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

**TUESDAY, JANUARY 25, 2011
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, January 25, 2011.

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

Council Present: Mayor Jim Bunker, Vice-Mayor Ron Romley, and Councilmembers Joel Baker, Dean Echols, Linda Hatch, Gloria Moore (by conference phone), and Carl Tenney.

Staff Present: Town Manager Michael Scannell, Management Assistant Cecilia Watts, Town Attorney Tom Kack, Finance Director Vera Smith, Police Chief Pat Huntsman, Police Commander Mark Garcia, Town Engineer/Public Works Director Ron Grittman, Associate Planner David Nicolella, Parks and Trails Superintendent Bob Worthen, Recreation Coordinator Shannon Gansz, Library Director Scott Bruner, Youth Librarian Darlene Westcott, and Town Clerk Jami Lewis (recorder).

Councilmember Hatch gave the invocation and Councilmember Baker led the pledge of allegiance.

2) <u>Introductions, Presentations and Proclamations</u>

2a) Recognition of Eric Woods for 2.5 years of service on the **Parks & Recreation Advisory Board**.

Mayor Bunker recognized Eric Woods for his service on the Parks and Recreation Advisory Board.

2b) Presentation of 2010 **Arizona Youth Services Librarian of the Year** award to Youth Librarian Darlene Westcott.

Library Director Scott Bruner, the Friends of the Library, and Council recognized Youth Librarian Darlene Westcott for 15 years of service to the Town and also for having received the Arizona Youth Services Librarian of the Year award. Mr. Bruner commended Verna Hickson and the nomination committee for submitting the nomination to the State Library Association, as well as Kris Mazy, Library program participant, and Circulation Clerk Dennis Dingley for creating the scrapbook and slide show that were included in the nomination packet. Dave Mazy, Library program sponsor, then presented Mrs. Westcott with a copy of the nomination scrapbook. Mrs. Westcott expressed appreciation for the nomination and Mr. Bruner's and the Friends' support.

2c) Chamber Update by Ab Jackson, Chief Executive Officer, Chino Valley Area Chamber of Commerce.

Ab Jackson reported on: the Chamber's new Development Specialist, Carrie Beal; the 2010 Volunteers of the Year, Mike and Susan Tobey; the 2010 Business of the Year, Gabby's Restaurant; the January Business of the Month, Buzz Mills of Gunsite Academy; ribbon cuttings for H&R Block and Elizabeth's Crafts and Things; KQNA's Talk of the Town featuring Chino Valley every Monday; a new Toastmaster's Club starting in February; a new Police Foundation being formed; and the upcoming Health and Business Expo in March.

3) Call to the Public

No one from the public spoke.

4) Mayor/Council/Manager Report

(This item was heard after item 10a, but is retained here for clarity.)

Acronym used in this item:
ADWR (Arizona Department of Water Resources)

Mayor Bunker reported on a recent meeting of the Greater Arizona Mayors' Association, which existed to work with the state legislature on issues affecting Northern Arizona rural communities. Current discussion topics included the legislature's efforts to balance the budget and the associated effects to municipalities, cuts to ADWR, and economic development. As of last week, the legislature was not considering cuts to state shared revenues; however, they had cut ADWR funding to virtually nothing and might be asking municipalities to contribute toward that. They were also focusing on how to move the economy despite having trouble attracting businesses due to the state's high tax structure. The Association was looking for suggestions from the public on the state budget and ways to boost economic development.

Vice-Mayor Romley reported that the Town would host an open house on March 5 for its new Transit System. As ridership was low and staff was finding that citizens were not generally informed about the system, they intended to increase promotional efforts.

4a) Report by Town Engineer Ron Grittman regarding status of the **Improvement Districts** initiative.

(This item was heard after item 9, but is retained here for clarity.)

Town Manager Michael Scannell requested that Council continue this item.

Council requested that staff report ahead of time when changes were being made to the agenda so the public would not be inconvenienced by waiting to speak on an item that would not be discussed.

Consent Agenda

(These items were heard after item 3, but are retained here for clarity.)

5) Accept resignation of Eric Woods from the **Parks & Recreation Advisory Board**, effective January 4, 2011.

6) Approve Professional Services Agreement with Mr. Paul Wenbert of **PW Consulting Services** for an organizational assessment of the Parks & Recreation Department, for an amount not to exceed $5,500.00 plus travel expenses. As a budget transfer will be required to facilitate this expenditure, staff recommends a transfer from available non-departmental budget to the Recreation and Parks budgets.

Vice-Mayor Romley MOVED, seconded by Councilmember Baker, to accept Consent Agenda items 5 and 6. The motion PASSED unanimously 7-0.

Action Items

7) Discussion and possible action relative to the development of a contract between the Town of Chino Valley and Dava Hoffman, **Dava & Associates** to update the Town's General Plan and develop an Economic Development Strategy for the Town. As the process to update the Town's General Plan will span several fiscal years, funding will be determined as a part of drafting the contract for services.

