



Town of Chino Valley

MEETING NOTICE TOWN COUNCIL

REGULAR MEETING
Tuesday, February 11, 2014
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 criticism.

- 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) Status report by Town Manager Robert Smith regarding Town accomplishments, and current or upcoming projects.

6) CONSENT AGENDA

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

- a) Consideration and possible action to approve the January 23, 2014 special meeting minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to approve the January 28, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)
- c) Consideration and possible action to amend the Town of Chino Valley's Personnel Policy, Policy No. 1000 Performance Appraisals. (Cecilia Watts, General Services Director)
- d) Consideration and possible action to approve Ordinance No. 14-780, terminating a Conditional Use Permit for the former Teapot Inn, a bed and breakfast, in the "SR-1" (Single Family Residential - 1 Acre Minimum) zoning district, addressed as 989 West Center Street, and identified as Assessor's Parcel Number 306-29-025B. (Ruth Mayday, Planner)
- e) Consideration and possible action to approve Agreements for Towing Services between the Town of Chino Valley and the following Tow Service Providers: ACT Towing, Custom Towing, TNT Towing and Tri-City Towing. (Chuck Wynn, Police Chief)
- f) Council will recess to observe Mayor Marley's birthday.

7) EXECUTIVE SESSION

Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.

- a) Pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation in the matter of Cortez v. Town of Chino Valley. (Mayor Marley)

8) ACTION ITEMS

- a) Consideration and possible action to approve the proposed agreement with Cortez Enterprises, Inc. in settlement of claims and contemplated litigation. (Mayor Marley)

- b) Consideration and possible action to accept the Comprehensive Annual Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2013, as prepared by Hinton Burdick, CPAs & Advisors. (Joe Duffy, Finance Director)

Recommended Action: Accept the Comprehensive Annual Audited Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2013, as prepared by Hinton Burdick, CPAs & Advisors.

- c) Consideration and possible action to approve Resolution No. 14-1024, authorizing staff to submit an application related to an Arizona Commerce Authority's Rural Economic Development Grant, which may include an application to the Federal Economic Development Authority for an Economic Development Assistance Grant related to certain sewer and water infrastructure improvements at Old Home Manor; authorizing execution of documents needed for the application, and agreeing to accept and maintain the improvements that are constructed and installed with grant funds. (Ruth Mayday, Planner)

Recommended Action: Approve Resolution No. 14-1024, authorizing staff to submit the grant application, and approving the plan to install sewer and water infrastructure, accepting the completed improvements, and maintaining them in perpetuity.

- d) Consideration and possible action to approve Financial Report for the month ended December 31, 2013. (Joe Duffy, Finance Director)

Recommended Action: Approve Financial Report for the six months ended December 31, 2013.

- e) Consideration and possible action to approve Ordinance No. 14-781, amending Town Code Sections 30.065 and 30.066 relating to scheduling Council meetings. (Jami Lewis, Town Clerk)

Recommended Action: Approve Ordinance No. 14-781, amending Town Code Sections 30.065 and 30.066 relating to scheduling Council meetings.

- f) Consideration and possible action regarding the Council Study Session schedule. (Mayor Marley)

Recommended Action: Direction to Staff

9) **ADJOURNMENT**

Dated this 5th day of February, 2014.

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



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. a.**

Meeting Date: 02/11/2014

Contact Person: Jami Lewis, Town Clerk

Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to approve the January 23, 2014 special meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Approve the January 23, 2014 special meeting minutes.

Attachments

January 23, 2014 minutes

DRAFT

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

**THURSDAY, JANUARY 23, 2014
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Special Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Thursday, January 23, 2014.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Linda Hatch; Councilmember Pat McKee; Councilmember Don Wojcik

Absent: Councilmember Lon Turner

Staff Town Manager Robert Smith; Police Chief Chuck Wynn; Town Engineer/Public Works Director

Present: Ron Gritman; Planner Ruth Mayday (recorder)

1) CALL TO ORDER; ROLL CALL

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

Mayor Marley recommended moving items 2 and 2a to the bottom of the agenda.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to move items 2 and 2a to the bottom of the agenda.

Vote: 6 - 0 PASSED

2) Discussion and possible action to direct staff regarding the Management Agreement for Chino Valley Shooting Range between the Town of Chino Valley and the Prescott Sportsmen's Club, Inc. (Mayor Marley)

(Council heard this item after item 2a, but is retained here for clarity.)

Mayor Marley reconvened the special meeting at 9:06 p.m. (Councilmember Hatch left the meeting at the end of the executive session.)

Council took no action.

- a) The Council may vote to recess the Special Meeting and hold an executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider the Town's position and instruct the Town Attorney regarding the Town's position regarding a contract with Prescott Sportsmen's Club, Inc. related to management of the Chino Valley Shooting Range that is the subject of negotiations.

(Council heard this item after item 4, but is retained here for clarity.)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to take a 10 minute break and convene into executive session.

Vote: 6 - 0 PASSED

- 3) Review and discussion regarding a proposed multi-day country "Outward Bound Music Festival" at Old Home Manor. Charlie Arnold, applicant. (Ruth Mayday, Planner)

(Council heard this item after item 1, but is retained here for clarity.)

Acronyms used in this item:

OHM (Old Home Manor)

UDO (Unified Development Ordinance)

Ms. Mayday reported that Charlie Arnold approached the Town about using OHM for a country music festival in September. In addition, the American Legion also asked about using a portion of OHM for a similar concert activity to benefit veterans over Memorial Day weekend. Mr. Arnold had started the technical review process with staff, whereas the American Legion will start theirs next week.

Outbound Proposal

- The applicants were Charlie Arnold and Steve Gottlieb.
- The event was tentatively scheduled for September 19-21, 2014; however, the site would be encumbered for the entire month to allow for set-up and tear-down of the equipment and facilities.
- Anticipated attendance was 25,000-30,000, with an estimated taxable activity of \$5,000,000. Onsite camping spaces could number 8,000-10,000 and an equivalent number of parking spaces would be necessary. The entire site would be surrounded with a chain link fence and access would be tightly controlled.
- The promoter would be responsible for retaining adequate security and emergency services for the event, subject to approval by the Chino Valley Police Department and Fire District. They intended to hire private firms for security and safety, as well as utilize off duty law enforcement and fire personnel, and Lifeline Ambulance.
- The promoter will be responsible to hold neighborhood meetings, enter into a performance contract with the Town, provide liability insurance, hold the Town harmless, and establish a trust account for reimbursement purposes.
- The promoter desired that certain proceeds be designated for charitable contributions. Staff suggested that the Chino Valley Recreational Foundation be included.
- OHM was currently zoned Public Lands (PL) and the regulations governing the use of Public Lands were set forth in UDO Section 3.18. Included in the uses listed was "other uses approved by Town Council," giving Council the latitude to consider uses such as this. Temporary Uses were governed by Section 3.15.4 and required a Temporary Use Permit, issued by the Zoning Administrator.

