

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

**TUESDAY, JANUARY 31, 2017
9:00 A.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Study Session/Retreat in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, January 31, 2017.

Present: Mayor Darryl Croft; Vice-Mayor Mike Best; Councilmember Susie Cuka; Councilmember Annie Lane; Councilmember Corey Mendoza; Councilmember Jack Miller; Councilmember Lon Turner

Staff Interim Town Manager Cecilia Grittmann; Finance Director Joe Duffy; Human Resources Director

Present: Laura Kyriakakis; Police Chief Chuck Wynn; Police Lieutenant Vince Schaan; Public Works Director/Town Engineer Michael Lopez; Utilities Supervisor Chris Bartels; Development Services Director Ruth Mayday; Code Compliance Officer David Jaime; Customer Service Supervisor JoAnn Brookins; Library Director Scott Bruner; Senior Services Administrator Cyndi Thomas; Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Croft reviewed several guidelines for the meeting.

Town Manager Grittmann requested that item #9 be moved after item #2. No one objected.

2) Presentation and discussion regarding use of space at the Community Center, located at 1527 N. Road 1 East. (Chris Bartels, Utility Supervisor)

Ms. Grittmann reported that the Community Center had been dormant for many years. Various groups, including the Boys and Girls Club, had approached the Town about using the facility. Staff also desired to move Parks and Recreation staff into the building.

Utilities Supervisor Bartels presented on:

- Facility attributes
- Current conditions and upgrades needed
- Current occupancy and users
- Potential users

Council, Mr. Bartels, and Public Works Director/Town Engineer Lopez discussed:

- *Facility refurbishing costs:* Staff budgeted \$69,000 for total upgrades, but estimated \$60,000 for the work. The funding source came from funds originally allocated for the Library tower. They also discussed adding internet access and WiFi.
- *Facility users:* As local service clubs were having trouble finding space to meet, one zone should be made available for clubs and family gatherings.
- *Boys and Girls Club (BGC) proposal:* The Club desired to develop a program for at-risk teens. They were interested in the whole building or any portion of it. The Club's leadership team could help with managing the facility. Provisions of a lease agreement were totally open at this point. Staff preferred reserving one exclusive area for leadership

and studying, and another for activities that would be shared with other users. BGC expectations for sustaining their programs were based on the community's need and economic condition.

Staff recommendations:

- Use the building wholly for Community Services.
- House Parks and Recreation staff in the central offices as the most immediate need.
- Reserve two zones for users.

Council preferences:

- They wanted the building to be usable, and were willing expend some money, but might need to gauge support of the business community.
- They supported basic upgrades to the offices now to move Town staff into them, retaining two wings for users, and staff researching the costs to upgrade to a commercial kitchen.
- While the Boys and Girls Club proposal was welcome, the Club should bear some of the financial burden.
- Staff should do scheduling for user groups and keep occupancy limits in mind when scheduling.

Staff should prepare a plan with costs, funding sources, and timelines for immediate and longer-range upgrades; vet plans through the Parks and Recreation Advisory Board; and report back at a study session.

3) Presentation and discussion regarding septage receiving at the Town's Wastewater Treatment Plant (WWTP). (Michael Lopez, Public Works Director/Town Engineer)

Mr. Lopez reported that Council had previously tasked staff with developing a program to receive septage and report financial projections. He reviewed the results of a Septage Receiving Study by Kimley Horn:

- The plant was designed to receive septage and staff had hoped it could receive 5,000 GPD; however, the receiving system was only designed for 2,000 GPD and the septage received could only be released all at once, which in the past, had overtaxed the system. The plant's mechanics could handle the septage, but impacts to the biology, power, and additional loading were unknown.
- Septage receiving was still an option for the Town, but not with the current system. Staff was applying for grants with WIFA to design a regional system compatible with the current plant.

Staff recommendations by Mr. Bartels and Mr. Lopez, per Kimley Horn's recommendation, were that the plant not accept raw septage, allow liquids only, and allow no more than 2,000 GPD at this time.

Council preferred that the Water and Utilities Subcommittee review this item with the consultant.

Mayor Croft recessed the meeting at 10:42 a.m. and reconvened it at 10:53 a.m.