Acronym used in this item:
A.R.S. (Arizona Revised Statutes)

Associate Planner David Nicolella reported that:

- As the "land use constitution" for the community, the General Plan was one of the Town's most important governing documents. Per A.R.S. § 9-461, the Council was required to adopt a comprehensive, long-range general plan for the development of the municipality and then submit the plan for voter approval. The General Plan was to be updated and readopted every ten years, and the State was presently requiring all municipalities to accomplish their next updates by 2015.
- The Town's last General Plan update was done in 2003. As several of its elements were outdated, the Planning and Zoning Commission had been reviewing those elements for possible revisions over the past few years. Also, as the Town did not have an economic development strategy, Town Manager Michael Scannell was recommending that it develop one as part of the General Plan update process.
- The Town could coordinate the update process in-house or contract with an experienced consultant. As the update process was very labor intensive and complex, and the Development Services Department had limited personnel, staff recommended that the Town engage a consultant to oversee the project.
- Pursuant to Town Code § 32.08(C) and 32.09(A), the Town Manager determined that it was not necessary to go out for bid for this contract. As the Town of Dewey-Humboldt had recently put out a bid for their General Plan and determined that Dava & Associates,

a local firm, was the most qualified for the scope of work, staff recommended developing a contract with Dava & Associates and presenting it to Council.

Dava Hoffman related that the Town had engaged her firm several times over the past 25 years and presented an overview of the proposed "project approach" for the economic development strategy and General Plan update:

- When the 2003 General Plan was adopted, the Town and region were experiencing rapid growth and a booming economy, while today, growth and the economy had slowed down. Both conditions needed to be considered when developing these projects, especially the General Plan key elements of land use/growth areas, circulation and transportation, and water resources.
- Phase 1 would consist primarily of public involvement workshops to develop needs, expectations, and a community vision; and the public process would continue throughout the project.
- Phase 2 would include developing the Economic Development Strategy and presenting it to the community, followed by updating the key elements of the General Plan and presenting them to the community, and then presenting both to the required bodies and holding the required public hearings.
- She also recommended that an economic development committee be formed, consisting of various stakeholders, to direct the economic development strategy process, and a separate steering committee be formed to work on the General Plan elements, although members of the economic development committee could be brought onto the general plan steering committee.
- Phase 3 would be to update the remaining General Plan elements of open space, recreation, environmental planning, and cost of development; consolidate them with the above, and forward them for adoption by Council and approval by the voters.

Council asked about the mechanism for selecting committee members, the typical timeframe for completing the process, and why Dewey-Humboldt's General Plan was voted down after following a similar process. Ms. Hoffman related that:

- There were a variety of ways to select members, such as Council and/or staff identifying possible applicants or putting out applications to the general public. Council would want a lot of diversity on the steering committee, but would need specific expertise on the economic development committee.
- Community involvement was the backbone of this process. With a lot of participation, the typical timeframe was eighteen months to two years.
- Dewey-Humboldt had hired her just before their election to help with a quick update to their existing plan. Although they had a poor turn out for committees and workshops, the public hearings were well attended, resulting in many revisions and an apparently satisfied public and Council. However, very little outreach to the public at large occurred from that time until the election and the measure failed by a narrow margin. This was the only time her firm had not had a positive outcome.

Some Councilmembers spoke well of Ms. Hoffman and her firm's top quality work. Mayor Bunker recounted the importance of the General Plan and the adoption process being designed to shift power from the government to the people and the Plan giving assurance to property owners for allowable uses.

Mayor Bunker then informed the public that staff had arranged for Council to meet with a consultant in executive session (item 10a) at 7:00 p.m. Vice-Mayor Romley MOVED, seconded by Councilmember Baker, to recess item 7 and move up item 10. The motion PASSED unanimously 7-0. After item 10, Council resumed discussion on item 7.

Candy Blakeslee, public member, asked how staff selected Ms. Hoffman for this project and how much it would cost. Town Manager Michael Scannell related that state statute allowed for professionals to be selected by qualifications, not price. Once selected, staff could then negotiate on price. Also, the Town Code permitted Council to approve contracts for services without a formal bidding process when another governmental entity had done so for the same service. Staff reviewed the paperwork from Dewey-Humboldt's process and determined that they had conducted a thorough review process in finding that Dava & Associates had the best qualifications. Staff was asking Council for the authority to negotiate a set of deliverables and the associated cost, but Council could accept, reject, or modify his recommendation.

Mr. Scannell and Mayor Bunker added that this process would be as participatory as possible and all committee meetings would be open to the public, and they encouraged community members to actively participate.

Vice-Mayor Romley MOVED, seconded by Councilmember Baker, to direct staff to complete a "Contract for Services" between the Town of Chino Valley and Dava & Associates and present the documentation to the Mayor and Council on an agenda in the near future. The motion PASSED unanimously 7-0.