Temporary Use Permit

In order to issue said permit, the Zoning Administrator must make the following determinations and findings of fact (UDO Section 3.15.4 (B)):

- 1) Ensure that health and safety are considered, and obtain the approval of the Yavapai

County Health Department, the Fire District, and the Police Department prior to issuance of any permit.

- 2) Ensure that the land is adequate for the proposed use and consequent parking, and consider traffic safety.
- 3) Require any measures necessary to protect surrounding property.
- 4) Establish a time limit, not to exceed fifteen (15) consecutive days unless otherwise approved by Council.
- 5) Permanent structures shall not be permitted.

Staff Recommendations

As the Town had not hosted an event of this magnitude, staff suggested the following:

- 1) A specific Contract in addition to a Temporary Use Permit
 - a) Contracts for Fire/Police/Safety Services
 - b) Insurance policies for Liquor, event, liability
 - c) Clear and complete indemnification of the Town
 - d) Reimburse Town for costs incurred as a result of the event (Police OT, additional staff, emergency management)
- 2) Surety Bond for an amount to be determined that will cover remediation costs (roads, site, etc.)
- 3) Traffic Impact Analysis
- 4) Trust Account sufficient to cover staff time and attorney fees for project reviews, plan reviews, inspections, and recovery of claims of damages.
- 5) Specific plan for restoration of grasslands at OHM
- 6) Specific traffic plan, including controlling access to detours for local residents only.
- 7) Dust mitigation for traffic
- 8) Water plan for both dust mitigation and site supply
- 9) Ensure participation by Chino Valley youth/charitable groups
- 10) Sanitary Service plan, including pumping schedule

Staff proposed the following schedule:

- 1) Initial Work/Study to discuss Council's expectations (Jan 23, 2014) and requirements
- 2) Town Attorney to draft Contract and Temporary Use Permit
- 3) Neighborhood Meeting for residents of Chino Meadows 1, Bright Star, 7 Bar Ranch, and Haystack Ranches to take comment and receive feedback to traffic planning; Notification published in paper of general circulation fifteen (15) days prior to meeting.
- 4) Applicant finalize plans with Fire/Police/EMS
- 5) Town Council review site plans, traffic plans, Fire/Police/EMS plans, contract, and Temporary Use Permit (February Work/Study)
- 6) Town Council approves use and concomitant contracts at regular Council Meeting March 11, 2014

Charlie Arnold reported that :

- The promoters desired to hold this event annually to benefit area charities, specifically those benefitting children and veterans.
- They estimated the event could generate \$500,000 in sales tax.
- The promotional group had extensive experience with such events.
- They wanted to know the Town's concerns and interest level, make sure the parties thoroughly researched the potential impacts to the Town, and determine soon whether or not it was feasible due to the short timeframe.
- The event would require continual access to the wastewater treatment plant, water for dust

control, and potable water.

He then reviewed conceptual plans for fencing, lighting, traffic circulation, camping and parking, concert area, and areas for emergency services, vendors, and ADA, and the set-up schedule.

Councilmember Hatch left the meeting at 6:25 p.m. and returned at 6:28 p.m.

Council questions and concerns:

- Site issues - proposed size for a first-time event; effects of disturbing that much dirt; promoter contribution toward permanent site improvements.
- Traffic pattern - inconvenience to residents and businesses along Perkinsville Road; needing an alternate route for them.
- Noise and lighting - consideration for neighbors.
- Timeframe - possible conflicts with highway widening project and other events in Town or at the Garchen Institute.
- Financial - more details; how the estimated sales tax figures were calculated.
- Charitable donations - how charities will be selected.
- Selection of performers.

Mr. Arnold responded to Council's questions and concerns:

- The OHM site was 200 acres larger than the site they were modeling the event after. It would cost more to set up than any other sites, but it had the greatest local opportunity. The entire venue would be fenced, with separate fencing for the concert bowl, liquor area, emergency, and event operations, along with a secondary security fence at the wastewater treatment plant. The promoters estimated that 60% of attendees would come in RVs. If the event was successful enough to become re-occurring, the promoters would prefer to make some improvements permanent.
- A traffic analysis will be required by ADOT. The traffic plan provided for M.A. Perkins area to be used for local traffic only, as well as emergency access. Area businesses will be included in the neighborhood meetings.
- The plan for lighting, noise, camping, and curfews will vary per use, location, and impact to surrounding areas; e.g. noisier uses will be separated from family camping and surrounding neighborhoods.
- Identifying possible conflicts was part of their due diligence.
- Some financial details were not public record, but a bonding entity and letters of credit will serve as financial assurance. Estimated tax revenues were calculated from taxable transactions, such as food and beverages, RV repair, camping and parking, showers, and other services, all of which will be purchased by ticket and taxed.
- One charitable organization will partner with the promoters for the special event liquor license; and other charitable organizations will have the opportunity to apply for funding. Funding will be determined according to application, need, and priority.
- A talent broker had been retained to bring in a broad spectrum of performers.

4) Review and discussion regarding possible grant opportunities with the Arizona Commerce Authority and Economic Development Administration. (Ruth Mayday, Planner)

Acronyms used in this item:

- ACA (Arizona Commerce Authority)
- EDA (Economic Development Authority)
- NACOG (Northern Arizona Council of Governments)
- OHM (Old Home Manor)
- OHM-IP (Old Home Manor Industrial Park)
- REDG (Rural Economic Development Grant)

Ms. Mayday reported that staff was reviewing potential programs for funding of infrastructure and other developments and improvements around Town, particularly at OHM. Using OHM to attract commercial and industrial investment that will provide jobs will benefit the community in many ways. However, the lack of utility infrastructure (sewer, water, natural gas) was a detriment to potential users and put the town at a competitive disadvantage, as neighboring municipalities had sites with these utilities readily available. There were two grant programs currently accepting applications that would help fund such infrastructure: the Rural Economic Development Grant (REDG), funded by the Arizona Commerce Authority (ACA), and Economic Development Authority (EDA) funds, funded through the U.S. Department of Commerce.