4) Presentation and discussion regarding a summary of potential funding alternatives to finance the improvement of Town roads. (Joe Duffy, Finance Director)

Finance Director Duffy presented on:

- HURF (Highway User Revenue Fund) budget shortfall
- Options for increasing funding
- Regional property taxes and tax calculations on secondary assessed values

Council, Mr. Duffy, Mr. Lopez, and Development Services Director Mayday discussed:

- *Maintenance costs:* It cost \$500,000 per year just to maintain five miles and the Town was three to five years behind on light maintenance. Staff had a prioritization plan, but due to limited funds, they were only able to perform patchwork and chipseal here and there. Costs also depended upon materials used, such as chip seal versus pavement.
- *Funding options:* General Obligation bonds were not preferred as they were for one-time situations. Borrowing money for maintenance was also not recommended and there was not enough HURF revenues to support the debt. The Town could propose a property tax to fund roads directly or to fund public safety, freeing up General Funds for roads. Another option was to allocate a percentage of sales taxes, or increase a particular tax, such as construction sales tax. Whatever method was offered, the Town needed to properly educate the public and keep it as simple as possible.
- *Economic development:* Another way to increase revenues in general was through economic development, spending money to make money, such as extending infrastructure for a second grocery store. Having a greater labor force will hopefully attract more businesses. The proposed apartments will hopefully add to that.

Staff recommendations:

- Amend next year's budget so that the General Fund would absorb all overhead currently in the HURF budget and more HURF funds would be dedicated to roads.
- If a property tax was Council's preferred funding option, staff recommended a 2% tax and a 10-year plan to take to the voters.
- Hire a consultant to perform a needs assessment and transition plan to pavement. Such study would cost \$30,000 to \$40,000.
- Append the final maintenance plan to the General Plan.
- Prepare for impacts to Town roads from the County's Northern Connector project.

Council preferred that:

- Staff initiate a roads needs assessment, then assess how to finance the results.
- Staff develop a roads maintenance plan with the Roads and Streets Committee and report back at a Council study session.

Mayor Croft recessed the meeting at 12:11 p.m. and reconvened it at 12:47 p.m.

Councilmember Lane left the meeting at 12:47 p.m.

- 5) Presentation and discussion regarding the roles of the Parks and Recreation Advisory Board and the Mayor's Ad Hoc Old Home Manor Recreational Committee. (Ruth Mayday, Development Services Director)

Ms. Gritman reported that these two bodies had some of the same goals and members, and the OHM committee was formed as an ad hoc committee by the former mayor.

Council and Ms. Mayday discussed:

- *OHMRC purpose:* OHMRC's intention was largely to preview projects at OHM. While it was a good idea, the problem was that the Committee would like a proposal and assume they had approval. Members were surprised and confused by the development processes.

The group could have been more proactive and worked on a master plan.

- *Staff and public bodies:* Staff needed to be more engaged with the Town's public bodies.

Staff recommendations:

- Disband the OHMRC.
- Take OHM development to the existing PRAB.
- Include the OHM master plan in the General Plan.

Mayor Croft preferred to dissolve the OHMRC.

Council preferred to not form another committee specific to OHM, but to remand OHM issues to current bodies, such as PRAB, and the Council Water and Utilities and Economic Development Subcommittees.

6) Presentation and discussion regarding the Town's Old Home Manor Industrial Park. (Ruth Mayday, Development Services Director)

Ms. Mayday and Mr. Lopez reported that:

- Staff was consulting with Jim Rounds to evaluate leasing versus selling the land. Once staff had that, they intended to contract with planners to assess current market demand, and assist with options for the park and a conceptual layout. Two such planning firms will be making presentations before the Economic Development Subcommittee. Once that was done and the Town knew what it wanted, a developer would develop the plan.
- As the infrastructure to the park boundary would be in the ground by fall, staff needed a conceptual layout by the fourth quarter, so they could then design the back-end items, such as water, wastewater, and traffic.

Council and staff discussed:

- *OHM:* Having such a large plot of land was rare and a great advantage for the Town, as out-of-state industries were looking at coming to Arizona. The OHM entry sign also needed upgrading.
- *Possible uses:* Firearms manufacturing was a good fit and could include supply chain employers, too. There were several developers who were already interested.
- *General Plan:* The current Plan was not long-range enough. The next one in 2020 should really set forth what the Town wanted and how to get there.

