes | $ 37,820 | $ 36,767 | $ (1,053) | | $ 143,500 | |
| Tax Revenues | $ 1,183,268 | $ 1,207,672 | $ 24,404 | | $ 2,292,000 | |
| Licenses & Permits | $ 80,457 | $ 86,760 | $ 6,303 | | $ 180,030 | |
| Intergovernmental | $ 1,186,622 | $ 1,276,220 | $ 89,597 | | $ 2,797,095 | |
| Charges for Service | $ 49,739 | $ 368,354 | $ 318,615 | | $ 427,132 | |
| Fines and Forfeitures | $ 66,681 | $ 55,052 | $ (11,629) | | $ 186,100 | |
| Other Revenues | $ 8,110 | $ 2,084 | $ (6,026) | | $ 14,850 | |
| Contributions and Donations | $ 4,649 | $ 5,934 | $ 1,285 | | $ 23,800 | |
| Investment Earnings | $ 223 | $ 212 | $ (11) | | $ 500 | |
| Transfers In | $ 307,824 | $ 209,328 | $ (98,496) | | $ 438,654 | |
| **Total Revenues** | **$ 2,925,394** | **$ 3,248,384** | **$ 322,990** | **11%** | **$ 6,503,661** | **50%** |

**Total Revenues for the General Fund increased by $ 322,900 over the previous fiscal year. Tax Revenues are up 2%, Intergovernmental Revenues are up 8%. Both revenue categories show a favorable trend. The largest increase is in Charges for Services due to a one time Tower Rental Payment of $328,990. Transfers In were reduced in the current years budget over the prior year. The total General fund Revenues are up 11% compared to the same period last year. Overall General Fund Revenues are on track at 50% YTD.**

| Town of Chino Valley | | | | | | |
|---|---|---|---|---|---|---|
| Revenue and Expense Summary | | | | | | |
| For the Six Ended December 31, 2012 50% of the Fiscal Year | | | | | | |
| | | | Actual vs Prior Year | | | |
| Revenues | Actual Year to Date FY 2011-12 | Actual Year to Date 2012-13 (2) | Amount | % FY 2012-13/ FY 2011-12 | Annual Budget 2012-13 (1) | % of Budget YTD |
| **General Fund Expenditures by Department** | | | | | | |
| Legal Services | $ 49,728 | $ 49,734 | $ 5 | | $ 107,737 | |
| Town Clerk | $ 83,502 | $ 77,362 | $ (6,140) | | $ 213,351 | |
| Town Manager | $ 145,497 | $ 160,479 | $ 14,982 | | $ 306,844 | |
| Human Resourses | $ 20,939 | $ 22,642 | $ 1,703 | | $ 67,179 | |
| Municipal Court | $ 103,978 | $ 124,329 | $ 20,351 | | $ 268,554 | |
| Finance | $ 125,107 | $ 127,618 | $ 2,511 | | $ 248,154 | |
| Management Information Systen | $ 40,914 | $ 43,009 | $ 2,096 | | $ 138,889 | |
| Geographical Info Systems | $ 20,910 | $ 33,305 | $ 12,395 | | $ 68,659 | |
| Mayor and Council | $ 16,476 | $ 11,338 | $ (5,138) | | $ 29,730 | |
| Planning | $ 96,737 | $ 74,758 | $ (21,979) | | $ 128,598 | |
| Building Inspection | $ 30,395 | $ 68,724 | $ 38,328 | | $ 150,893 | |
| Dispatch | $ 77,493 | $ 70,100 | $ (7,393) | | $ 140,201 | |
| Police | $ 1,048,861 | $ 1,043,701 | $ (5,160) | | $ 2,134,957 | |
| Animal Control | $ 31,026 | $ 38,603 | $ 7,577 | | $ 87,120 | |
| Recreation | $ 28,452 | $ 26,032 | $ (2,419) | | $ 62,815 | |
| Library | $ 119,847 | $ 122,722 | $ 2,874 | | $ 261,281 | |
| Senior Center | $ 70,783 | $ 94,221 | $ 23,437 | | $ 195,577 | |
| Parks Maintenance | $ 182,948 | $ 211,950 | $ 29,002 | | $ 350,883 | |
| Aquatic Center | $ 128,391 | $ 106,852 | $ (21,539) | | $ 276,247 | |
| Public Works Administration | $ 8,853 | $ 9,346 | $ 493 | | $ 19,355 | |
| Facilities Maintenance | $ 129,888 | $ 128,885 | $ (1,003) | | $ 342,319 | |
| Fleet Maintenance | $ 130,713 | $ 149,889 | $ 19,176 | | $ 319,774 | |
| Engineering | $ 12,536 | $ 20,347 | $ 7,811 | | $ 43,252 | |
| Non Departmental | $ 308,013 | $ 284,889 | $ (23,124) | | $ 923,740 | |
| **Total Expenditures** | **$ 3,011,988** | **$ 3,100,835** | **$ 88,847** | **3%** | **$ 6,886,109** | **45%** |
| **Total Revenue Over (Under) Total Expenditures** | **$ (86,595)** | **$ 147,549** | **$ 234,143** | | **$ (382,448)** | |
| **GENERAL FUND (Continued)** | | | | | | |

**Total General Fund Expenditures are at 45% of budget this fiscal year with 50% of the fiscal year complete. Expenditures are $ 88,847 higher to date than last fiscal year. Planning is at 59% of budget due to increased personnel costs and Parks Maintenance is at 61% due to the cost of watering the parks during the summer months. Both departments should be on track at the end of the fiscal year. The Town Manager budget is up slightly at 53%. All other departments are on track year to date and in total at 45% of budget.**

**Town of Chino Valley**
**Revenue and Expense Summary**
**For the Six Ended December 31, 2012 50% of the Fiscal Year**

| Revenues | Actual Year to Date FY 2011-12 | Actual Year to Date 2012-13 (2) | Actual vs Prior Year: Amount | Actual vs Prior Year: % FY 2012-13/ FY 2011-12 | Annual Budget 2012-13 (1) | % of Budget YTD |
|---|---|---|---|---|---|---|
| **HIGHWAY USER REVENUE FUND** | | | | | | |
| Total Revenues | $ 320,830 | $ 350,119 | $ 29,289 | **9%** | $ 771,261 | **45%** |
| | | | | | | |
| **Expenditures** | | | | | | |
| Road Maintenance | $ 276,488 | $ 278,333 | $ 1,844 | **1%** | $ 784,257 | **35%** |
| | | | | | | |
| **Total Revenue Over (Under) Total Expenditures** | **$ 44,342** | **$ 71,787** | **$ 27,445** | | **$ (12,996)** | |
| | | | | | | |
| **Total Fund Revenues are up 9% over the prior fiscal year, while department expenses are about even.** | | | | | | |
| | | | | | | |
| **WATER ENTERPRISE FUND** | | | | | | |
| Water Revenues | $ 225,543 | $ 249,980 | $ 24,437 | | $ 419,060 | |
| Transfers In | $ 149,508 | $ 181,494 | $ 31,986 | | $ 362,990 | |
| **Total Revenues** | **$ 375,051** | **$ 431,474** | **$ 56,423** | **15%** | **$ 782,050** | **55%** |
| | | | | | | |
| **Expenditures** | | | | | | |
| Water Utility Operations | $ 160,291 | $ 204,308 | $ 44,016 | | $ 518,667 | |
| Water Resources Division | $ 48,387 | $ 60,753 | $ 12,367 | | $ 141,964 | |
| Capital Improvements | $ - | $ 6,047 | $ 6,047 | | | |
| Debt Service/Reserve | $ 6,126 | $ 14,010 | $ 7,884 | | $ 173,208 | |
| **Total Expenditures** | **$ 214,804** | **$ 285,118** | **$ 70,314** | **33%** | **$ 833,839** | **34%** |
| | | | | | | |
| **Total Revenue Over (Under) Total Expenditures** | **$ 160,247** | **$ 146,356** | **$ (13,891)** | | **$ (51,789)** | |
| | | | | | | |
| **Total Water Enterprise Fund Revenues are up 15% over the prior fiscal year. Water Service Fees are up 11%. Expenditures are at 34% Year to date, up 33% over last fiscal year.** | | | | | | |
| **SEWER ENTERPRISE FUND** | | | | | | |
| **Total Revenue** | **$ 634,105** | **$ 686,623** | **$ 52,518** | **8%** | **$ 1,389,920** | **49%** |
| | | | | | | |
| **Expenditures** | | | | | | |
| Sewer | $ 350,618 | $ 373,023 | $ 22,405 | | $ 900,253 | |
| Grand Expenditures | $ 147,750 | $ 55,000 | $ (92,750) | | $ 130,000 | |
| Debt Service/Reserve | $ 88,103 | $ 162,414 | $ 74,311 | | $ 976,642 | |
| **Total Expenditures** | **$ 586,471** | **$ 590,437** | **$ 3,966** | **1%** | **$ 2,006,895** | **29%** |
| | | | | | | |
| **Total Revenue Over (Under) Total Expenditures** | **$ 47,634** | **$ 96,186** | **$ 48,552** | | **$ (616,975)** | |
| | | | | | | |
| **Total Sewer Enterprise Fund Revenues up 8% over last fiscal year due to the receipt of $50,000 in grant funds from the EECBG Solar Plant Project. Excluding this item Revenues are even with last fiscal year. Operating expenditures are up slightly over the prior fiscal year, however are only at 29% of budget year to date.** | | | | | | |