Rural Economic Development Grant

- The REDG offered up to \$500,000 to rural communities for the purpose of developing infrastructure that enabled them to be competitive with larger communities in attracting economic development. The program required a ten percent (10%) cash match; Finance staff assured that the Town could meet this match.
- To be eligible, the improvements must be tied to an Arizona Gold or Silver Certified Site or a private investment that was dependent upon the grant as evidenced by a Letter of Commitment or similar agreement. Therefore, the Town would have to apply to the Arizona Certified Sites Program to be eligible unless a developer stepped forward that would commit to the execution of a Letter of Intent, Lease Agreement, or Development Agreement. At Council's direction, staff will complete the pre-application requirement; the Commerce Authority would then certify the site as "silver" or "gold;" and funds would be used to mitigate any deficiencies found at the site.
- REDG funds could be used to reimburse the costs of actual construction of infrastructure, including permit fees, contractor/subcontractor fees, materials, and supplies. Design and engineering costs were not a qualifying cost for REDG.
- The application was due on February 28, 2014, with a tentative award date of March 21, 2014. The total funding amount available this round was \$1,130,844 with a maximum of award of \$500,000. Staff suggested applying for the maximum award amount.
- ACA officials had visited the site and were aware of OHM's potential and expressed an interest in working with the Town to develop it.

Economic Development Authority Funds

- The EDA offered Public Works and Economic Adjustment Assistance programs, commonly known as "EDA Funds." If directed by Council, staff will apply for funding under the Public Works program, for infrastructure design, engineering, and construction that assisted communities in becoming economically competitive. Investment priorities included projects that increased a region's existing competitive strengths and supported growth of existing and emerging industries; those involving public/private partnerships (PPP's); projects that encouraged job growth in a number of industries, including the growth of manufacturing; and projects that increased the abilities of companies and entrepreneurs to become and maintain global competitiveness, among other things.

- Town staff presented the OHM infrastructure project to NACOG's Economic Development Committee on December 5, 2013. The project was well received and NACOG offered its support for an EDA application. Staff provided the EDA representative for this region with a copy of the presentation and supporting documentation. As a result, EDA expressed an interest in the project and encouraged staff to apply.
- The EDA vetting process required National Environmental Protection Act compliance, preliminary engineering reports, and State Historic Preservation Office (SHPO) clearance, among other things. There was a match requirement based on unemployment rates or per capita income relative to national averages. EDA generally funded half of the project cost, and in areas of high unemployment (225% of national average) or low per capita income (50% of national average), EDA might contribute up to an additional 30% of total project costs. The match could be cash, in-kind, or a combination of both, and only non-Federal funds could be used for the match.
- The application was due no later than March 14, 2014, and the review period was generally 30 to 60 days. EDA will notify applicants if their project was funded, held for future funding, or not fundable. If funded, the Town could then send the project out to bid; and upon identification and qualification of bidder, a notice to proceed will be issued. The EDA review process included: (i) review for completeness and technical accuracy; (ii) merit review to ensure the project met EDA's investment criteria and determine if the community had the capacity to complete the project; and (iii) investment review to decide whether or not the project warranted the investment requested.

REDG to Leverage EDA

- Layering these two programs was essential to the completion of the proposed infrastructure improvements. Should the REDG application be fully funded, the \$550,000 could then be used to leverage an additional \$550,000 from EDA. The sum of both exceeded the engineer's informal estimate of probable cost. In-kind contributions should be included as they represented a dollar-for-dollar match; and an additional \$25,000 of in-kind will equate to an additional \$25,000 to invest in the project. Funds in excess of the engineer's estimate of probable cost could be used for additional chip-seal or other roadway improvements, or additional spine infrastructure along Rodeo Drive. Theoretically, the ACA could fund less than the requested \$500,000 and the match leverage for EDA would be reduced accordingly.
- If the Town was awarded these funds, construction would not start for about two years, as the process following qualification was quite extensive.
- Staff recommended that Council consent to: (i) enroll the OHM-IP in the ACA Certified Sites Program; (ii) submit an application to the ACA for the REDG program for the purposes of partially funding infrastructure installation to OHM-IP; and (iii) submit an application to the EDA for Section 201 Investment Assistance for the purposes of partially funding the installation of infrastructure to OHM-IP.

Town Engineer Gritman and Town Manager Smith affirmed that:

- The Town could provide engineering services as part of its match.
- The federal grant would require the Town to encumber some portion of the property to the feds, but if the Town was successful in obtaining the ACA funds and used them for the match, it might not need to encumber any land.
- Infrastructure easements could be used as matches.

Council recommended that staff:

- Determine if there was a cost to certify the land.
- Submit the applications as early as possible.

5) ADJOURNMENT

MOVED by Councilmember Pat McKee, seconded by Councilmember Mike Best to adjourn the meeting at 9:07 p.m.

Vote: 6 - 0 PASSED

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 Special Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 23rd day of January, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 11th day of February, 2014.

Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. b.**

Meeting Date: 02/11/2014

Contact Person: Jami Lewis, Town Clerk

Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to approve the January 28, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Approve the January 28, 2014 regular meeting minutes.

Attachments

January 28, 2014 minutes

DRAFT

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

**TUESDAY, JANUARY 28, 2014
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 28, 2014.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Linda Hatch; Councilmember Pat McKee; Councilmember Lon Turner; Councilmember Don Wojcik

Staff: Town Manager Robert Smith; Town Attorney Phyllis Smiley; Finance Director Joe Duffy;
Present: Lieutenant Vince Schaan; Officer Jody Villalobos; Town Engineer/Public Works Director Ron Grittmann; Utility Supervisor Chris Bartels; Planner Ruth Mayday; Town Clerk Jami Lewis (recorder)

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

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

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

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a) Operational Report by Tracie Schimikowsky, ~~Director~~President/CEO, Chino Valley Area Chamber of Commerce.

Ms. Schimikowsky spoke about the various activities the Chamber tracked and gave an update on their activities as provided for in their funding agreement with the Town.

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 criticism.

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 December 10, 2013, he had reported the cost of the Road 4 South extension project at \$219,062.44. This was in error: this amount only reflected the cost of phase 1. The total cost for both phases was \$660,481.44, and the funds for this and other related improvements was to come from impact fees.

a) Sewer fee increases and costs of sewer services.

Mayor Marley reported that recent public notifications of utility rate increases did not include a specific increase amount, as the increases will vary with usage; however, the average increase will be about \$6.00 per month.

b) Sewer payment process and sewer odors in neighborhood.

Mayor Marley reported that the Utility Department commented that it was highly unlikely for them to lose payments for a single customer on a consistent basis; and Utility personnel had cleaned sewer mains in the neighborhood twice and will clean vents this summer.

c) Town Council's authority and responsibilities under the council-manger form of government.

Mayor Marley reported that the Council followed a Code of Conduct and per the Town's Rules of Conduct, Call to the Public could not be used to make disparaging comments about people.

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 recent Magistrate Evaluation Subcommittee meeting.

Councilmember McKee reported on a recent Finance Subcommittee meeting.

Councilmember Turner and Mayor Marley acknowledged those who sponsored and contributed to the recent Del Rio Springs sesquicentennial celebration.

a) Report by Town Manager Robert Smith regarding 2013 accomplishments and upcoming projects.