Council preferred that:

- The Economic Development Subcommittee assess the planning consultants and bring a recommendation to Council.
- Staff not spend money on consultants unless certain that the resulting study would be used.

Staff develop a master plan with costs for the project; provide it to the Economic Development Subcommittee for review; and then present it to Council at a study session.

7) Presentation and discussion regarding Code Compliance. (Cecilia Grittman, Interim Town Manager)

Ms. Grittmann reported that, as councilmembers generally brought code complaints to her attention, she had asked the Town's new Code Compliance Officer, David Jaime, to present an overview of his responsibilities.

Mr. Jaime reported on:

- His scope of work
- Staff processes
- Current and standard case load

Council, Mr. Jaime, Mr. Duffy, Mr. Lopez, and Customer Service Supervisor Brookins) discussed:

- *Goals and scope:* The goal was compliance and the Town could help with resources for those in need. His scope included code enforcement, responding to citizen complaints, investigating complaints of illegal business activity, enforcing business license and sign code regulations, attending legal proceedings, and organizing one or two community cleanup programs per year. Whereas the position had been part-time and reactive only, he was now full-time and hoped to be more proactive, although one person could not keep up with all the issues in the Town.
- *Process:* Anyone could submit a complaint in variety of ways. He created cases, inspected and photographed properties, notified property owners of violations, and if, necessary, turned the matter over the municipal court, which might result in a civil citation.
- *Council complaints:* He treated complaints from Council as any other complaint. He needed an address, location, and a good description of the problem.
- *Sign code compliance:* Issuing a sticker for all legal signs might help with compliance.
- *Liens:* If a property owner could not comply once cited, the Town could fund the cleanup and then lien the property for the amount. The Town will eventually get its money back, but Finance needed enough funds in the budget to cover such expenses.
- *Community cleanups:* The Town needed a procedure in place to ensure that only Town residents were dumping during Town cleanups, such as requiring a proof of residency.

Council preferred:

- Proactive code compliance.
- That staff look into cleaning up the highway from Road 5 North to the northernmost boundary.

8) Presentation and discussion regarding Town assets, including fixed assets, land, and assets financed with debt, and future equipment needs. (Joe Duffy, Finance Director)

Ms. Grittmann reported that this item stemmed from previous Council direction and staff would also address Police capital needs and personnel.

Mr. Duffy reported on:

- Asset management process for items \$5,000 and over
- Assets financed with debt
- All property parcels in the Town's name and how purchased
- Asset replacement fund
- Current Public Works equipment needs
- Police Department vehicle replacement schedule and industry standard

Human Resources Director Kyriakakis reported on:

- Police recruitment and retention

- Turnover impacts
- Solutions to recruit and retain staff

Council, Mr. Duffy, Mr. Lopez, Police Chief Wynn, Police Lt. Schaan, Mr. Bartels, and Ms. Kyriakakis discussed:

- *Cameron Property:* If the Town had used or sold this asset for non-public use, it would have lost its tax exempt status, and the debt holder could demand that the Town pay the taxes. Once it was paid off, the Town could do whatever it wanted with it, but it would want to retain the water rights. The maturity date would occur in 2025.
- *Water right assets:* The Town owned roughly 110 acres for water rights. If the Town sold any such properties, it would have no way to access that property's rights. Staff and Council needed a long discussion and understanding regarding water issues.
- *Capital Asset Replacement Fund:* This was set up years ago to put aside funds for replacing vehicles and equipment. Staff desired Council's input on equipment acquisition and how the Town should approach it.
- *Vehicle maintenance data:* The Town had only two mechanics, who were doing all aspects of maintenance inhouse, except tires. Staff was just getting to the point of generating enough data to determine whether or not it would be more cost-effective to outsource some maintenance activities.
- *Current Police vehicles:* Due to past financial hardships, the Town had been keeping vehicles longer than industry standard, resulting in higher liability. Some agencies replaced vehicles by time, others by mileage. All five Chargers needed replacing now.
- *Police recruitment and retention:* While the Town's retention was higher than average, turnover affected small organizations more than large ones. As it was costly to recruit, staff was considering ways to retain officers. Compared to neighboring entities, the Town's benefits were comparable, but wages were not competitive and police and fire personnel in PSPRS were not eligible for social security. Staff was considering longevity pay, commitment contracts, and separating the Police positions from the general employee pay plan and performing a wage study for those positions. Staff did not recommend specialty pay, as the budget could not accommodate offering that to all employees.
- *Public Works shop at Old Home Manor:* Staff had five years to vacate their current building and anticipated the new facility at \$2 million in order to house parts, water, sewer, roads, vehicles, maintenance, water and sewer lines, and including locker rooms, fencing, security, roads, and fire protection. Staff had hoped to leverage energy savings toward this project.