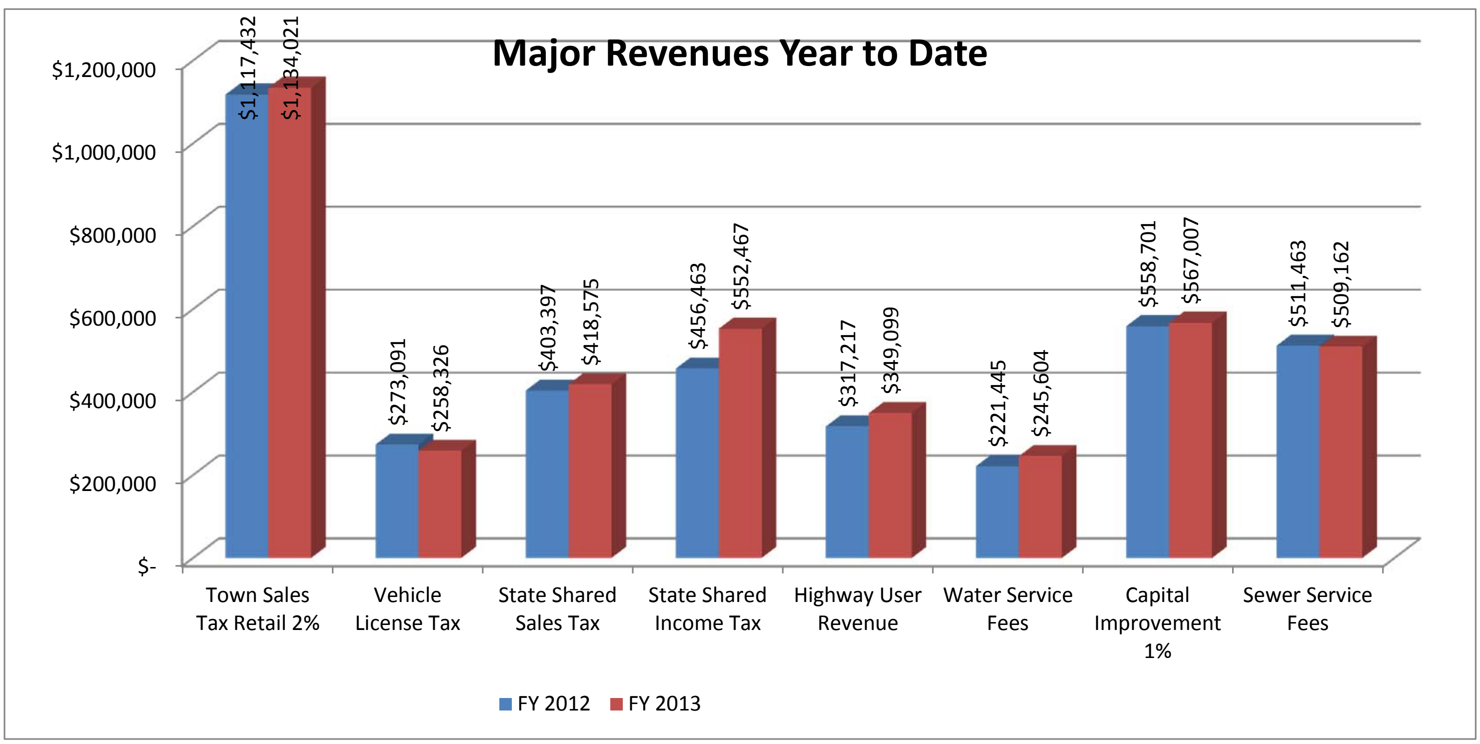
| Town of Chino Valley<br>Revenue and Expense Summary<br>For the Six Ended December 31, 2012 50% of the Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|
| | | | Actual vs Prior Year | | | |
| Revenues | Actual Year to Date FY 2011-12 | Actual Year to Date 2012-13 (2) | Amount | % FY 2012-13/ FY 2011-12 | Annual Budget 2012-13 (1) | % of Budget YTD |
| **CAPITAL IMPROVEMENT FUND** | | | | | | |
| **Total Revenues** | **$ 591,949** | **$ 604,356** | $ 12,407 | **2%** | **$ 3,146,650** | **19%** |
| | | | | | | |
| Capital Improvements | $ 200 | $ 130,119 | $ 129,919 | | $ 2,000,000 | |
| Transfers | $ 452,832 | $ 679,194 | $ 226,362 | | $ 1,358,390 | |
| **Total Expenditures** | **$ 453,032** | **$ 809,313** | **$ 356,281** | **79%** | **$ 3,358,390** | **24%** |
| | | | | | | |
| **Total Revenue Over (Under) Total Expenditures** | **$ 138,917** | **$ (204,957)** | **$ (343,874)** | | **$ (211,740)** | |
| **Capital Improvement Fund Revenues are up 2% over the prior fiscal year primarily due to the increase in Sales Tax Collections. Capital Improvements included the Road 2 North Box Culvert projected to cost $196,087. $370,000 was paid with Road Impact Fees. Transfers were increased in the Fiscal Year 12/13 Budget.** | | | | | | |
| | | | | | | |
| **OTHER MINOR FUNDS** | | | | | | |
| **Other Minor Funds -Revenues** | | | | | | |
| Grants Fund | $ 143,298 | $ 87,759 | $ (55,539) | | $ 650,915 | |
| Special Revenue Fund Court | $ 7,817 | $ 6,010 | $ (1,807) | | $ 17,065 | |
| Capital Asset Replacement | $ 42,920 | $ 254 | $ (42,666) | | $ 45,050 | |
| Police Impact Fee Funds | $ 644 | $ 346 | $ (298) | | $ 1,530 | |
| Library Impact Fee Funds | $ 332 | $ 191 | $ (141) | | $ 635 | |
| Parks/Rec Impact Fee Funds | $ 1,127 | $ 449 | $ (678) | | $ 1,915 | |
| Roads Impact Fee Funds | $ 5,276 | $ 4,515 | $ (761) | | $ 16,440 | |
| Special Revenue Fund PD | $ 5,560 | $ 14,480 | $ 8,920 | | $ 20,002 | |
| CVSLID Districts | $ 1,587 | $ 1,382 | $ (205) | | $ 3,958 | |
| **Total Revenues** | **$ 208,562** | **$ 115,386** | **$ (93,175)** | **-45%** | **$ 757,510** | **15%** |
| | | | | | | |
| Grants Funds | $ 93,587 | $ 288,372 | $ 194,785 | | $ 650,915 | |
| Special Revenue Fund - Court | $ 14,179 | $ 4,408 | $ (9,771) | | $ 74,687 | |
| Capital Replacement Fund | $ 39,312 | $ 3,997 | $ (35,315) | | $ 268,865 | |
| Police Impact Fee Funds | $ 43,648 | $ 1,218 | $ (42,429) | | $ 58,354 | |
| Library Impact Fee Funds | $ 7,128 | $ 5,327 | $ (1,801) | | $ 111,608 | |
| Parks/Rec Impact Fee Funds | $ 3,679 | $ 244 | $ (3,435) | | $ 117,952 | |
| Roads Impact Fee Funds | $ 6,838 | $ 506,462 | $ 499,625 | | $ 370,000 | |
| Special Revenue Fund PD | $ 4,500 | | $ (4,500) | | $ 20,002 | |
| CVSLID Districts | $ 3,681 | $ 1,990 | $ (1,691) | | $ 3,958 | |
| **Total Expenditures** | **$ 216,551** | **$ 812,019** | **$ 595,468** | **275%** | **$ 1,676,341** | **48%** |
| | | | | | | |
| **Total Revenue Over (Under) Total Expenditures** | **$ (7,989)** | **$ (696,632)** | **$ (688,643)** | | **$ (918,831)** | |
| **Road Impact Fees Expenditure are up due to the Road 2 North Box Culvert. Total Road Impact projects are $ 136,000 over what was budgeted in the Road Impact Fee Fund.** | | | | | | |

| Town of Chino Valley<br>Revenue and Expense Summary<br>For the Six Ended December 31, 2012 50% of the Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|
| | | | Actual vs Prior Year | | | |
| Revenues | Actual Year to Date FY 2011-12 | Actual Year to Date 2012-13 (2) | Amount | % FY 2012-13/ FY 2011-12 | Annual Budget 2012-13 (1) | % of Budget YTD |
| **TOTAL ALL FUNDS** | | | | | | |
| **Total Revenue All Funds** | $ 5,055,891 | $ 5,436,342 | $ 380,451 | **8%** | $ 13,351,052 | **41%** |
| **Total Expenditures All Funds** | $ 4,759,334 | $ 5,876,054 | $ 1,116,720 | **23%** | $ 15,545,831 | **38%** |
| | | | | | | |
| **Total Revenue Over (Under) Total Expenditures All Funds** | **$ 296,557** | **$ (439,712)** | **$ (736,269)** | | **$ (2,194,779)** | |
| | | | | | | |
| (1) Budget does not include Carryover Amounts from Prior Fiscal Years | | | | | | |
| (2) Year to date amounts include actual expenditures paid to date. | | | | | | |

**Town of Chino Valley**
**Major Revenue Summary**
**For the Six Months Ended December 31, 2012**

| | Actual Year to Date FY 2011-12 | Annual Budget 2012-13 | Actual Year to Date 2012-13 | % of Budget YTD | Actual vs Prior Year Amount | % |
|---|---|---|---|---|---|---|
| Town Sales Tax Retail 2% | $ 1,117,432 | $ 2,165,000 | $ 1,134,021 | | $ 16,589 | |
| Vehicle License Tax | $ 273,091 | $ 562,089 | $ 258,326 | | $ (14,765) | |
| State Shared Sales Tax | $ 403,397 | $ 904,520 | $ 418,575 | | $ 15,178 | |
| State Shared Income Tax | $ 456,463 | $ 1,104,833 | $ 552,467 | | $ 96,004 | |
| Highway User Revenue | $ 317,217 | $ 762,561 | $ 349,099 | | $ 31,881 | |
| Water Service Fees | $ 221,445 | $ 408,240 | $ 245,604 | | $ 24,159 | |
| Capital Improvement 1% | $ 558,701 | $ 1,082,500 | $ 567,007 | | $ 8,306 | |
| Sewer Service Fees | $ 511,463 | $ 1,025,000 | $ 509,162 | | $ (2,302) | |
| | **$ 3,859,209** | **$ 8,014,743** | **$ 4,034,259** | 50% | **$ 175,050** | 5% |
| | **$ 5,055,891** | **$ 13,351,052** | **$ 5,436,342** | 41% | **$ 380,451** | 8% |
| | **76%** | **60%** | **74%** | | | |

**The Major Revenues are up $ 175,050 or 5% over the prior fiscal year continuing a positive trend. Total Revenues are up $ 380,451 or 8% over the prior fiscal year.**



## Impact Fee Fund Recaps
### For the Six Months Ended December 31, 2012 50% of the Fiscal Year

| | Police Impact Fees | Library Impact Fees | Parks/Rec Impact Fees | Roads Impact Fees |
|---|---|---|---|---|
| Beginning Fund Balance @ 6/30/12 | $ 76,636 | $ 106,295 | $ 118,000 | $ 2,594,975 |
| Impact Fees Revenue to Date | $ 346 | $ 191 | $ 449 | $ 4,515 |
| Impact Fees Expenditures to Date | $ 1,218 | $ 5,327 | $ 244 | $ 506,462 |
| **Ending Fund Balance to Date** | **$ 75,764** | **$ 101,159** | **$ 118,205** | **$ 2,093,028** |
| Budgeted Expenditures FY 12/13 | $ 58,354 | $ 111,608 | $ 117,952 | $ 370,000 |

## General Fund Contingency Budget
### For the Five Months Ended November 30, 2012 42% of the Fiscal Year

| | Actual Year to Date 2012-13 | Annual Budget 2012-13 (1) |
|---|---|---|
| Adopted Budget FY 2012/13 | | $ 323,047 |
| Encumbered to Date | | |
| Caselle Software Upgrade | $ 17,925 | $ 17,925 |
| Citizens Survey | $ 5,894 | $ 6,000 |
| Strategic Financial Plan | | $ 28,340 |
| Abatement Program | | $ 10,000 |
| **Balance of Contingency Budget** | **$ 23,819** | **$ 260,782** |

## Annual Debt Service Summary By Fund
### Fiscal Year Ended June 30, 2013

| Debt Issue | Date Issued | Original Amount | Outstanding Amount as of June 30, 2012 | FY 2013 Principal | FY 2013 Interest |
|---|---|---|---|---|---|
| **General Government** | | | | | |
| GADA Loan 2007A | 7/1/2011 | $ 3,825,000 | $ 3,825,000 | $ 65,000 | $ 178,744 |
| US Bank Series 2010 | 12/15/2010 | $ 7,280,000 | $ 7,280,000 | | $ 331,638 |
| | | $ 11,105,000 | $ 11,105,000 | $ 65,000 | $ 510,382 |
| **Water Enterprise Fund** | | | | | |
| US Bank Series 2010 | 12/15/2010 | $ 745,000 | $ 745,000 | $ 45,000 | $ 28,020 |
| **Sewer Enterprise Fund** | | | | | |
| WIFA | 1/10/2007 | $ 1,580,000 | $ 1,311,629 | $ 71,782 | $ 34,195 |
| WIFA | 1/11/2008 | $ 4,853,000 | $ 4,425,536 | $ 222,795 | $ 118,265 |
| USDA | 2/16/2007 | $ 1,595,000 | $ 1,486,130 | $ 35,642 | $ 60,634 |
| USDA | 4/10/2008 | $ 1,505,000 | $ 1,438,422 | $ 32,120 | $ 58,732 |
| USDA | 4/16/2008 | $ 1,332,000 | $ 1,273,917 | $ 28,383 | $ 52,016 |
| | | $ 10,865,000 | $ 9,935,634 | $ 390,722 | $ 323,842 |
| **Total Town of Chino Valley Debt** | | **$ 22,715,000** | **$ 21,785,634** | **$ 500,722** | **$ 862,244** |