Mr. Smith reported on the status of the Road 4 South extension project, several grant applications; and an upcoming study session to review a valuation report on Prescott's water distribution system in the Town limits.

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 item 6a.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Consent Agenda item 6b.

Vote: 7 - 0 PASSED

- a) Consideration and possible action to approve the January 14, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)

Councilmember Hatch requested to modify the draft minutes, item 7d, by removing the reference to California in connection with a revoked corporate status.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve item 6a as amended.

Vote: 7 - 0 PASSED

- b) Consideration and possible action to approve Resolution No. 14-1022, disbanding the Town of Chino Valley Mayor's Ad Hoc Flood Control Committee, originally established by Resolution No. 11-973 on October 25, 2011.

7) **ACTION ITEMS**

- a) Consideration and possible action to approve Agreement to Provide Services/Supplies Pursuant to a Cooperative Purchasing Contract with Valley Collection Service, LLC. (Joe Duffy, Finance Director)

Recommended Action: Approve Agreement to Provide Services/Supplies Pursuant to a Cooperative Purchasing Contract with Valley Collection Service, LLC.

Mr. Duffy reported that:

- Staff was working to improve billing services and collections of delinquent accounts through updating software, updating policies and procedures, and contracting with a collection agency for those instances when the Town had exhausted all its available efforts.
- Staff proposed to hire Valley Collection Service, LLC to provide these services, as they had 31 years' experience and were used by numerous municipal entities in the state. The agency charged a flat rate fee of 15% of the amount collected on each account and they only charged for successful collections. They
- Staff proposed to use the cooperative purchasing provision in the procurement code to co-op on the City of Peoria's Request for Proposal. The Finance Committee reviewed the Contract on January 21, 2014.
- Staff will bring a new policy to Council related to the collection process before starting with the company.

Councilmember Hatch noted that an error in the contract had been corrected.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Agreement to Provide Services/Supplies Pursuant to a Cooperative Purchasing Contract with Valley Collection Service, LLC.

Vote: 7 - 0 PASSED

- b) Consideration and possible action regarding establishing a Mayor's Ad Hoc Recreational Committee to research land uses at Old Home Manor for recreational purposes. (Mayor Marley)

Recommended Action: Direction to staff.

Mayor Marley reported that during the January 14, 2014 meeting, while discussing development of the Chino Valley Shooting Range and a grant application for development of the 200-yard range, he commented on the possibility of forming a recreation committee to research land uses for recreational purposes at Old Home Manor. This committee could also discuss procedures for items such as large events, designating land for permanent uses, notifying businesses impacted by such uses, traffic circulation, neighborhood meetings, and emergency services.

Council commented that they should be informed about the financial impacts of such uses and that users should be responsible for notifying the public.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to allow the mayor to appoint an ad hoc Recreation Committee to research land uses at Old Home Manor for recreational purposes.

Vote: 7 - 0 PASSED

- c) Consideration and possible action regarding the Council Study Session schedule. (Mayor Marley)

Recommended Action: Direction to Staff

Mayor Marley reported that during the Council's strategic planning sessions, Councilmembers discussed designating one day per month as a "standing" study session to address detailed and/or long discussion items and to address further strategic planning issues. Staff had recently sent the Mayor and Council a questionnaire to solicit each Councilmember's preference.

Council discussed their preferences, which included holding study sessions on:

- first and third Thursdays, only if needed;
- the day as regular meetings, around 3:30 or 4:00 p.m.;
- second and fourth Thursdays; or
- third Tuesday of each month.

MOVED by Mayor Chris Marley, seconded by Councilmember Lon Turner to postpone the item until staff had the results of the survey.

Vote: 7 - 0 PASSED

- d) Consideration and possible action to amend the regular meeting agenda format by moving Executive Sessions after the Consent Agenda. (Mayor Marley)

Recommended Action: Direction to Staff.

Mayor Marley reported that he desired a discussion on possibly amending the regular meeting agenda format to place Executive Sessions after Consent Items and before Action Items for the following reasons:

- Executive sessions often went late into the night and after the public was no longer present to hear about critical action.
- Due to the late hour of some executive sessions, Council was addressing critical items while fatigued.
- Knowing that the public was waiting will encourage Council to stay on track.

Council discussed:

- Setting time limits on executive sessions and completing the session later if necessary
- Scheduling executive sessions before regular meetings when possible.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to move executive sessions right after the Consent Agenda on the Council agenda.

Vote: 6 - 1 PASSED

NAY: Councilmember Don Wojcik

- e) Consideration and possible action to approve a Resolution in support of the Owner Occupied Housing Rehabilitation Program and restoration of Housing Trust Funds (HTF) to the state budget..

Recommended Action: Authorize the Mayor to sign the resolution supporting the restoration of State Housing Trust Funds (HTF) and maintaining the current allocation of 2013 HOME funds to the Owner Occupied Housing Rehabilitation Program.

Ms. Mayday reported that:

- The Arizona Department of Housing was considering defunding the Owner Occupied Housing Rehabilitation Program and shifting the funds to construction of new rental housing for special populations. This shift will eliminate the housing rehabilitation program, which was one of the few programs available to small rural communities such as Chino Valley, as there was not enough demand for special population rental units in these areas to attract developers to invest in projects.
- Restoration of funding to the Housing Trust Fund would provide an additional funding stream for this program rather than depending solely on the state's HUD allocation.
- This Resolution will be sent to the legislature to inform them that the Town wanted those funding streams brought back.

Town Manager Smith commented that Ms. Mayday had invited the director of this state program to tour the Town and observe the Town's housing stock and its need for these funds.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to authorize the Mayor to sign the resolution supporting the restoration of State Housing Trust Funds (HTF) and maintaining the current allocation of 2013 HOME funds to the Owner Occupied Housing Rehabilitation Program.

Vote: 7 - 0 PASSED

8) EXECUTIVE SESSION

Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes:

- a) Pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation in the matter of Cortez v. Town of Chino Valley. (Mayor Marley)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best at 7:10 p.m. to take a 10-minute recess and then go into executive session.

Vote: 7 - 0 PASSED

9) ACTION ITEMS RESUMED

After the Executive Session, Council will reconvene the Regular Meeting.

Mayor Marley reconvened the regular meeting at 7:54 p.m.

- a) Consideration and possible action to approve the proposed agreement with Cortez Enterprises, Inc. in settlement of claims and contemplated litigation. (Mayor Marley)

Council took no action.

10) ADJOURNMENT

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to adjourn the meeting at 7:54 p.m.

Vote: 7 - 0 PASSED

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 28th day of January, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 25th day of February, 2014.

Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. c.**

Meeting Date: 02/11/2014
Contact Person: Cecilia Watts, General Services Director
 Phone: 928-636-2646 x-1202
Department: General Services
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to amend the Town of Chino Valley's Personnel Policy, Policy No. 1000 Performance Appraisals.