Staff recommendations:

- Purchase two cars per year.
- Possibly accommodate purchasing three to six cars this year.
- Run options for the PD by the Personnel Committee.

Council preferred that staff develop a plan for how to fund the new Public Works facility in five years.

- 9) Presentation and discussion regarding the re-establishment of a Community Services Department that includes Parks and Recreation. (Cecilia Gritman, Interim Town Manager)

(This item was heard after item #2 but is retained here for clarity.)

Ms. Grittmann reported that she was going back to the model of having a Community Services Department consisting of Parks, Recreation, Aquatics, Library, and Senior Center. The Department would be run by Library Director Bruner and Senior Services Administrator Thomas, both of whom had experience with recreation. Over the next year, Mr. Bartels will work with Mr. Bruner and Ms. Thomas on the transition.

Mr. Bartels presented on:

- Facilities maintained by the Parks Division
- Recreation events
- Current staffing and budget
- Future needs and projects

Council, Mr. Bartels, Mr. Lopez, Ms. Mayday, and Mr. Duffy discussed:

- *Staffing:* 130 plus acres were maintained by two full-time and two-six seasonal employees, which was way below national standards. Recreation had two full-time employees and had been underfunded for years. The full-time employees were also involved in every Town event. These departments could take on no more with the current staffing. There were new recreation opportunities, but no funding or manpower to accommodate them.
- *Future needs and projects:* Staff's top five current projects were: Community Center Park playground rehab, dog park, Memory Park expansion and bathroom remodel, Community Center walking trail, and Center Street Park development. Staff's ultimate goal was to have a park within a one-mile radius of all residents.
- *Facilities:* Current and recommended projects at the Community Center still accommodated the park's original Phase 3 plan. Surveillance cameras had reduced vandalism, and staff desired to find volunteers to help with inspections and monitoring. The School District was interested in partnering and integrating with the Town.
- *Facility upgrades:* Some desired upgrades were part of the proposed Climatec project from 2016 that Council did not pursue. In staff's spare time, staff was still seeking opportunities for replacing HVAC units and lights, and relocating ballfield lights. The Town could not sponsor softball tournaments without relocating the lights, and staff needed Council's input on priorities.
- *Highway beautification:* There was a problem with trash on the north side of Town along the highway. Options included using community service workers or finding someone to adopt that stretch of highway. This could be coordinated through Code Compliance.
- *Funding parks and recreation:* Sports organizations were struggling to get registration based on participation costs, as well as parks' use fees. Other groups want to use the Old Home Manor recreation spaces, but the Town saw no direct revenue from that. Indirectly, users might spend money on local stores and diners.

Staff recommendations:

- Perform a Parks and Recreation needs assessment and develop a volunteer program.
- The Town needed staffing and funding to properly maintain its current facilities and properties before talking about expanding anything.
- Staff needed Council to prioritize functions, after which staff could provide cost estimates.
- The Town should memorialize a better-developed recreation plan in the General Plan, which would help with economic development recruitment.
- Police staff needed additional local ordinances to assist with enforcement issues related to parks.

- Staff needed input from Council about goals and desires for recreation for the next budget year.

Council preferred that:

- Staff fund maintenance for what the Town had first, then.
- Staff provide information regarding relocating the ballfield lights.
- Staff allocate funds in the budget to maintain the Town's current properties, then develop a phasing and funding plan for facility upgrades and other extras, such as ballfield lighting.