# Town of Chino Valley

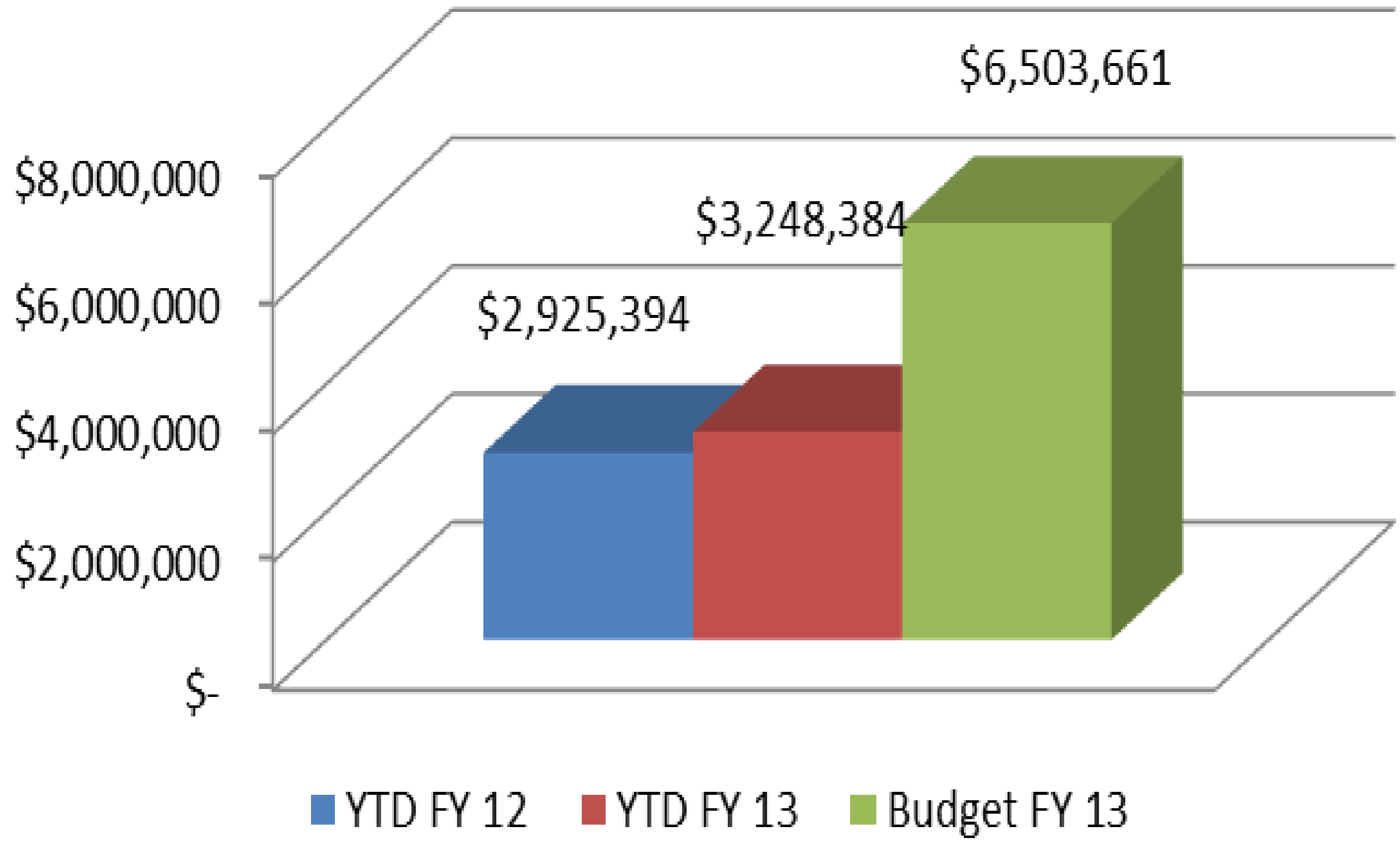
# Monthly Financial Report

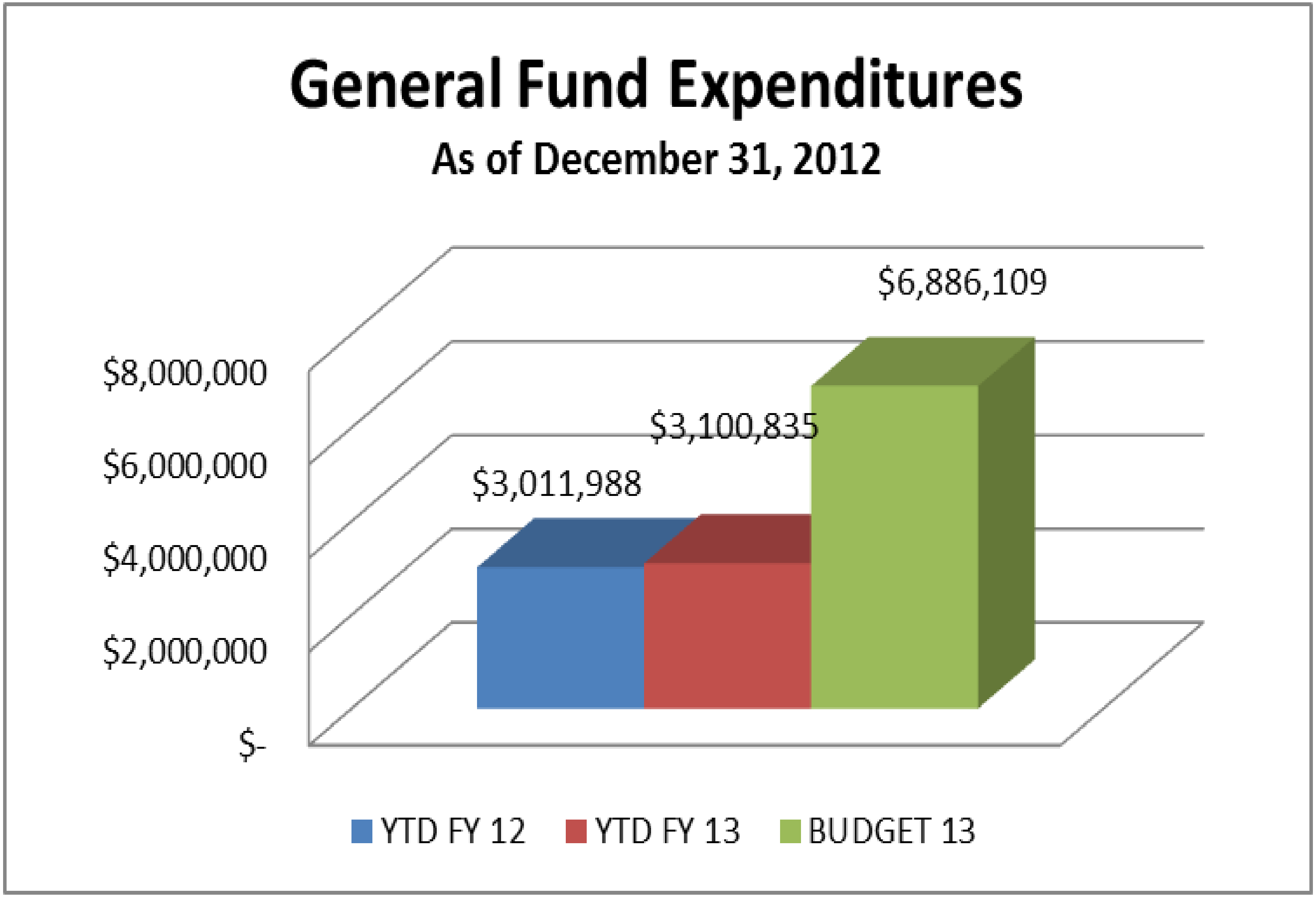
## For the Six Months Ended December 31, 2012

**See the Detailed Report at www.chinoaz.net**

# General Fund Revenues

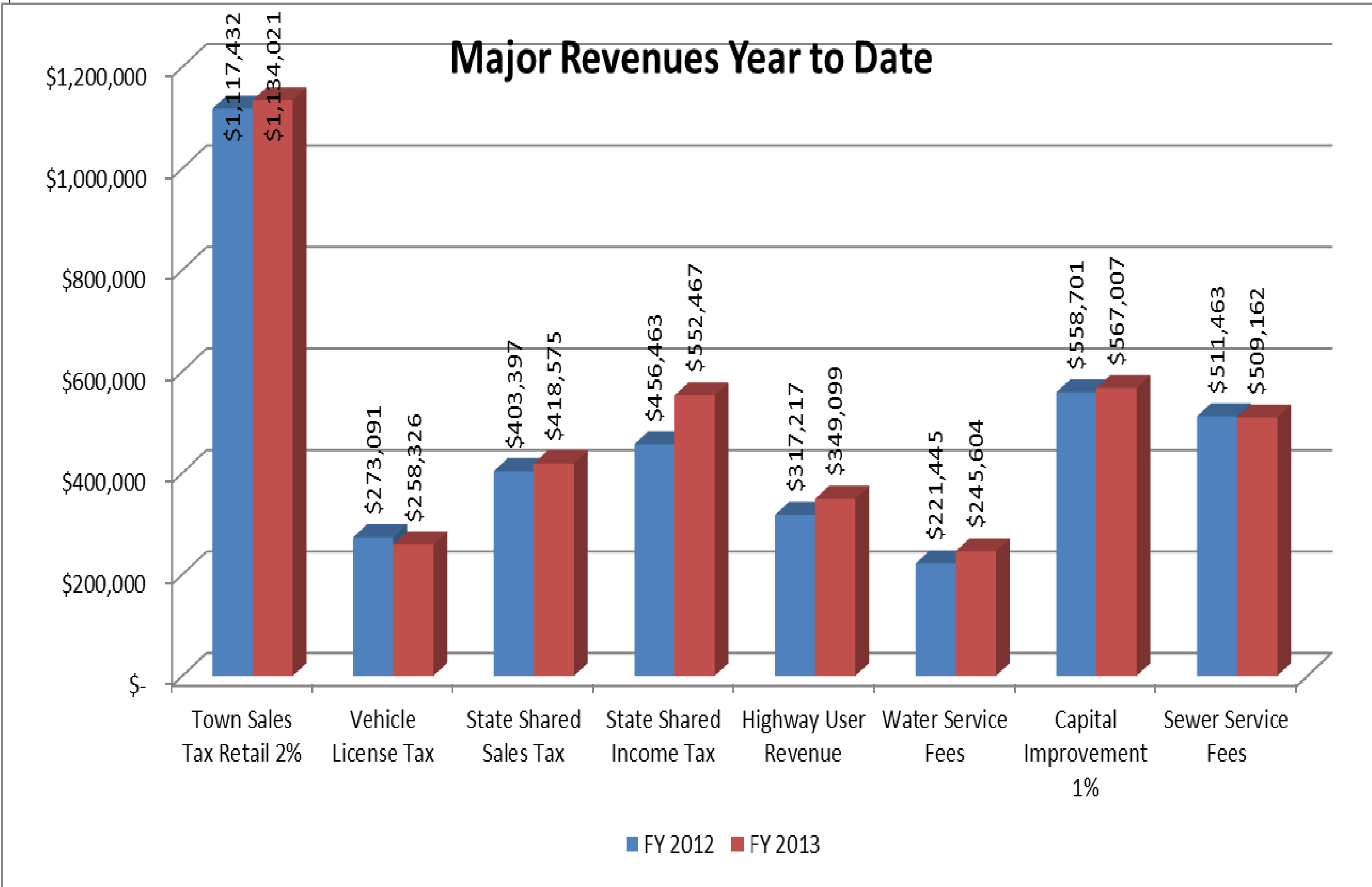
## As of December 31, 2012




General Fund Expenditures
As of December 31, 2012
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
$3,011,988
$3,100,835
$6,886,109
YTD FY 12
YTD FY 13
BUDGET 13

# Other Major Fund Expenditures

- HURF Fund is at 35% of Budget YTD
- Water Fund is at 34% of Budget YTD, excluding debt service 41%
- Sewer Fund is at 29% of Budget YTD, excluding debt service 41%
- Capital Improvement Fund excluding transfers has spend $130,000 YTD on the Road 2 North Box Culvert leaving a Fund Balance of $ 174,000.



Major Revenues Year to Date
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
$1,117,432
$1,134,021
$273,091
$258,326
$403,397
$418,575
$456,463
$552,467
$317,217
$349,099
$221,445
$245,604
$558,701
$567,007
$511,463
$509,162
Town Sales Tax Retail 2%
Vehicle License Tax
State Shared Sales Tax
State Shared Income Tax
Highway User Revenue
Water Service Fees
Capital Improvement 1%
Sewer Service Fees
FY 2012
FY 2013

# SUMMARY

- **The Town is right on track with this Years Budget**
- **Seeing some growth in our Major Revenues**
- **Department's are holding the line on expenditures**

# TOWN OF CHINO VALLEY
# COUNCIL AGENDA ITEM STAFF REPORT

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

| | |
|---|---|
| **Meeting Date:** | 01/22/2013 |
| **Contact Person:** | Joe Duffy, Finance Director<br>Phone: 928-636-2646 x-1211 |
| **Department:** | Finance |
| **Item Type:** | Action-Presentation |
| **Estimated length of staff presentation:** | 5 minutes |
| **Physical location of item:** | N/A |

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**AGENDA ITEM TITLE:**

Consideration and possible action to adopt Resolution No. 13-1004, authorizing the Town to enter into the Stategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Agreement.