RECOMMENDED ACTION:

Approve amendment to Personnel Policy No. 1000 Performance Appraisals, dated September 12, 2002, by eliminating the words "based on their anniversary date" in Section IV. A (1).

SITUATION AND ANALYSIS:

The Town Council adopted the Town's Personnel Policy in September 2002. Performance Appraisals have traditionally been performed on an annual basis, usually on an employee's anniversary date.

When the layoffs and furloughs occurred in 2008 and 2009, employees were not able to receive any merit or cost of living wage adjustments. Supervisors throughout the Town were reluctant to perform appraisals when no wage increases were anticipated. This condition has persisted until the present.

Although it is unclear if the Town will have any funds available for any wage/merit increases for FY 2014/15, management has tasked all supervisors to perform appraisals this year on all employees. An evaluation program was designed where all employees will go through the appraisal process in the January / February 2014 timeframe, and all information turned into Human Resources by February 28, 2014.

Should there be any funds available for any increases, this timeframe allows the Finance Department ample time to perform analysis and modeling for incorporation into the 2014/15 budget cycle.

Current management would like the performance appraisals done on an annual basis, and would like to change the language in the personnel policy to incorporate this. It is anticipated that the timeframe for the appraisal process will remain as the January / February timeframe each budget year, so the language

in the policy should reflect that an annual review will take place, but not on the employee's anniversary date.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Perf Appraisals, Policy 1000

Policy No. 1000

September 12, 2002

Page 1 of 2

PERFORMANCE APPRAISAL

I. PURPOSE:

To provide a process by which the job performance of each employee is appraised for purposes of development, merit review and counseling.

II. SCOPE:

This policy applies to performance appraisal of regular and probationary period employees.

III. POLICY:

The employee performance appraisal process will be managed to accomplish the following objectives:

- A. To enhance individual employee performance and ensure effective business operations.
- B. To summarize both formal and informal performance discussions held with employees throughout the review period.
- C. To document performance areas in which employees do well and those areas which require improvement. To establish performance goals and plans to correct performance shortcomings.
- D. To link employee performance with merit increase considerations.

IV. PROCEDURE:

Each supervisor is responsible for setting and communicating clear performance standards for his or her employees throughout each review period. Each supervisor is also responsible to observe and discuss with his or her employees positive and negative aspects of their performance in relation to standards throughout the review period. On a regular basis, each supervisor is responsible to conduct formal performance appraisals on each subordinate employee summarizing past discussions and setting performance goals.

Policy No. 1000
September 12, 2002
Page 2 of 2

- A. Timing.
1. Regular employees will receive at least one performance appraisal annually.
 2. Newly hired employees will be appraised at least once during their probationary period.
 3. The Personnel Director will maintain a system to assist the department head to complete performance appraisals on time. The timely processing of performance appraisals is one of the most important management responsibilities of the supervisor.
- B. Approvals. Performance appraisals must be reviewed and approved by the department head before a supervisor may discuss and review the performance appraisal with the employee.
- C. Performance Appraisal Discussion. Supervisors will hold a discussion with the employee regarding each performance appraisal. The discussion should be held at a prearranged time in a private location free from interruptions.
- D. Employee Signature. The employee will be asked to comment on the appraisal and acknowledge it by signing the form. He or she will then be given a copy of the signed appraisal. If the employee declines to sign the form, he or she should be encouraged to discuss any concerns and perhaps write a rebuttal. If the employee still declines to sign the appraisal, the supervisor should write 'employee declined to sign' at the bottom of the form, add his or her initials and the date, and give the employee a copy of the appraisal. The supervisor should then notify his or her department head of the situation.



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. d.**

Meeting Date: 02/11/2014
Contact Person: Ruth Mayday, Planner
 Phone: 928-636-4427 x-1217
Department: Development Services
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: 989 W. Center Street

AGENDA ITEM TITLE:

Consideration and possible action to approve Ordinance No. 14-780, terminating a Conditional Use Permit for the former Teapot Inn, a bed and breakfast, in the "SR-1" (Single Family Residential - 1 Acre Minimum) zoning district, addressed as 989 West Center Street, and identified as Assessor's Parcel Number 306-29-025B.

RECOMMENDED ACTION:

Approve Ordinance No. 14-780, terminating the Conditional Use Permit for the former Teapot Inn.

SITUATION AND ANALYSIS:

On January 13, 2014 Staff received a request from Bennett Caudle of Stone Capital Investments LLC, owner of record for the property located at 989 West Center Street, to extinguish the Conditional Use Permit made effective upon the approval and adoption of Ordinance 04-590 on October 14, 2004.

Mr. Caudle has a buyer for the property; however, the buyer cannot get financing for the house as a single family residential property with the CUP in place. As a result, the owner has requested that the CUP be extinguished so that the property can return to a non-commercial status.

The subject property is currently zoned SR-1 (Single Family Residential; 1 Acre Minimum). It is comprised of a residential structure built in the 1920's and associated structures typically found in a rural residential setting. Because the underlying zoning district has not changed and the use is reverting to Single Family rather than Commercial, staff recommends approving the extinguishment of the Conditional Use Permit.

Fiscal Impact

Fiscal Impact?: None

If Yes, Budget Code:

Available:

Funding Source:

No Fiscal Impact

Attachments

Ordinance 14-780

ORDINANCE NO. 14-780

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, TERMINATING A CONDITIONAL USE PERMIT ON YAVAPAI COUNTY ASSESSOR'S PARCEL NUMBER 306-29-025B TO OPERATE A BED & BREAKFAST IN THE "SR-1" (SINGLE FAMILY RESIDENTIAL - 1 ACRE MINIMUM) ZONING DISTRICT; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR SEVERABILITY

WHEREAS, the Mayor and Common Council of the Town of Chino Valley approved Ordinance No. 04-590 on October 14, 2004 granting a Conditional Use Permit on Yavapai County Assessor's Parcel Number 306-29-025B (the "Property") to operate a Bed & Breakfast in the "SR-1" (Single Family Residential – 1 acre minimum) zoning district; and

WHEREAS, the owner of the Property no longer wishes to operate a Bed & Breakfast on the Property and has filed a written request with the Development Services Department to terminate the Conditional Use Permit; and

WHEREAS, the Town Council finds that the Town's interests would not be impaired by terminating the Conditional Use Permit;

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

Section 1. In General.

The Conditional Use Permit to operate a Bed & Breakfast in the "SR-1" (Single Family Residential – 1 Acre Minimum) zoning district, granted and issued pursuant to Ordinance No. 04-590 for Yavapai County Assessor's Parcel Number 306-29-025B, as legally described in Exhibit A and depicted in Exhibit B, which exhibits are attached hereto and incorporated herein by this reference, is hereby terminated and said Bed & Breakfast Use shall no longer be permitted on this Property.