- 10) Presentation and discussion regarding the proposed motor sports project at Old Home Manor.
(Ruth Mayday, Development Services Director)

(This item was heard after item #3 but is retained here for clarity.)

Ms. Grittmann reported that:

- This item had come before Council only one time and changes to the Council and staff had occurred since then. There were issues not fully vetted by Council, such as noise, dust, traffic, police, who would pay for studies, and a question about whether or not Council could make a decision without the studies.
- Staff had received some input from the community and there was a lot of interest in favor and in opposition.
- In response to the Town's letter outlining the motor sports proposal's talking points, the Yavapai Community College (YCC) Board stated that they wanted a formal presentation.

Council and staff discussed:

- *Process:* There was some confusion as to whether or not Council's action taken on October 11, 2016—to forward the talking points to YCC—was in support of a lease or only the concept. As such, they discussed bringing the item back, voting solely on the concept, and if the vote was in favor, scheduling a presentation before YCC. Ms. Mayday recommended that Council adopt a resolution.
- *YCC contract:* YCC legally had the right to reject any use at OHM with excessive noise, especially with regard to motor sports. While the College's concern was mainly noise interfering with classes, Council and staff believed that the contract should be amended and this might be a good opportunity for that.
- *Timeline:* The community was concerned about the Town rushing into a lease for motor sports. Council preferred to look at it from all angles, be clear, and take the time to assess the issues. There was no purpose in setting up public meetings without getting answers to questions first.

Council preferred:

- That staff put this item on their next regular agenda to vote on whether or not to continue pursuing the matter and that Ms. Mayday recap the process already gone through and spell out a more formal one for the upcoming actions.
- That if they voted to continue, staff will contact the YCC Board to get a presentation by Mr. Brinkley on their agenda. Staff and councilmembers should attend said presentation and the Town should request that the College give the Town an answer within a specified timeframe.
- That staff place an executive session on the next agenda to review the Lease with YCC.

11) Discussion regarding future study session topics. (Cecilia Grittman, Town Manager)

Council suggested several future study session topics:

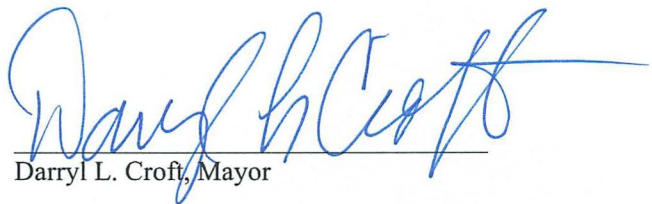
- Water – mobile home park rates
- Sewer – Town Code Chapters 50 and 51
- Disposition of Town-owned properties
- Chamber-Council joint meeting (March 31 deadline) at Chamber offices
- Community Center remodel – after drafting a plan for the move and vetting all work, costs, and funding through the Parks and Recreation Advisory Board first
- Old Home Manor (OHM) and OHM Industrial Park master plan
- Parks and Recreation needs assessment/prioritization
- Committee reports
- Septage
- Roads maintenance plan – after vetting through Roads and Streets Committee first
- Ordinance for parks open/close times
- Public ways and rights-of-way development standards
- Engineering standards
- Permitting

Council asked staff to put this item on their next regular agenda for prioritizing.

Mayor Croft suggested holding a meeting like this every six months.

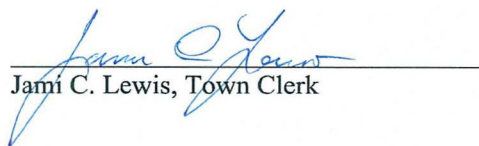
12) ADJOURNMENT

The meeting adjourned at 3:18 p.m.



Darryl L. Croft, Mayor

ATTEST:

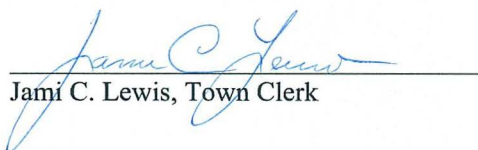


Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session/Retreat of the Town Council of the Town of Chino Valley, Arizona held on the 31st day of January, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28th day of February, 2017.



Jami C. Lewis, Town Clerk