**RECOMMENDED ACTION:**

Adopt Resolution No. 13-1004, authorizing the Town to enter into the Stategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Agreement.

**SITUATION AND ANALYSIS:**

The Strategic Alliance for Volume Expenditures (SAVE) was formed to establish cooperative purchasing agreements between member public agencies in the State of Arizona. The cooperative purchasing agreements have been shown to improve competition, quality, services, and provide lower prices for materials and services.

Joining SAVE will allow the Town of Chino Valley to purchase goods and services that have been competitively bid by other member agencies. This will save the Town time in the procurement process and allow the Town to take advantage of quanitity discounts.

The Town Attorney has reviewed the agreement and made the following comments.

*With the understanding that this is a non-negotiable, 'boilerplate' agreement, my comments are as follows, so that Staff is aware of potential issue(s) and can weigh against the benefit of the Town entering into the SAVE contract:*

*1. Para 11: "hold-harmless" from liability. This typically requires the at-fault party to pay* *other-parties-to-the-agreement's damages and attorneys-fees, in the event that there is a dispute or lawsuit. It's an indemnification clause. In this situation, the likely scenario would be a vendor suing under the agreement. From a legal perspective, this can be a costly provision in the event of a dispute or lawsuit.*

*2. Para. 17: Appendix "A" is not attached (at least not to the document I received); there is a list of entities, but that is a part of the SAVE Contract itself (i.e., pages 3, 4 and 5).*

*3. Town should **adopt** SAVE Agreement **by Resolution**, pursuant to A.R.S. Section 11-952(F).*

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**Fiscal Impact**

**Fiscal Impact?:** None

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

The Town anticipates cost savings on products and services acquired under the cooperative purchasing agreement.

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**Attachments**

Resolution 13-1004

SAVE Agreement

# RESOLUTION NO. 13-1004

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, ARIZONA, AUTHORIZING THE TOWN TO ENTER INTO THE STRATEGIC ALLIANCE FOR VOLUME EXPENDITURES (“SAVE”) COOPERATIVE PURCHASING AGREEMENT**

**WHEREAS**, voluntary purchasing agreements between and among public agencies in the State of Arizona have been shown to improve competition, quality, services, provide lower prices for materials and services, and avoid duplication of efforts; and

**WHEREAS**, as of October 2, 2012, various municipalities, counties, school districts, colleges and universities, political agencies, and improvement districts have entered into the SAVE Cooperative Purchasing Agreement; and

**WHEREAS**, pursuant to A.R.S. Section 41-2632, the Town is authorized to enter into cooperative purchasing agreements; and

**WHEREAS**, the Town has determined that it is currently beneficial to the Town to enter into the SAVE Cooperative Purchasing Agreement in order to maximize its purchasing power; and

**WHEREAS**, the Town may terminate its participation in the SAVE Cooperative Purchasing Agreement upon 30 days’ written notice;

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Common Council of the Town of Chino Valley, Arizona, that:

1. The Town Manager or his designee is directed and authorized to promptly execute and enter into SAVE Cooperative Purchasing Agreement on behalf of the Town.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona this 22nd day of January, 2013.

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

Musgrove Drutz & Kack, P.C.
Town Attorney

# STRATEGIC ALLIANCE FOR VOLUME EXPENDITURES (SAVE) COOPERATIVE PURCHASING AGREEMENT

This Agreement is entered into this ____day of _______________, ______, between school districts and governmental jurisdictions in the State of Arizona, as listed in Appendix "A" through their duly authorized representative to form a cooperative purchasing agreement named "STRATEGIC ALLIANCE FOR VOLUME EXPENDITURES" **(S.A.V.E.)**

WHEREAS, voluntary purchasing agreements between and among public agencies in the State of Arizona have been shown to improve competition, quality, services, provide lower prices for materials and services, and avoid duplication of efforts; and

WHEREAS, the parties hereto desire the free exchange of information, technology, and other services that may assist in improving the efficiency or economy of the procurement of necessary materials and services and,

WHEREAS, cooperative purchasing results from written agreements wherein lead agencies volunteer to purchase specified materials and services for themselves and participating cooperative members by compiling quantity estimates, preparing the bid or proposal solicitation, receiving bid or proposals and awarding a contract for use by all participating members. And, wherein the lead agency is responsible for placing, receipt and payment of its own orders only, while individual procuring parties separately process and pay for their own requirements; and

WHEREAS, the Cooperative Purchasing Agreement will serve these ends;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and for the mutual benefits to result therefrom, the parties agree as follows:

1. The purpose of the Agreement is a cooperative purchase agreement for the procurement of materials and or services.

2. Receipt, inspection, acceptance and payment for materials and services ordered under this Agreement shall be the exclusive obligation of the ordering entity.

3. The exercise of any rights or remedies by a procuring entity shall be the exclusive obligation of such procuring entity.

4. In this Agreement, failure of an entity to secure performance under its purchase order, does not necessarily require another entity to exercise its own rights or remedies.

5. The cooperative use of bids or proposals obtained by a party to this Agreement shall be in accordance with the terms and conditions of the bid or proposal, except as modification of those terms and conditions otherwise allowed by law.

6. The participation in a specific bid or proposal will be at the option of the individual entity, except that procuring entities and their requirements specifically identified within a bid or proposal shall be required to participate in the Agreement unless the resulting contract is canceled, as provided for within the terms and conditions of the specific bid or proposal.

7. That lead entity of the bid or proposal will comply with the competitive procurement and contract requirements of the procurement rules and laws.

8. The parties will make available, upon reasonable request and subject to convenience, necessity and, in appropriate circumstance a reasonable fee or charge, any information, technology, or other service, which may assist in improving the efficiency or economy of each party's procurement or disposal of material or service.

9. A procuring party will make timely payments to the vendor for materials and services received in accordance with the terms and conditions of the procurement. Payment for materials, services, inspections, acceptance of materials and services ordered by the procuring party shall be the exclusive obligation of such procuring party.

10. The procuring party shall not use this Agreement as a method for obtaining additional concessions or reduced prices for similar materials and services.

11. The procuring party shall be responsible for the ordering of materials or services under this Agreement. A non-procuring party shall not be liable in any fashion for any violation by a procuring party, and the procuring party shall hold non-procuring party harmless from any liability, which may arise from action or inaction of the procuring party.

12. Any procurement unit may terminate without notice this Agreement if another eligible procurement unit fails to comply with the terms of this Agreement.

13. This Agreement is exempt from the provisions of A.R.S. 11-952.

14. This Agreement shall remain in effect until participation has been terminated by all but one of the parties. Except as provided in Paragraph 12, any party to this Agreement may terminate their participation in this Agreement by giving 30 day written notice to all other parties to this Agreement.

15. This Agreement shall take effect after execution by participating parties. Pursuant to A.R.S. Section 41-2632 and Subsection R7-2-1191 of A.A.C. R7-2-1001 this Agreement need not be filed with the County Recorder or the Secretary of State to be effective, except as may be required by the laws, rules and/or regulations of a participating public agency.

16. This Agreement may be canceled pursuant to provisions of A.R.S. Section 38-511 which provisions are incorporated herein by this reference.

17. This Cooperative Purchasing Agreement shall become effective upon approval and execution by the authorized representative of all public agencies listed in Appendix "A".

18. The parties to this Agreement hereby agree that other agencies may be added to this Cooperative Purchasing Group.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective the date written below.

JURISDICTION: < **NAME OF AGENCY**>

THIS AGREEMENT IS HEREBY EXECUTED THIS _____ DAY OF ___________________, 20____.

______________________________
**Signature**

______________________________
**Name**

______________________________
**Title**

# Strategic Alliance for Volume Expenditures

S.A.V.E. --- Cooperative Purchasing Agreements

The following **230** agencies have signed the Cooperative Purchasing Agreement with the S.A.V.E. association as of **October 3, 2012.**

**Municipalities**
City of Apache Junction
City of Avondale
City of Bullhead City
City of Casa Grande
City of Chandler
City of Cottonwood
City of Douglas
City of Eloy
City of Flagstaff
City of Glendale
City of Goodyear
City of Maricopa
City of Mesa
City of Page
City of Peoria
City of Phoenix
City of Prescott
City of Safford
City of Scottsdale
City of Sierra Vista
City of Somerton
City of Surprise
City of Tempe
City of Tucson
City of Willcox
City of Winslow
City of Yuma
Town of Buckeye
Town of Camp Verde
Town of Cave Creek
Town of Florence
Town of Fountain Hills
Town of Gila Bend
Town of Gilbert
Town of Marana
Town of Oro Valley
Town of Paradise Valley
Town of Prescott Valley
Town of Queen Creek
Town of Sahuarita
Town of Superior
Town of Wickenburg

**Counties**
Apache County
Cochise County
Coconino County
Gila County
Graham County
La Paz County
Maricopa County
Mohave County
Navajo County
Pima County
Pinal County
Santa Cruz County
Yavapai County
Yuma County

**Higher Education**
Arizona State University
Arizona Western College
Central Arizona College
Central Arizona Valley Institute of Technology (CAVIT)
Cochise County Community College District
Coconino County Community College District
Dinė College
East Valley Institute of Technology (EVIT)
Gila Institute for Technology, a Joint Technology Education District (JTED)
Graham County Community College District
Maricopa Community College District
Mohave Community College
Northern Arizona University
Pima Community College
Pima Prevention Partnership dba Pima Partnership Academy, Pima Partnership High School & Phoenix Collegiate High School
University of Arizona
Yavapai College

**Political Agencies**
Arizona Supreme Court
Central Arizona Project
Housing Authority of Maricopa County
Maricopa Association of Governments
Maricopa Integrated Health System
Superior Court of Arizona, Maricopa County
Tucson Airport Authority
Valley Metro Regional Public Transit Authority
Phoenix-Mesa Gateway Airport Authority

**Misc. Agencies**
Central Arizona Water Conservation District (CAWCD)
Central Yavapai Fire District
Drexel Heights Fire District
Fire District of Sun City West
Mary C. O'Brien ASD
Mountain Institute JTED
Mt. Lemmon Fire District
North Country Community Health Center
Northeast AZ Tech Institute of Voc Ed
Northwest Fire District
Pima County Joint Technology District #11 (JTED)
Pima County School Reserve Fund
Shonto Preparatory Schools
Superstition Mtn Community Facilities District
Sun City West Fire District