Section 2. Providing for Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance or any part of the Code adopted herein by reference, are hereby repealed.

Section 3. Providing for Severability.

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

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 11th day of February, 2014 by the following vote:

AYES: _____

ABSENT: _____

NAYS: _____

ABSTAINED: _____

APPROVED this 11th day of February, 2014.

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
Town Attorneys
By: Phyllis L.N. Smiley

The following exhibits are attached hereto and incorporated herein:

1. Legal Description
2. Site Depiction



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. e.**

Meeting Date: 02/11/2014
Contact Person: Chuck Wynn, Police Chief
 Phone: 928-636-2646 x-1258
Department: Police
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve Agreements for Towing Services between the Town of Chino Valley and the following Tow Service Providers: ACT Towing, Custom Towing, TNT Towing and Tri-City Towing.

RECOMMENDED ACTION:

Approve the individual Agreements for Towing Services between the Town of Chino Valley and ACT Towing, Custom Towing, TNT Towing and Tri-City Towing.

SITUATION AND ANALYSIS:

The Police Department's Tow Services Agreements expired June 6, 2013. Having agreements with the Tow Providers is standard practice for law enforcement agencies in the area. There is no law requiring an agreement. The Police Department has updated this agreement with input from the Town Attorney and the Rotational Tow Providers. The Town Attorney requested we create a specific contract for each Tow Provider. The agreements are identical except for the names of the tow companies and their listed contact name. The revised agreement form includes more detailed instructions on how to handle vehicles impounded pursuant to ARS 28-3511 that are not claimed by the owner or other interested person and are released by the Police Department to the Tow Providers after the 30-day impound period.

The revised agreement form also now includes a requirement for the tow impound yards to provide an on-site staff person and to allow only one tow company per impound yard.

The Agreement has been reviewed and approved as to form by the Town's legal counsel.

All local Tow Providers were given a copy of the agreement and had an opportunity for an inspection. The following Tow Providers met the requirements and have signed agreements: ACT Towing, Custom Towing, TNT Towing and Tri-City Towing.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Tow Agreement

ACT Towing Signed Contract

Custom Towing Signed Contract

TNT Towing Signed Contract

Tri-City Towing Signed Contract

AGREEMENT FOR TOWING SERVICES

Contract No. _____

THIS Agreement is entered into as of this ____ day of _____, 20____, by and between the Town of Chino Valley, Arizona, a municipal corporation, hereinafter referred to as "Town" and _____, hereinafter referred to as the "Contractor."

FOR THE PURPOSE of providing towing services for the Town of Chino Valley on a rotational basis, Town and Contractor do hereby mutually agree to the following:

1. SERVICES AND RESPONSIBILITIES

1.1 Retention of Contractor. In consideration of the mutual promises contained in this Agreement, Town engages Contractor to render services set forth herein, in accordance with all the terms and conditions contained in this Agreement.

1.2 Scope of Services. Contractor shall do, perform and carry out in a satisfactory and proper manner, as determined by Town, the services set forth in this Agreement, including all exhibits ("Services"). The specific scope of work and additional requirements of this Agreement are set forth in Exhibit A.

1.3 Responsibility of Contractor.

1.3.1 Contractor shall comply with applicable ordinances, laws and regulations, including those governing towing.

1.3.2 Contractor shall procure and maintain during the course of this Agreement insurance coverage required by Paragraph 4 of this Agreement.

1.3.3 Contractor shall designate _____ as his Contractor Representative and all communications shall be directed to him.

1.3.4 Contractor shall obtain its own legal, insurance and financial advice regarding Contractor's legal, insurance and financial obligations under this Agreement.

1.3.5 Contractor shall coordinate its activities with Town's Representative and submit its reports to Town's Representative.

1.3.6 Contractor shall provide, pay for and insure under the requisite laws and regulations of Chino Valley, Arizona and the United States, all labor, materials, equipment, transportation, and other facilities and services necessary for the proper execution and completion of the Services.

1.3.7 Contractor shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. Contractor shall pay all applicable taxes.

1.3.8 Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Services.

1.3.9 Contractor shall maintain, separate from any other entity on the Town's rotational towing list, its business address, storage yard address and tow trucks.

1.4 Responsibility of Town.

1.4.1 Town shall cooperate with Contractor by placing at its disposal all available information concerning the Services.

1.4.2 Town designates Lt. Vincent Schaan as its Town Representative. All communications to Town shall be through its Town Representative.

1.4.3 Nothing in this Agreement shall be construed to provide an exclusive contract for services with Contractor for the Services. Town shall be free to enter into similar agreements with other qualified contractors and to use the contractors on a rotational basis, at the Town's discretion.

1.5 Contract Term; Renewal.

1.5.1 The Contract commences upon execution of the Contract by both parties and continues through June 30, 2016. The Contract may be renewed for up to two (2) additional one-year terms upon mutual agreement of the parties.

2. COMPENSATION AND METHOD OF PAYMENT

2.1 Compensation. Town shall not be responsible for payment of any fees or charges of Contractor for the Services or for any costs incurred by Contractor. Contractor's sole compensation for the performance of the Services shall be from fees and charges collected from owners of vehicles towed pursuant to this Agreement. The fees charged shall be consistent with the rates established by Town pursuant to A.R.S. § 9-499.05(A) or reasonable fees if none are set by Town. A copy of the Town's current fees at the time of execution of this Agreement is attached hereto as Exhibit B. Town reserves the right to revise its approved fees at any time, with or without notice to Contractor.

3. INSURANCE REPRESENTATIONS AND REQUIREMENTS

3.1 General. Contractor agrees to comply with all Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town. Failure to maintain insurance as specified may result in termination of this Agreement at Town's option.

3.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town does not represent that coverage and limits will be adequate to protect Contractor. Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

3.3 Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

3.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by Town, unless specified otherwise in this Agreement.

3.5 Primary Insurance. Contractor's insurance shall be primary insurance as respects performance of subject contract and in the protection of Town as an Additional Insured.

3.6 Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

3.7 Waiver. All policies, including Workers' Compensation Insurance, shall contain a waiver of rights of recovery (subrogation) against Town, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

3.8 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage, which contain deductibles or self insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to Town. Contractor shall be solely responsible for any such deductible or self insured retention amount. Town, at its option, may require Contractor to secure payment of such deductible or self insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

3.9 Evidence of Insurance. Prior to commencing any Services under this Agreement, Contractor shall furnish Town with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Contractor's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions, and limits of coverage specified in this Agreement, and that such coverage and provisions are in full force and effect. Acceptance and reliance by Town on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to the Town Manager. If any of the above cited policies expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

3.9.1 Town, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

- a. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent.
- b. Auto Liability-Under ISO Form CA 20 48 or equivalent.
- c. Excess Liability-Follow Form to underlying insurance.