8) Adopt **Resolution No. 10-949**, amending Resolution No. 10-946, **Call of Election** for Spring 2011, designating election date, purpose of election, and deadline for voter registration. Funds to come from Town Clerk budget, election costs expenditure line item in the General Fund.

Town Clerk Jami Lewis reported that:

- In August 2010, a referendum petition filed with the Town was subsequently rejected. The petitioners challenged the Town's action in Superior Court and the judge determined that the referendum qualified for the ballot, but he did not sign the decision in time to place the referendum on the March ballot.
- Although the judge had not yet signed the decision due to pending judgment on matters relative to attorney fees, the Town Attorney had advised staff to proceed with placing the referendum on the May ballot so that staff could meet the imminent statutory deadlines.
- The first step for placing the referendum on the May ballot was for Council to adopt an amended Call of Election resolution that included the referendum.

Ab Jackson with the Chamber of Commerce noted that they had scheduled a candidates forum for February 15 and asked when the ballots would be mailed to voters. Mrs. Lewis stated that the ballots would be mailed that same week.

Vice-Mayor Romley MOVED, seconded by Councilmember Baker, to adopt Resolution No. 10-949, amending Resolution No. 10-946, Call of Election for Spring 2011. The motion PASSED unanimously 7-0.

9) Re-appoint Garland Miner and Florence Sloan, and appoint Charles (Chuck) Merritt and Francia Sparzynski to the **Planning and Zoning Commission** with terms ending January 31, 2014.

Town Clerk Jami Lewis reported that four positions on the Planning and Zoning Commission would expire on January 31, 2011. Staff received seven applications, of which three were from current Commissioners and one from a former Commissioner. The Council Appointments Committee met on January 18 to interview all seven applicants and was recommending re-appointment and appointment of those listed above.

Councilmember Tenney, Appointments Committee member, mentioned that all the applicants were good candidates and the committee appreciated them for applying.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to re-appoint Garland Miner and Florence Sloan, and appoint Charles Merritt and Francia Sparzynski to the Planning and Zoning Commission with terms ending January 31, 2014. The motion PASSED unanimously 7-0.

10a) Council may vote to hold an **executive session** pursuant to A.R.S. § 38-431.03(A)(3) and (4) to obtain legal advice and to consider its position and, if so determined, to instruct its attorneys regarding the claim pending against the City of Prescott for sales taxes related to the transport of water in, about or through the Town of Chino Valley.

(This item was heard during a recess of item 7, but is retained here for clarity.)

Vice-Mayor Romley MOVED, seconded by Councilmember Baker to go into executive session. The motion PASSED unanimously 7-0 at 7:05 p.m. Mayor Bunker reconvened the meeting into open session at 7:45 p.m.

10b) Possible action regarding the claim pending against the City of Prescott for **sales taxes** related to the transport of water in, about or through the Town of Chino Valley.

Council took no action on item 10b. Mayor Bunker called for a break at 7:45 p.m. and called the meeting back to order at 7:53 p.m., at which time Council returned to item 7.

11a) Council may vote to hold an **executive session** pursuant to A.R.S. § 38-431.03(A)(3) and (A)(4) for the purpose of discussion and consultation with its attorneys and staff to obtain legal advice and to consider its position and instruct its attorneys and staff regarding the Construction Manager at Risk / Construction Services Contract with Fann Contracting, Inc., including issues related to contractual rights and obligations in connection with enforcement, repayment, and contract buy-out.

(This item was heard after item 4, but is retained here for clarity.)

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to go into executive session. The motion PASSED unanimously 7-0 at 8:19 p.m. Mayor Bunker reconvened the meeting into open session at 9:02 p.m.

11b) Possible action regarding the Construction Manager at Risk / Construction Services Contract with **Fann Contracting**, Inc.

Council took no action on item 11b.

12a) Council may vote to hold an **executive session** pursuant to A.R.S. § 38-431.03 (A)(3) and (A)(4) to obtain legal advice, consider its position and instruct its attorneys and/or staff regarding exchanging reimbursement of certain costs of drilling a new well for obligations that Granite Investment and Development has to improve the Highlands Ranch well and certain other items under the Development Agreement with Meadow Ridge Ranch, LLC and as that agreement was since amended and clarified, and issues regarding reimbursement for water lines installed for the Town.

Vice-Mayor Romley MOVED, seconded by Councilmember Baker, to go into executive session. The motion PASSED unanimously 7-0 at 9:02 p.m. Councilmember Moore left the meeting at 9:30 p.m. at the end of the executive session. Mayor Bunker reconvened the meeting into open session at 9:32 p.m.

12b) Possible action regarding negotiations for a contract between the Town and **Granite Investment and Development**.

Council took no action on item 12b.

13) Adjournment.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to adjourn the meeting. The motion PASSED unanimously 6-0 at 9:32 p.m.

Jim Bunker, 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 ______25th____ day of ____January____, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ___12th___ day of ____April____, 2011.

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Jami C. Lewis, Town Clerk