**School Districts**

Agua Fria Union High School District # 216
Alhambra Elementary School District # 68
Altar Valley School District #51
Amphitheater Unified School District #10
Antelope Union High School #50
Apache Junction Unified School District # 43
Arlington Elementary School District #47
Ash Fork Joint Unified School District
Avondale Elementary School District #44
Balsz Elementary School District #31
Beaver Creek School District #26
Benson Unified School District #9
Bisbee Unified School District #2
Blue Ridge Unified School District #32
Bonita School District #6
Bouse Elementary School District
Buckeye Elementary School District #33
Buckeye Union High School District #201
Bullhead City Elementary School District #15
Camp Verde Unified School District #28
Cartwright Elementary School District #83
Casa Blanca Middle School dba Vah Ki Middle School
Casa Grande Elementary School District
Casa Grande Union High School District
Catalina Foothills Unified School District #16
Cave Creek Unified School District #93
Cedar Unified School District #25
Chandler Unified School District # 80
Chinle Unified School District #24
Chino Valley Unified School District #51
Clarkdale-Jerome School District #3
Coconino County Regional Accommodation District #99
Colorado River Union High School District
Continental Elementary School District #39
Coolidge Unified School District #21
Cottonwood-Oak Creek School District #6
Crane Elementary School District # 13
Creighton School District #14
Deer Valley Unified School District #97
Double Adobe Elementary School District #45
Douglas Unified School District #27
Dysart Unified School District # 89
Eloy Elementary School District #11
Elfrida Elementary School District #12
Flagstaff Unified School District # 1
Florence Unified School District # 1
Flowing Wells Unified School District #8
Fort Huachuca Accommodation School District
Fort Thomas Unified School District #7
Fountain Hills Unified School District #98
Fowler Elementary School District #45
Gadsden Elementary School District # 32
Ganado Unified School District #20
Gila Bend Unified Schools
Gilbert Unified School District #41
Glendale Elementary School District #40
Glendale Union High School District
Globe Unified School District #1
Grand Canyon Unified School District #4
Hackberry Elementary School District #3
Heber-Overgaard Unified School District #6
Higley Unified School District #60
Holbrook Unified School District #3
Humboldt Unified School District #22
Hyder Elementary School District #6
Indian Oasis-Baboquivari School District #40
Isaac Elementary School District # 5
J.O. Combs Elementary School District #44
Joseph City Unified School District #2
Kayenta Unified School District #27
Kingman Unified School District #20
Kyrene Elementary School District #28
Lake Havasu Unified School District # 1
Laveen Elementary School District #59
Liberty Elementary School District #25
Litchfield Elementary School District #79
Littlefield Unified School District #9
Littleton Elementary School District #65
Madison Elementary School District #38
Maine Consolidated School District
Mammoth-San Manuel Unified School District #8
Marana Unified School District #6
Maricopa Regional School District #509
Maricopa Unified School District
Mayer Unified School District #43
Mesa Unified School District # 4
Mobile Elementary School District #86
Mohave Valley Elementary School District #16
Mohawk Valley School District # 17
Morenci Unified School District #18
Murphy Elementary School District #21
Naco Unified School District #9
Nadaburg Elementary District #81
Nogales Unified School District # 1
Osborn Elementary School District #8
Page Unified School District #8
Palo Verde Elementary School District #49
Paradise Valley Unified School District #69
Parker Unified School District #27
Patagonia Elementary School District #6
Patagonia Union High School District #92
Payson Unified School District #10
Peach Springs Unified School District #8
Pendergast School District #92
Peoria Unified School District #11
Phoenix Elementary School District # 1
Phoenix Union High School District #210
Picacho Elementary School District #33
Pima Unified School District #6
Pine Strawberry Elementary School District #12
Pinon Unified School District #4
Prescott Unified School District #1
Quartzsite Elementary School District #4
Queen Creek Unified School District # 95
Red Mesa Unified School District
Riverside Elementary School District #2
Roosevelt Elementary School District # 66
Round Valley Unified School District #10
Sacaton Elementary School District #18
Saddle Mountain Unified School District #90
Safford Unified School District #1
Sahuarita Unified School District #30
Sanders Unified School District #18
Santa Cruz Valley Unified School District #35

Santa Cruz Valley Union High School District #840
Scottsdale Unified School District # 48
Sedona-Oak Creek Unified School District #9
Sentinel Elementary School District #71
Show Low Unified School District #10
Sierra Vista Unified School District # 68
Snowflake Unified School District #5
Somerton Elementary School District #11
Stanfield Elementary School District #24
St. David Unified School District #21
St. Johns Unified School District
Sunnyside Unified School District #12
Superior Unified School District #15
Tanque Verde Unified School District #13
Tempe Elementary School District # 3
Tempe Union High School District # 213
Thatcher Unified Schools
Toltec Elementary School District #22
Tolleson Elementary School District #17
Tolleson Union High School District # 214
Tombstone Unified School District #1
Tuba City Unified School District #15
Tucson Unified School District
Union Elementary School District #62
Vail Unified School District #20
Valley Union High School District #22
Washington Elementary School District # 6
Wellton Elementary School District #24
West-MEC District #402
Whiteriver Unified School District #20
Wickenburg Unified School District #9
Willcox Unified School District
Williams Unified School District #2
Wilson Elementary School District #7
Window Rock Unified School District #8
Winslow Unified School District #1
Young Public School District
Yuma Elementary School District # 1
Yuma Union High School District # 70

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# TOWN OF CHINO VALLEY
# COUNCIL AGENDA ITEM STAFF REPORT

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

**Meeting Date:** 01/22/2013
**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:** N/A

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**AGENDA ITEM TITLE:**
Consideration and possible action to adopt Ordinance No. 13-763 amending Chapter 10 of the Chino Valley Town Code, by adding a provision relating to authority to correct scrivener's errors.

**RECOMMENDED ACTION:**
Adopt Ordinance No. 13-763 amending Chapter 10 of the Chino Valley Town Code, by adding new Section 10.20 "Authority to Correct Scrivener's Errors."

**SITUATION AND ANALYSIS:**
Pursuant to Robert's Rules of Order and other general practices, any changes to documents such as ordinances, resolutions, and minutes adopted by a public body must be subsequently re-adopted. Scrivener's errors are common errors in misspelling, grammar, numbering, cross-referencing, and style made in documents that do not affect the document in a substantive way, but should be corrected.

Because scrivener's errors are non-substantive changes, it is recommended that an ordinance be adopted to clarify that such errors can be corrected at the Staff level. Such an ordinance will help to avoid complications arising from deadlines for adoption, publication, or the like.

Staff proposes that Council grant the Town Attorney and Town Clerk the authority to correct certain types of scrivener's errors without the need for formal action by the public body.
This will allow for prompt correction of the Town Code, Unified Development Ordinance, and ordnances, resolutions, and minutes, without the need to take unnecessary public body and staff time to make a formal correction.

Staff also proposes that when such an error is corrected per Ordinance No. 13-763, staff will inform the public body and public through the formal agenda process by placing the matter on the agenda as a staff report or similar type of report that will require no Council action.

## Fiscal Impact

**Fiscal Impact?:** No

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

## Attachments

Ordinance 13-763

# ORDINANCE NO. 13-763

**AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, AMENDING CHAPTER 10: RULES OF CONSTRUCTION; GENERAL PENALTY, TOWN OF CHINO VALLEY, ARIZONA, CODE OF ORDINANCES, BY ADDING A PROVISION RELATING TO AUTHORITY TO CORRECT SCRIVENER'S ERRORS**

**WHEREAS** the Town Council finds that granting the Town Attorney and the Town Clerk the authority to correct certain types of scrivener's errors without the need for formal Town Council action is in the best interests of the Town, in that it will allow for the prompt correction of the Town Code, the Unified Development Ordinance, and ordinances and resolutions adopted by the Town Council, without the need to take unnecessary Town Council and staff time to make a formal correction;

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

**<u>Section 1</u>**. Chapter 10, of the Town of Chino Valley, Arizona, Code of Ordinances ("Town Code"), entitled Rules of Construction; General Penalty, is hereby amended by adding a new Section 10.20, entitled "Authority to Correct Scrivener's Errors," as follows:

CHAPTER 10. RULES OF CONSTRUCTION; GENERAL PENALTY

Section 10.20 <u>AUTHORITY TO CORRECT SCRIVENER'S ERRORS</u>.

A. THE TOWN ATTORNEY AND TOWN CLERK ARE HEREBY EACH INDIVIDUALLY AUTHORIZED TO CORRECT SCRIVENER'S ERRORS IN THE TOWN CODE, THE UNIFIED DEVELOPMENT ORDINANCE, AND ORDINANCES, RESOLUTIONS, AND MINUTES ADOPTED BY THE COUNCIL OR OTHER PUBLIC BODYWITHOUT THE NEED FOR RE-ADOPTION OF THE CHINO VALLEY TOWN CODE PROVISION, UNIFIED DEVELOPMENT ORDINANCE PROVISION, ORDINANCE, RESOLUTION, OR MINUTES.

B. FOR THE PURPOSES OF THIS SECTION, A SCRIVENER'S ERROR INCLUDES ONE OR MORE OF THE FOLLOWING:

   1. MISSPELLING;
   2. GRAMMATICAL ERROR;
   3. NUMBERING ERROR;

4. CROSS-REFERENCING ERROR; OR
5. INCONSISTENCY WITH THE RULES OF STYLE ADOPTED FOR THE REFORMATTED TOWN CODE AND UNIFIED DEVELOPMENT ORDINANCE.

C. A CORRECTION TO AN ORDINANCE, RESOLUTION, OR MINUTES SHALL BE ACCOMPANIED BY A SCRIVENER'S NOTE ON OR ATTACHED TO THE CORRECTED ORDINANCE, RESOLUTION, OR MINUTES. ANY SUCH CORRECTION SHALL BE REPORTED WITHIN THREE MONTHS OF SUCH CORRECTION AT A REGULAR MEETING OF THE COUNCIL.

D. CORRECTIONS TO COMPLETE SECTIONS OF THE TOWN CODE/UNIFIED DEVELOPMENT ORDINANCE SHALL BE NOTED THEREIN.

**Section 2.** All other Chapters and Sections of the Town Code, not herein amended or abrogated, shall remain in full force and effect.

**Section 3**. If any provision of this Ordinance is held invalid by a Court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 22nd day of January, 2013.

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

Musgrove Drutz & Kack, P.C.
Town Attorney

# TOWN OF CHINO VALLEY
# COUNCIL AGENDA ITEM STAFF REPORT

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

| | |
|---|---|
| **Meeting Date:** | 01/22/2013 |
| **Contact Person:** | Jami Lewis, Town Clerk<br>Phone: 928-636-2646 x-1208 |
| **Department:** | Council |
| **Item Type:** | Action |
| **Estimated length of staff presentation:** | None |
| **Physical location of item:** | State Wide |

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**AGENDA ITEM TITLE:**

Consideration and possible action to authorize the Mayor to sign a letter on behalf of the Council to the State Legislature with regard to the recommendations made in the final report by the Governor's TPT Simplification Task Force.

**RECOMMENDED ACTION:**

To be determined per Council discussion.

**SITUATION AND ANALYSIS:**

Town management recently received an "Action Alert" from the League of Arizona Cities and Towns as outlined below. The Mayor and Vice-Mayor desire to discuss the possibility of the Town sending a letter to the State Legislature strongly opposing the three recommendations referenced in the "Action Alert."

"**Municipalities Face Serious Threats to Sales Tax Revenue and Authority**

Recently the Governor's TPT Simplification Task Force approved its final report to the Governor. Cities and towns are in agreement with the vast majority of the recommendations included in the report; however, there are three recommendations that the League finds alarming due to their negative impacts on city and town budgets and their ability to efficiently administer and collect sales tax. The three recommendations are:

1. **Require state administration of sales tax for all municipalities.**
2. **Require the Department of Revenue (DOR) to conduct all sales tax audits.**
3. **Eliminate the construction sales tax to be replaced by a retail sales tax at the point-of-sale of construction materials.**

Although these were just recommendations from the taskforce, and were acknowledged to not be consensus issues, business groups have already begun to make inroads at the Capitol in an attempt to turn these issues into state law. It is critical that cities and towns communicate with their legislators immediately about the negative effects of these recommendations. Please contact your legislators and use the following information to structure your arguments.

**State Administration**

- The Department of Revenue does not have the resources necessary to absorb the responsibilities of the cities that currently collect their own sales taxes. It would take a significant budget increase to DOR in order to ensure proper administration; funds that could be used for other budget priorities the state is facing. This is an issue that equally harms program and non-program cities; if DOR is tasked with administering the entire state, all participants will receive subpar services. (If you are a DOR program city or town, you may want to include your own anecdotal experiences in dealing with DOR.)
- State administration is not the best solution to the perceived problem. Last year, Rep. Rick Gray was instrumental in passing legislation establishing an online portal for the remittance of sales taxes and licensing. Proper utilization of this portal will solve the very issues that the proponents would like to see addressed, with none of the costs or negative consequences associated with DOR administration.