3.9.2 Contractor's insurance shall be primary insurance as respects performance of this Agreement.

3.9.3 All policies, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by Contractor under this Agreement.

3.9.4 Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

3.10 Required Coverage:

3.10.1 Commercial General Liability: Contractor shall maintain "occurrence" from Commercial Liability Insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including, but not limited to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or

equivalent, which shall read “Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of “your work” for that insured by or for you”. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

3.10.2 Vehicle Liability: Contractor shall maintain Business Automobile Liability Insurance with a combined single limit of \$1,000,000 and not less than \$100,000 for property damage each occurrence on Contractor’s owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor’s Services under this Agreement. In addition, Contractor shall maintain On Hook/Cargo coverage with a minimum \$50,000 limit. Coverage will be at least as broad as Insurance Services Office, Inc., coverage code “1” any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

3.10.3 Workers’ Compensation Insurance: Contractor shall maintain Workers’ Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor’s employees engaged in the performance Services under this Agreement, and shall also maintain Employer Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

3.10.4 Garage Keepers Coverage: Contractor shall maintain Garage Keepers coverage in an amount deemed by Contractor to be adequate and shall provide Town with proof of said coverage.

3.10.5 On Hook/Cargo Coverage: Contractor shall maintain On Hook/Cargo coverage in an amount not less than \$50,000.

4. INDEMNIFICATION

4.1 To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless Town, its agents, officers, officials and employees from and against all demands, claims, proceedings, suits, damages, losses and expenses (including, but not limited to, attorney fees, court costs, and the cost of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, Services caused by the Contractor, its agents, employees or any tier of Contractor’s subcontractors related to the Services in the performance of this Agreement. Contractor’s duty to defend, hold harmless and indemnify Town, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting therefrom,

caused by Contractor's acts, errors, mistakes, omissions, Services in the performance of this Agreement, including any employee of the Contractor, any tier of Contractor's subcontractor or any other person for whose acts, errors, mistakes, omissions, Services the Contractor may be legally liable, including Town. Such indemnity does not extend to Town's negligence.

4.2 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

5. TERMINATION OF THIS AGREEMENT

5.1 Termination. Town may, by written notice to Contractor, terminate this Agreement in whole or in part with seven (7) days' notice, either for Town's convenience or because of Contractor's failure to fulfill its contract obligations. Upon receipt of such notice, Contractor shall immediately discontinue all services affected (unless the notice directs otherwise). This Agreement may be terminated in whole or in part by Contractor in the event of substantial failure by Town to fulfill its obligations.

6. ASSURANCES

6.1 Litigation. Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this Agreement, all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party.

6.2 Independent Contractor. This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that Contractor will be an independent contractor and not Town's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Internal Revenue Code, the Immigration and Naturalization Act, Arizona revenue and taxation laws, Arizona Workers' Compensation Law, and Arizona Unemployment Insurance Law. Contractor agrees that it is a separate and independent enterprise from Town, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Contract shall not be construed as creating any joint employment relationship between the Contractor and Town, and Town will not be liable for any obligation incurred by Contractor, including, but not limited to, unpaid minimum wages and/or overtime premiums. [FOR SOLE PROPRIETORS ONLY: The Contractor shall execute the Sole Proprietor's Waiver of Workers' Compensation Benefits attached hereto and incorporated by reference.]

6.3 Immigration Law Compliance Warranty. As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an

employee, Contractor verifies the employment eligibility of the employee through the E-Verify program. If Contractor uses any subcontractors in performance of the Work, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Contractor is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. Town, at its option, may terminate the Contract after the third violation. Contractor shall not be deemed in material breach of this Contract if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). Town retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.

6.4 Equal Treatment of Workers. Contractor shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the Services. Contractor shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to, laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration (“OSHA”) and the Fair Labor Standards Act (“FLSA”). Contractor shall protect and indemnify Town and its representatives against any claim or liability arising from or based on the violation of such, whether by Contractor or its employees.

6.5 Sole Agreement. There are no understandings or agreements except as herein expressly stated.

6.6 Notices. Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

TOWN:

CONTRACTOR:

Town Manager
Town of Chino Valley
202 North State Route 89
Chino Valley, Arizona 86323

The address may be changed from time to time by either party by serving notices as provided above.

6.7 Controlling Law. This Agreement is to be governed by the laws of the State of Arizona.

7. INTERESTS AND BENEFITS

7.1 Interest of Contractor. Contractor covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

7.2 Interest of Town Members and Others. No officer, member or employee of Town and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

7.3 Notice Regarding A.R.S. § 38-511. This Contract is subject to cancellation under Section 38-511, Arizona Revised Statutes.

8. ASSIGNABILITY

The Contractor shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of Town thereto.

IN WITNESS WHEREOF, Chino Valley and Contractor have executed this Agreement as of the date first written.

TOWN OF CHINO VALLEY

By: _____
Chris Marley, Mayor

ATTEST:

By: _____
Jami, Town Clerk

APPROVED AS TO FORM:

By: _____
Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
Town Attorneys

Phyllis L.N. Smiley, Esq.

CONTRACTOR

By: _____
Its: _____

EXHIBIT A SCOPE OF WORK

Contractor shall provide towing services (“Services”) as requested by the Town including removal of disabled vehicles from accident scenes, vehicles that constitute traffic hazards, vehicles that may be evidence of a crime, and/or any other vehicle towed in accordance with any state statute or Town of Chino Valley ordinance. Contractor shall provide the Services in accordance with the following:

1. Vehicle Identification

Each vehicle used for towing shall have the towing company (Contractor’s) name painted on driver and passenger sides of the vehicle in lettering at least three-inches (3”) in height and shall display the current Arizona Department of Public Safety inspection seal.

Rates for Services shall be posted in all tow trucks.

2. Information to be Provided by Contractor to Person Responsible for Towed Vehicle

a. Each vehicle shall contain business cards for the Contractor that the Contractor’s employee shall distribute to every person responsible for a vehicle being towed. The business cards shall include the following information:

- Name, address, and telephone number of the company;
- Hours of operation; and
- Telephone number for after-hour releases of vehicles.

b. Each vehicle shall contain brochures listing rates and terms of this Agreement and clear instructions with contact information for retrieval of the vehicle that shall be provided to the owner, operator or person responsible for the vehicle being towed.

3. Equipment

All vehicles used for towing shall:

- Be equipped with proper equipment to comply with A.R.S. § 28-1108 and prevent damage to towed vehicles. This equipment includes, but is not limited to: dollies, chains, slings, and bumpers.
- Have the necessary equipment to clean accident scenes including, but not limited to: brooms, shovels, and sand or appropriate absorbent material. An appropriate absorbent material shall be used when conditions exist that sand does not adequately absorb spilled liquids/material.
- Have a functioning two-way radio system with 24-hour dispatching.