**DOR Audits**

- Efficient and timely auditing is a win-win for those involved. It protects those law-abiding businesses that all already paying their taxes, allows cities and towns to educate small business owners in order to help them comply with the law and it ensures that municipalities receive the revenue they need to provide services to those same taxpayers.
- The Department of Revenue does not have the resources necessary to properly administer a program of this magnitude. Budget cuts have decimated the auditing capacity of DOR.
- There is already a system in place to allow for a single audit of businesses. The Multi-Jurisdictional Audit Coordinator (MJAC) program allows a business to choose that just one audit to be done on behalf of all applicable jurisdictions.
- DOR is focused on large, statewide taxpayers; they do not focus on small, local businesses. Moving to statewide auditing will make it difficult for cities and towns to have their individualized needs met. (If you are a city or town that uses private auditors, you may want to highlight the fact that this change will eliminate private jobs in rural areas and create more state jobs at the Capitol.)

**Retail Sales on Construction Materials**

- Shifts money away from the impacts of growth. Moving to such a system means that unless your city or town has regional retail centers that sell construction materials (this is not Home Depot or Lowe's), the sales tax collected from those construction projects will go outside your community to areas that have such centers, including retails centers out of state. Your city will not be able to utilize this revenue to offset the increased demands on city services that relate to the construction.

- Bad economic policy. This is a classic example of picking winners and losers. This is not tax simplification; this is a tax reduction. The construction industry is seeking preferential treatment; giving it favor among all other business types.
- Narrows the tax base. Rather than broadening the tax base which could produce lower rates, this is another special interest tax break that reduces total revenue to the state as well as local governments.
- Significant tax policy shift. This change represents a new way of dealing with manufacturers that has not been given serious discussion and analysis. Construction is not a service industry, it's a manufacturing industry. At the end of the day, you are buying a finished product manufactured on-site. If the state wishes to revisit how manufacturing is viewed and treated, it shouldn't be done in haste in a piecemeal fashion.
- Lack of information. We are expected to accept these changes with little or highly questionable data. Based on available data there is no way to estimate the impact to local sales tax revenue. The state estimates that there will be no impact to the state budget. We believe this is based on faulty assumptions. Any errors in those assumptions may result in significant budget losses at the state level, losses that the state can't afford to risk.
- Attack on rural and small town Arizona. This change will lead to huge budget losses and will send that revenue to urban Arizona or out of state. If you represent a small or rural municipality, you need to make your legislators understand very clearly that support for this change means that they are not concerned with the issues facing the constituents in their own district."

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**Attachments**

Draft Letter to Legislature

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MAYOR'S OFFICE
202 N. STATE ROUTE 89
CHINO VALLEY, ARIZONA 86323

TELEPHONE (928) 636-2646
FAX (928) 636-2144
www.chinoaz.net

January 23, 2013

The Honorable Steve Pierce
State Senator
1700 West Washington Street – Senate
Phoenix, AZ 85007

The Honorable Karen Fann
State Representative
1700 West Washington Street – House
Phoenix, AZ 85007

The Honorable Andy Tobin
State Representative
1700 West Washington Street – House
Phoenix, AZ 85007

Dear State Legislators:

The Town of Chino Valley Town Council would like to go on record as being strongly opposed to three of the recommendations included in the final report by the Governor's TPT Simplification Task Force. These recommendations are:

1. Require state administration of sales tax for all municipalities.
2. Require the Department of Revenue (DOR) to conduct all sales tax audits.
3. Eliminate the construction sales tax to be replaced by a retail sales tax at the point-of-sale of construction materials.

The Chino Valley Council opposes state administration of sales tax for all municipalities as DOR does not have the resources necessary to absorb the responsibilities of the cities that currently collect their own sales taxes. It would take a significant budget increase to DOR in order to ensure proper administration; funds that could be used for other budget priorities the state is facing. This issue equally harms program and non-program cities; if DOR is tasked with administering the entire state, all participants will receive subpar services. As a program town, our staff has found that DOR already struggles with providing program cities / towns with timely information. Adding the non-program cities to their workload will only make their job more difficult.

Instead of this requirement, proper utilization of the online portal for the remittance of sales taxes and licensing approved last year, will solve the very issues that the proponents would like to see addressed, with none of the costs or negative consequences associated with DOR administration.

The Town Council also opposes DOR conducting all sales tax audits, as efficient and timely auditing is a win-win for those involved. It protects those law-abiding businesses that are already paying their taxes, allows the Town to educate small business owners in order to help them comply with the law, and ensures that municipalities receive the revenue they need to provide services to those same taxpayers. Budget cuts have harmed the auditing capacity of DOR and it does not have the resources necessary to properly administer a program of this magnitude.

As the Multi-Jurisdictional Audit Coordinator (MJAC) program, which is already in place, allows a business to choose that just one audit to be done on behalf of all applicable jurisdictions, and as DOR is focused on large, statewide taxpayers, not small, local businesses, moving to statewide auditing will make it difficult for cities and towns to have their individualized needs met. As a town that uses the service of a private auditor, this change will eliminate a private enterprise in rural areas and create more state jobs at the Capitol.

The Town Council also strongly opposes the Task Force's recommendation with regard to retail sales on construction materials as it shifts money away from the areas impacted by growth. Moving to such a system means that unless a city or town has regional retail centers that sell construction materials, the sales tax collected from those construction projects will go outside that community to areas that have such centers, including retail centers out of state. In the Town's case, we would not be able to utilize this revenue to offset the increased demands on town services brought about by the construction. This equates to yet another tax reduction for not only the Town and other local governments, but to the state as well.

This recommendation also represents a significant tax policy shift: a new way of dealing with manufacturers that has not been given serious discussion and analysis and should not be done in haste or in a piecemeal fashion. Based on available data, there is no way to estimate the impact to local sales tax revenue. Any errors in the Task Force's assumptions may result in significant budget losses at the state level that it cannot afford to risk. Overall, this change will lead to huge budget losses to rural and small town municipalities, including the Town of Chino Valley, as it will send that revenue to urban Arizona or out of state.

In conclusion, the first two recommendations from the Task force would be detrimental to rural Arizona, and recommendation #3 would be absolutely devastating. The Chino Valley Town Council strongly urges you to oppose these measures which would undermine the financial stability of rural Arizona cities and towns.

Respectfully,

Chris Marley, Mayor
Town of Chino Valley
On Behalf of the Chino Valley Town Council

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# TOWN OF CHINO VALLEY
# COUNCIL AGENDA ITEM STAFF REPORT

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

**Meeting Date:** 01/22/2013
**Contact Person:** Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
**Department:** Town Clerk
**Item Type:** Action

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**AGENDA ITEM TITLE:**
Consideration and possible action to approve the December 6, 2012 Study Session minutes. (Absent: Councilmember Turner)

**RECOMMENDED ACTION:**
Approve the December 6, 2012 Study Session minutes.

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**Attachments**

December 6, 2012 minutes

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# D R A F T

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

## THURSDAY, DECEMBER 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 Thursday, December 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 Chief Chuck Wynn; Town Engineer/Public Works Director Ron Grittman; Town Clerk Assistant Liz Hart (recorder) |
| Attendees: | Civilian Operations Supervisor Laurie Whisenand, Strategic Financial Plan Consultant Pat Walker |

**1) CALL TO ORDER; ROLL CALL**

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

**2)** Discussion regarding property tax, sales tax, or a combination of both as possible revenue options for the Town. (Council Finance Committee)

General Services Director Cecilia Watts presented the preliminary results of the recent citizen survey.

- 5,775 surveys were mailed; approximately 1,200 were returned and 989 were included in these preliminary results.
- The Library ranked highest (31%) in interactions with departments or use of programs or services.
- Services ranked highest in importance were public safety, general government, and public works; those ranked lowest were recreation and aquatic center.
- Alternative revenue sources ranked highest to lowest were: sales tax increase, no response at all, a combination of sales and property taxes, and property taxes alone.
- Using an alternative revenue source to fund specific services were ranked highest to lowest as follows: public safety, community services, Council discretion, and utilities.
- Bonding for water and sewer was supported by 49%, and bonding for an industrial park was supported by 33%.
- Written comments centered around the Town: establishing no new taxes, living within its means, being business friendly, and cutting staff salaries.

Consultant Pat Walker presented an update on the strategic financial planning process.

Background

- During the FY 2012/2013 budget process, staff brought to Council's attention that a structural deficit in the Town's general fund would deplete the Town's fund balance by FY 2014/2015.
- This was due to a decline in revenues resulting from the economic downturn, a decline in population, and the Town using one time revenues to balance ongoing expenses.
- Since the downturn, the Town had reduced staff by 32%, cut department budgets by 29%, and reduced pay and benefits to employees.
- Council had directed staff to begin a process to address the deficit and enable the Town to provide services reflecting the community's preferences in an economically self-sustaining way.
- On August 6, 2012 Council discussed developing a strategic financial plan with short term and long term solutions. This would include creating new committees and using existing ones for research and involving the public in the process.

Committee work thus far

- The Council Finance Committee reviewed the user fee study, citizen survey, water and sewer rate study, revenue enhancement options, potential for restructuring the Town's debt, and project timelines.
- The Program Review Committee reviewed the net costs of providing programs and services, and opportunities to evaluate outsourcing, regionalizing, liability risks, and resource sharing. This information will be used in the FY 2013/2014 budget as well as being the first step toward priority/program based budgeting.
- The Council Economic Development Committee addressed economic diversity and sustainability matters.
- The Revenue Options Committee was created for members of the business community to provide ideas for alternate revenue enhancements other than sales or property taxes. As there were no volunteers for the committee, the mayor met individually with business owners.
- The Survey Committee developed the citizen survey.

Community involvement thus far included the citizen survey, numerous public discussions, a public meeting in November, input from the business community, and information on the Town's website.

Strategic Financial Plan

- The goal was to achieve financial stability and sustainability.
- Elements of the plan included updating fiscal policies, eliminating the structural deficit by 2014, and potential revenue enhancements. Any further expenditure reductions would not solve the deficit.
- Potential revenue enhancements included primary property tax, sales tax, a combination of the two, and bonding.
- Per the citizen survey, more citizens would support a sales tax, which could be effective June 1, 2013 at the earliest. A 1% sales tax will keep the Town in the black for a couple additional years, but the Town will be in the negative again in FY 2016/2017 if nothing changed. However, the additional two years will provide time to continue to build on a financial strategy.

- Now, staff needed direction regarding revenue enhancement.

Town Manager Robert Smith added that staff was working on financial and reserve policies that, if followed, will keep the Town from getting in this position again. Hopefully, once the finances were stable, Council could look at reducing sales taxes incrementally.

Council and staff discussed:

- The Town needing to get into and stay in the black, the economy being an unknown factor, and Council reviewing the strategic financial plan each year.
- The new water and sewer plans possibly affecting the general fund in a positive way.
- Police staff working on grants, as well as revenue generation from the shooting range.
- Needing infrastructure for economic development, and needing to know what businesses were looking for from the Town.
- Using news releases to keep the public informed.

Council reviewed and discussed the results of the survey:

- None of the economic development solutions suggested by the business owners would stop the financial drain, and as another revenue source was necessary and the survey indicated a stronger acceptance of a sales tax increase, Council preferred to pursue a 1% sales tax increase.
- Although public safety was the most accepted service for an alternate revenue source, they should be careful how such funds were dedicated.
- Most citizens seemed to understand that infrastructure extensions were necessary, but the responses for bonding for that had a such a close margin. In light of this and the Town's new fee structure and new water and sewer rates, they preferred to take no action on these at this time. However, if the Town could get some development started, that might get a better response from the citizens.

**3)** *Continued from September 11, 2012:* Discussion regarding Code Enforcement issues within the Town. (Chuck Wynn, Police Chief)

Laurie Whisenand reported on the status of several properties needing abatement:

- The Palo Verde Drive property was being purchased on a tax lien, hopefully by the end of January; and the Porcupine Pass property had been cleaned up.
- Four new properties on Pawnee Trail, Lazy Loop, Ruth Road, and N. Maricopa Street were needing abatement.
- With $10,000, staff could clean up the Pawnee Trail property and 15-20 smaller properties.
- With $5,000, staff could clean up the Pawnee Trail property and 8-10 smaller properties.
- With $1,000, staff could clean up 5-7 smaller properties only.
- Some properties that had been cleaned were now needing it again; staff could keep cleaning them, or in cases wherein taxes were three years in arrears, the Town could pay the back property taxes and take ownership. If the Town took ownership, it would still have to clean them up. The total cost to purchase two properties through tax liens would be $11,736.
- Any sewer liens on these properties were unknown.

Town Manager Robert Smith did not advise that the Town get into the real estate business; however, the gun club was looking to locate a building to the shooting range.

Staff and Council discussed the cost of mowing weeds and removing trash; using livestock for weed removal; problems finding property owners; many municipalities in the state having the same problems with abandoned properties; and staff prioritizing properties by level of safety hazard.

Council disucssion:

- They did not want to get into the real estate business.
- It was most important for staff to address safety issues and fire hazards.
- Footing the bill for repeat cleanings could be a bottomless pit, but they might have to fund it until a better solution could be found.

**4)** Review of Home Rule Voter Information Pamphlet. (Jami Lewis, Town Clerk)

Finance Director Joe Duffy presented the draft Voter Information Pamphlet for Home Rule and reported that:

- The pamphlet was to be mailed to each household with a registered voter.
- The Detailed and Summary Analyses had been approved by the Auditor General and could not be changed; the remainder of the pamphlet was essentially the same as the one from 2009.
- Staff had received no arguments in favor or opposed to the measure.
- He would provide to Council a boiled down powerpoint per their request.

Mayor Marley reviewed his monthly Mayor's Report, which was on Home Rule.

Council asked for more information about staff's outreach plans for the voters.

**5) ADJOURNMENT**

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to adjourn the meeting at 7:35 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 December, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 22nd day of January, 2013.

__________________________________
Jami C. Lewis, Town Clerk

# TOWN OF CHINO VALLEY
# COUNCIL AGENDA ITEM STAFF REPORT

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

**Meeting Date:** 01/22/2013
**Contact Person:** Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
**Department:** Town Clerk
**Item Type:** Action

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**AGENDA ITEM TITLE:**

Consideration and possible action to approve the December 11, 2012 Regular Meeting minutes. (Absent: Councilmember Croft)

**RECOMMENDED ACTION:**

Approve the December 11, 2012 Regular Meeting minutes.

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**Attachments**

December 11, 2012 minutes

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# D R A F T

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

## TUESDAY, DECEMBER 11, 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, December 11, 2012.

| | |
|---|---|
| Present: | Mayor Chris Marley; Vice-Mayor Carl Tenney; Councilmember Mike Best; Councilmember Dean Echols; Councilmember Linda Hatch; Councilmember Lon Turner |
| Absent: | Councilmember Darryl Croft |
| Staff Present: | Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Sharon Sargent-Flack; Finance Director Joe Duffy; Police Chief Chuck Wynn; Town Engineer/Public Works Director Ron Grittman; Town Clerk Assistant Liz Hart; Town Clerk Jami Lewis (recorder) |
| Attendees: | Police Detective Brian Sanders |

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

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

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

**2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**

**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.*

Ron Romley spoke about the 5th Annual Chino Hometown Christmas being held December 14-15.

Tom Payne, representing the Chino Valley Area Chamber of Commerce, spoke about the business luncheon being held on December 12.

**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 Best recognized the Public Safety Committee for their work on the dog ordinance and those who were assisting the Food Bank with their new building.

Councilmember Hatch reported on recent activites of the Northern Arizona Council of Governments Economic Development Committee (EDC) and the EDC's new Broadband Subcommittee.

Vice-Mayor Tenney reported on an upcoming Groundwater Users Advisory Council meeting on December 18.

Mayor Marley read the Monthly Mayor's Report, which presented an overview of the Home Rule proposal.

**a)** Status update on grant applications and letters of inquiry by Stephen Whisenhunt, Director of Development.

Mr. Whisenhunt reported that:

- Currently, there were 17 inquiries or applications in process, with seven being due in December and six being due in January.
- Grants were being sought for the Skate Park, Library, Police, Senior Center, and Parks and Trails, as well as economic development and jobs creation.
- The Town had been invited to apply for four of the grants, and one for $30,000 had been approved for the library expansion.

Mayor Marley noted that Drake Cement had offered to help with materials if the Town received the Tony Hawke skate park grant.

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

Mayor Marley reported that Mr. Steinback was not available tonight.

**c)** General overview of Town projects by Robert Smith, Town Manager.

Mr. Smith reported that on several occasions, he had received requests from the public to provide a general overview of what the Town was doing. He intended to do that tonight and once a month hereafter. Current projects included:

- Public Works Projects – State Route 89 widening south of Town; flood control projects; Library expansion and renovating of the old Town Hall; and Community Development Block Grant funding application for paving in Chino Meadows.
- Senior Center – Advisory Board was developing a non-profit status.
- Legal – Working to resolve some long-standing conflicts with Bright Star, Fann, and certain pre-annexation development agreements; working with Prescott to resolve outstanding issues with water transportation tax.
- Finance/Budget – Lots of financial planning; developing a strategic plan, evaluating utilities, reviewing new ways to budget funds and deliver services, and initiating a new budget process; and using feedback from the citizen survey to guide staff review of programmatic costs.
- Economic Development – Established business support resources center in Development Services office; working on creating industrial park at Old Home Manor; Town to get involved with Prescott Valley Economic Development Foundation and Yavapai Community College Foundation.
- Planning – General Plan update process was going well and staff will report in January.
- Facilities – Working with Police, Fire District and Yavapai College on creating training facilities at Old Home Manor.

**d)** Presentation regarding the preliminary results of the recent citizen survey by Cecilia Watts, General Services Director.

Ms. Watts reported on the final results of the survey:

- On August 6, 2012, Council expressed an interest in receiving feedback from the public regarding services the Town provided and options they might consider for generating revenue.
- A citizen survey was prepared and mailed to Chino Valley's 5,775 registered voters on November 6 and surveys were accepted until November 30.
- The Town received 1,319 surveys, equating to a 22.8% response rate; only one to two percent of the surveys were submitted online.
- The Library was listed as the most used facility, followed by Recreation, Trails, Pool, and Senior Center; Transit and Municipal Court were the least used.
- Public Safety ranked as the most important department, followed by Public Works and General Government; Aquatic Center and Recreation were ranked as least important.
- Sales tax ranked highest for enhancement options, followed by a combination of sales tax and property tax, and property tax alone.
- Public safety ranked highest in support for funding by an alternative revenue source, followed by community services, services identified per Council discretion, and utilities.
- 49% supported bonding to extend utilities infrastructure and 33% supported bonding to develop an industrial park at Old Home Manor.

## 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.*

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve Consent Agenda items 6a through 6g.

**Vote:** 6 - 0 PASSED

Other: Councilmember Darryl Croft (ABSENT)

**a)** Consideration and possible action to approve the September 11, 2012 regular meeting minutes. (Jami Lewis, Town Clerk)

**b)** Consideration and possible action to approve the September 25, 2012 regular meeting minutes. (Jami Lewis, Town Clerk)

**c)** Consideration and possible action to approve Monthly Financial Report for Month Ended October 31, 2012. (Joe Duffy, Finance Director)

**d)** Consideration and possible action to accept the dedication of public right-of-way from Sun Edison Origination 3, Inc. for the alignment of Road 4 South from State Route 89 easterly along Road 4 South at Section 2 Township 15 North Range 2 West. (Ron Grittman, Town Engineer)

**e)** Consideration and possible action to approve Intergovernmental Agreement (IGA) Regarding Gang & Immigration Intelligence Team Enforcement Mission (GITEM) State Gang Task Force, between the Arizona Department of Public Safety and the Town of Chino Valley. As the Town anticipates using the saving from this IGA to bring the existing part time officer to full time, the net cost to the Town should be zero. (Chuck Wynn, Police Chief)

**f)** Consideration and possible action to approve Change Order Number 1 to agreement with Civil Tec Engineering in the amount of $960 for additional construction management services for the CDBG Project located at Center Street between Railroad and Cottonwood Lanes. Funds to come from Engineering professional services line. (Ron Grittman, Town Engineer)

**g)** Consideration and possible action to approve Change Orders 1, 2, and 3 to contract with N.L. Booth Construction for the roadway widening project at Road 2 North and the Santa Cruz Wash in an amount not to exceed $15,979.84. Funds to come from Roads Impact Fee Funds. (Ron Grittman, Town Engineer)

## 7) ACTION ITEMS

**a)** Consideration and possible action regarding discussions held at the December 6, 2012 study session relating to sales taxes, property taxes, and possible revenue options. (Council Finance Committee)

Acronym used in this item:
FY (Fiscal Year)

Finance Director Joe Duffy presented an overview of the Town's progress on the Strategic Financial Plan ("Plan") that was initiated in August 2012. Key points were:

- Council initiated the strategic financial planning process to address a structural deficit in the general fund, resulting from dramatic revenue decreases created by the population decrease in the 2010 census and the economic downturn. If the Town took no action, it will run out of funds in FY 2014/2015.
- Since 2007, staff reduced staffing, general fund expenditures by 25%, wages by 10%, and departmental budgets by 29%.
- With the assistance of several committees, the Plan was being developed to address the deficit and keep it from happening in the future.
- The Council Finance Committee reviewed user fees, citizen survey, water and sewer rate study, revenue enhancement options, and debt restructuring.
- The Program Review Committee reviewed the 'net costs' of providing programs and services for 13 service areas.
- The Council Economic Development Committee reviewed the Town's long-term vision and action items for economic diversity and sustainability.
- The Mayor's Ad Hoc Revenue Options Committee was to review ideas for enhancing existing revenues or creating new revenue streams. As the committee did not officially form, the Mayor met with business owners in the community.
- The Survey Committee developed the recent citizen survey.
- The community had been engaged through the survey, numerous public discussions, soliciting input from the business community, and through the Town website.
- Achieving financial stability and sustainability will include updating the Town's fiscal policies and exploring revenue enhancements and/or expenditure reductions. Two options for revenue enhancement in the short term were a primary property tax or sales tax increase.
- Per the survey results, the respondants preferred a sales tax increase that could go toward public safety. A 1% sales tax would generate $1,146,000, and postpone the Town's fiscal cliff until FY 2016/2017 and give the Town time to develop long term solutions.
- The Town was currently seeing small increases in revenues, but not enough to make a difference. The recent intent to raise utility rates will hopefully give some relief to the general fund, which currently subsidized the utility funds by $350,000.

Town Manager Robert Smith added that Town officials needed to have a long term view. The Town's first effort in stewardship will be to create a financial policy and prove to the community that its was operating responsibly and sustainably, then re-evaluate in the hopes of reducing the public's burden.

Council Comments:

- Although many survey respondents preferred department and wage cuts to new taxes, the Town had already taken those measures, and as the largest budget items were indicated as the respondents' priorities, the money to fund those had to come from somewhere.
- A sales tax increase would help for a couple years, boost the Town's economic engine, and seemed more fair as it would spread the burden among more people.
- Although the public feared that a higher sales tax would drive businesses away, they

needed to be aware of the severity of the situation.

- Council could consider adding a provision to the Ordinance adopting a sales tax increase that would allow for a decrease in the tax should the Town meet some other revenue goal, although the Town still needed to prove that it could operate in the black and maintain reserves before reducing taxes.
- The Finance Committee should start reviewing the financial policies in January.
- As the survey response percentage was fairly low, Council still needed to know where the public's priorities were.

Public Comment:

Herbert Schuermann, Chino Meadows resident, spoke about the many residents struggling to pay for sewer service in the Chino Meadows area and the number of residents leaving as a result. Council spoke about what they hoped to do to alleviate that in the future and there being time for more citizens to bring these matters to Council before the upcoming rate increase public hearing.

Tom Payne, representing the Chamber of Commerce, preferred a combination of sales and property taxes, as sales tax increases alone would put Town businesses at a disadvantage with its neighbors, and make the Chamber's efforts toward business retention more difficult. Mayor Marley stated that when he talked with business owners, they all asked the Town to cut costs, along with their other suggestions. The Town had cut costs and was continuing to review expenses, and he passed their suggestions on to the town manager.

Gary Warren, business owner, also preferred the combination approach, as a sales tax increase would cause the Town to appear to be anti-business, and at some point, the Town's citizens needed to take responsibility for their own town.

Donna Armstrong believed that survey respondents preferred sales tax increases because they did not shop here, but if the Town and County would construct a road through to Williamson Valley, the Town would get a lot more shoppers.

Mssrs. Duffy and Smith stated that if the people approved a property tax in May 2013, the Town would not receive that revenue until November 2013. There was little time to adequately educate the public on a property tax between now and May, but it could possibly be done in May 2014.

Council discussed a need to protect the Town's revenue stream and balance the budget; needing new revenue, unless the citizens wanted a reduction in services; exploring the option of adopting a new sales tax right away and reducing it if a subsequent property tax passed; and imposing a 1% sales tax to be effective June 1, 2013.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Mike Best to signal the intent of Council to impose a 1% sales tax, effective June 1, and instruct staff to post the necessary notice on the Town's website and other appropriate venues.

**Vote:** 6 - 0 PASSED

Other: Councilmember Darryl Croft (ABSENT)

**b)** Consideration and possible action to approve Professional Services Agreement with Civil Tec Engineering for the design of roadways and box culverts, including a Letter of Map Revision (LOMR) at Center Street and the Santa Cruz Wash, in an amount not to exceed $198,894. Funds to come from Road Impact Fees Funds; although this Item was not in the Fiscal Year 2012/2013 Budget, sufficient Road Impact Fee Funds are available. (Ron Grittman, Town Engineer)

Acronym used in this item:
FEMA (Federal Emergency Management Agency)

Mr. Grittman reported that:

- Over the past years, the Town had been attempting to extend Road 4 South from State Route 89 easterly to the Peavine Trail. As part of the Sun Edison Project, Road 4 South had been extended one mile from its previous terminus, leaving only one mile necessary to complete this extension.
- The subject scope of work proposed a 30% design for five miles of roadway by extending Road 4 South to the Peavine Trail, then continuing a two-lane roadway from Road 4 South to Center Street within the right-of-way of the Peavine. This would provide for better circulation in the southeast portion of Town in accordance with the Town’s 2007 Small Area Transportation Plan. The design will also include a box culvert along the existing right-of-way of Center Street at the Santa Cruz Wash to provide a potential third access from the Chino Meadows area to the intersection of State Route 89 and Center Street.
- The Peavine Trail's approximately 200 foot width will accommodate both a 50-foot right-of-way for a roadway and the existing hiking trail.
- Civil Tec will provide the necessary construction documents that will allow the Town to bid out certain aspects of the project, such as the box culvert at Center Street, and utilize innovative construction techniques to deliver the remainder of the roadways. Public Works crews will be utilized on portions of the project, and contractor services will be utilized on other portions of the project depending on funding restrictions.
- Staff proposed to use roads impact fee funds, which could only be used for system capacity expansion; it would take the entire fund of $1.1 million for the project. The roadway would initially be built to dirt road standards, then topped with millings.
- As the project involved a FEMA floodplain, FEMA would also require a Letter of Map revision, which would take six to twelve months to accomplish.
- Previous discussions regarding a box culvert for a cattle crossing underneath Road 4 South, related to the Town's agreement with Deep Well Ranch, was not in the subject scope of work, as staff was hoping to find a better, less expensive way to address that.

Town Attorney Sharon Sargent-Flack asked about some possible overlap in the scope of work, phase 3, with some title research already done by the Town. Mr. Grittman stated that the title search found that the Peavine was acquired by fee title, not through the "Rails to Trails" program, and CivilTec will not redo that title search.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Dean Echols to approve the Professional Services Agreement with Civil Tec Engineering for the design of the E. Center Street-Peavine Trail / E. Road 4 South loop road, including a Letter of Map Revision at Center Street and the Santa Cruz Wash, in an amount not to exceed $198,894.

**Vote:** 6 - 0 PASSED

Other: Councilmember Darryl Croft (ABSENT)

**c)** Consideration and possible action to approve the Professional Services Agreement with Civil Tec Engineering for design of the tactical 360 degree police shooting range at Old Home Manor in the vicinity of the Chino Valley Shooting Facility in an amount not to exceed $10,960. Funds to come from grants obtained by the Police Department. (Ron Grittman, Town Engineer)

Mr. Grittman reported that:

- The Town had constructed two shooting ranges at Old Home Manor and various law enforcement agencies had expressed significant interest in a tactical facility.
- The Police Department had obtained grant funding in the amount of $100,000 from Davidson Guns, AZ POST, Yavapai County Sheriff's Department, and others, for construction of a tactical 360 degree shooting facility for use only by various law enforcement personnel.
- The subject contract will develop the necessary construction documents to allow the Town to take the project to public bid. Because of the current workload, Public Works crews were not available to assist in construction; therefore, the project will be built through standard construction practices.
- The proposed facility will be located about 1,000 feet to southeast of the Model Aviators airstrip and have burms as high as 24 feet; weapons use will be restricted and no actual bullets will be used.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Mike Best to approve the Professional Services Agreement with Civil Tec Engineering for the design of the tactical 360 degree police shooting range at Old Home Manor in the vicinity of the Chino Valley Shooting Facility in an amount not to exceed $10,960.

**Vote:** 6 - 0 PASSED

Other: Councilmember Darryl Croft (ABSENT)

**d)** Consideration and possible action to adopt Resolution No. 12-999, declaring the "Chino Valley Town Code Chapter 90: Animals" as a public record and adopt Ordinance No. 12-762 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. (Chuck Wynn, Police Chief)

Chief Wynn reported that:

- Several months ago, the Mayor asked the Public Safety Committee to review the Town's present Animal Control Ordinance after an animal attack on two young boys. Police Department staff reviewed the current Ordinance and forwarded their recommended revisions to the Committee.
- The Committee held several meetings to review the proposed revisions with the public, as well as dog owners, breeders, and rescuers, resulting in further changes to the Ordinance.
- The proposed Ordinance contains the final recommendations from Police staff, town attorney, and the Committee.

Public Comment:

Debbie Pomeroy questioned language related to fowl, rabies vaccines, rabies control fund, and nuisance barking that had been changed since the last Committee meeting. Councilmember Best and Chief Wynn stated that:

- The reference to "fowl" should have been removed.
- Reference to the rabies control fund had been removed as the monies referenced would go to the general fund.
- As excessive barking was hard to define, and to be consistent with state statute, Police staff preferred to leave the matter up to the Animal Control Officer and the victim, rather than set a time limit in the Ordinance. Police staff will still investigate any calls regarding excessive barking.

Dr. Leonda Armstrong, business owner, expressed concern about requiring rabies vaccines at three months of age; she recommended four months, as there were health concerns at the younger age. Chief Wynn stated that three months was the Department of Health's standard, but the Town had never cited dog owners for not vaccinating a puppy.

Council suggested clarifications to the licensing fees and dogs-at-large sections. They also discussed the issues raised by the public and generally agreed with removing the reference to fowl, the rabies control fund monies going to the general fund, and following the Police recommendation with regard to nuisance barking.

Town Attorney Sharon Flack suggested that the confusion in the "Dog-At-Large" definition could be resolved by referencing the the definition of "Under Control" therein.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Mike Best to adopt Resolution No. 12-999, declaring the "Chino Valley Town Code Chapter 90: Animals" as a public record and adopt Ordinance No. 12-762 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, with the following amendments: (i) §90.02 item 5, take out the words "physically restrained" and add in "Under Control;" (ii) §90.02, item 15, take out "or fowl;" (iii) §90.08(A), change the second sentence for license fees to be set at the discretion of Council; and (iv) where the document references "three months," substitue "four months."

**Vote:** 6 - 0 PASSED

Other: Councilmember Darryl Croft (ABSENT)

**e)** *Continued from December 6, 2012:* Consideration and possible action to fund abatement of properties within the Town of Chino Valley. Funding source to be determined per December 6, 2012 study session discussion. (Chuck Wynn, Police Chief)

Chief Wynn stated that nothing had changed since staff presented this matter to Council on December 6.

Mayor Marley explained for the public that several abandoned properties in Town had caused a financial drain on the Code Enforcement Division to remove weeds and trash. The condition of these properties also presented health and fire hazards. He asked staff if there was $10,000 in contingency to abate these properties. Town Manager Robert Smith stated that there was. He added that if the Town chose to pay the back taxes and clean up any of these properties, it would seek repayment from anyone who attempted to pay the back taxes later.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to set aside $10,000 from contingency fund for the purpose of cleaning up properties as directed by the Town [LISTEN 8:45 p.m.]

**Vote:** 6 - 0 PASSED

Other: Councilmember Darryl Croft (ABSENT)

**f)** Consideration and possible action to amend Article 4: Hours of Work/Working Conditions of the Memorandum of Understanding Between the Town of Chino Valley, Arizona and the Chino Valley Police Officers Association.

Acronym used in this item:
MOU (Memorandum of Understanding)
POA (Chino Valley Police Officers Association)

POA President Brian Sanders reported that:

- The current MOU adopted by Council on July 8, 2010 remained in effect year-by-year until a new MOU was approved by all parties pursuant to the meet and confer Ordinance No. 08-705.
- The subject amendment will allow greater flexibility for Police administration in scheduling manpower on a 24 hour, 7 day per week basis. Currently, administration was required to schedule sworn police officers based upon a mandated 40 hour work week. A current change to Arizona Revised Statute § 23-392 allowed sworn officers to work a schedule based upon a 80 hour pay period, and it required the employer's and staff's consent prior to being enacted.
- The members of the POA voted to authorize POA leadership to amend the MOU with town management.
- Should Council approve the amendment, it will affect only sworn personnel and not other police department employees.

Police Chief Chuck Wynn added that under federal law, public safety employees could work over a 28 day period, but Arizona put officers on the same work cycle as other workers, so he often ended up with days having too many or not enough bodies. This change will allow him to provide better coverage and the Town may save some money over time.

Town Attorney Sharon Flack reported that she made one change to the amendment to clarify that it applied only to sworn personnel, and she also placed the amendment language into the proper format, tethering it to the original MOU.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve amendment of Article 4 of the Memorandum of Understanding Between the Town of Chino Valley, Arizona and the Chino Valley Police Officers Association as corrected by the town attorney between the Town of Chino Valley and Chino Valley Police Officers Association.

**Vote:** 6 - 0 PASSED

Other: Councilmember Darryl Croft (ABSENT)

**g)** Consideration and possible action to approve the July 2, 2012 special meeting minutes. (Absent: Councilmember Turner) (Jami Lewis, Town Clerk)

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the September 6, 2012 study session minutes.

**Vote:** 5 - 0 PASSED

Other: Councilmember Darryl Croft (ABSENT)
Councilmember Lon Turner (ABSTAIN)

**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).*

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to go into executive session for items 8a and 8c at 8:51 p.m.

**Vote:** 6 - 0 PASSED

Other: Councilmember Darryl Croft (ABSENT)

**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 October 10, 2012 mediation. (Mayor Marley)

**b)** Consideration and possible action regarding pre-annexation 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 October 10, 2012 mediation.

**c)** 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 issues concerning water transportation/pipeline transaction privilege taxes due to the Town from the City of Prescott, including but not limited to *City of Prescott v. Town of Chino Valley* , Case No. CV 46161, Yavapai County Superior Court, Order Confirming Apportionment Formula and Apportionment Schedule filed June 21, 1996, and negotiations to settle disputes regarding the same. (Mayor Marley)

**d)** Consideration and possible action regarding issues concerning water transportation/pipeline transaction privilege taxes due to the Town from the City of Prescott, including but not limited to City of Prescott v. Town of Chino Valley, Case No. CV 46161, Yavapai County Superior Court, Order Confirming Apportionment Formula and Apportionment Schedule filed June 21, 1996, and negotiations to settle disputes regarding the same.

Mayor Marley reconvened the meeting into open session at 10:19 p.m.

Council took no action on items 8b and 8d.

**9) ADJOURNMENT**

MOVED by Councilmember Mike Best, seconded by Councilmember Lon Turner to adjourn the meeting at 10:20 p.m.

**Vote:** 6 - 0 PASSED

Other: Councilmember Darryl Croft (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 11th day of December, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 22nd day of January, 2013.

________________________________
Jami C. Lewis, Town Clerk