Contractor shall have, at a minimum, the following vehicles, at least one of which is classified as a Medium or Heavy-Duty Wrecker, available at all times:

- One power-operated wrecker
- One rollback wrecker in good and serviceable condition

Prior to Contractor being placed on the rotational list pursuant to this Agreement, the Chino Valley Police Department (“CVPD”) shall inspect and approve the equipment and facilities to be used by Contractor in providing the Services. Contractor shall notify the CVPD in writing prior to any change or substitution of the equipment or facilities. If prior notice is not possible due to emergency situations, written notice within ten (10) days of any change is required.

4. Storage Facilities

Storage facilities shall be located within the corporate limits of the Town of Chino Valley. Storage facilities shall meet all municipal and/or county zoning requirements for the area in which they are located and said locations shall be on record with the CVPD. Storage facilities shall be owned or leased for use by the Contractor. Proof of ownership or lessee status must be provided with the application.

Vehicles shall be taken directly to the Contractor’s storage facility unless the tow driver is advised differently by the CVPD or the owner or driver of the vehicle.

The storage facility shall not be located within a wrecking yard that is in the business of dismantling vehicles.

Contractor shall provide a fenced storage area with a secure fence at least six feet (6’) in height plus outwardly slanted 3-strand (or greater) barbed or razor wire and must comply with the requirements of the Chino Valley Town Code and Unified Development Ordinance.

The storage area shall be lit with at least 7.4 lumen light output level of electrical light for each square foot of storage area.

Storage facilities shall have a controlled access point and be locked when unattended. Contractor shall be responsible for the safekeeping of vehicles stored and for the items and personal property in the stored vehicles. Vehicles shall not be stored at any location other than those on record with the CVPD.

Vehicles shall not be removed from the initial storage yard for a period of fifteen (15) calendar days unless requested by the owner or authorized agent. If, after a period of fifteen (15) calendar days, instructions have not been received from an owner or authorized agency, Contractor may remove the vehicle to an alternate storage lot outside the Town boundaries that meets the security requirements listed above. Removal to an alternate lot shall not result in any additional charge to the vehicle owner.

Persons whose vehicles are stored or have been impounded for reasons other than evidentiary purposes shall have the right to remove any personal property, perishables, or valuables prior to the release or payment of impound fees of a vehicle stored in Contractor's lot (excluding items attached to the vehicle; e.g., stereo equipment, etc.). All storage fees shall be assessed against the vehicle/owner and not against personal property.

5. Personnel

Contractor shall have sufficient qualified personnel available for the operation of its vehicles at all times.

All drivers shall have a current State of Arizona driver's license, with proper class, endorsements and medical qualifications.

Drivers shall refrain from using profane and vulgar language in a public area while performing work for the CVPD.

Contractor's drivers, owners, and operators shall not solicit or suggest a repair facility to the owner or driver of a damaged vehicle.

All drivers shall operate the vehicle used for towing in a safe and prudent manner and shall obey all traffic laws, ordinances and other applicable laws at all times.

Drivers shall wear a safety vest any time they are in a roadway, including while hooking up vehicles to be towed and when cleaning debris from the scene.

Contractor shall be fully responsible for drivers' actions.

Contractor's personnel shall treat customers whose vehicles have been towed on behalf of CVPD in a manner consistent with the Town's expectations of proper customer service.

6. Availability

Contractor shall have a staff member on-site its storage facility to assist customers, at a minimum, during Normal Business Hours. "Normal Business Hours" as that term is used in this Agreement, shall mean from 8:00 a.m. to 5:00 p.m. every day except:

- Saturday
- Sunday
- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving

- Christmas Day

At all other times, Contractor shall have a telephone number prominently posted at its storage location for after-hours release of vehicles. The after-hours telephone number shall be answered and responded to at all times, so that vehicles may actually be released after regular business hours, if necessary. Contractor shall maintain with CVPD an emergency phone number to facilitate release of a vehicle.

7. Response to Requests for Service

Contractor shall provide the Services set forth in this Agreement and respond to requests for service twenty-four (24) hours a day, every calendar day of the year.

Contractor shall not designate or send another company to substitute for it when called by the CVPD.

Upon receiving a request for Service, Contractor shall be responsible for dispatching its own truck.

Contractor shall tow the requested vehicle regardless of its condition or value.

Response time to the designated site shall not be more than twenty (20) minutes, on average, from the time of the request from CVPD. Appropriate staffing shall be in place to accommodate this response 24 hours a day. Average response times will be determined by adding all recent consecutive response times of Contractor (up to a limit of the fifteen most recent responses) and dividing by the number of responses.

Failure to respond to a request for service within 20 minutes may result in: (1) suspension of Contractor from the rotational list; (2) Contractor being placed at the bottom of the rotational list; or (3) cancellation of this Agreement, at the discretion of Town. Extenuating circumstances for delays, including but not limited to weather, severe traffic backup due to crash, additional accidents, may be taken into consideration by Town in its decision to take any action occasioned by Contractor's failure to respond within 20 minutes.

Each call to Contractor shall constitute one turn on the rotational list. After each call, Contractor shall be placed at the bottom of the rotation. Contractor shall forfeit its turn and be moved to the bottom of the list if: (1) Contractor fails to answer its telephone; or (2) Contractor is unable to respond or provide service; or (3) the call is cancelled due to excessive response time.

8. Release/Retention of Vehicles

When a Chino Valley Police officer instructs Contractor to tow a vehicle pursuant to A.R.S. § 28-3511, Contractor shall deliver said vehicle to the Town's storage yard located at _____, Chino Valley, Arizona. (See Paragraph 15 for additional requirements related to vehicles towed pursuant to A.R.S. § 28-3511).

It shall be Contractor's sole responsibility to determine that the vehicle is being released to the actual owner or authorized agent and shall not release a vehicle unless and until the owner or authorized agent has provided Contractor with a copy of the owner or authorized agent's valid driver's license, proof of insurance and current registration for the vehicle.

9. Business Licensing

Contractor shall maintain required state and Town licenses for the operation of its business within the Town of Chino Valley.

10. Compliance With State and Local Laws

Contractor shall at all times remain in compliance with all federal, state, and local laws relating to the operation of tow companies, including but not limited to, laws regarding reporting requirements on towed vehicles to federal, state, and local agencies.

Contractor shall submit all necessary reports to the Arizona Department of Transportation as required by A.R.S. §§ 28-4801 through 28-4884 *et al.* and any subsequent amendments thereto.

11. Records

Contractor shall maintain a record for one year on each vehicle towed by CVPD request. The record shall contain, at minimum, the following information:

- Location where the vehicle was picked up
- Location where the vehicle was taken (and other storage locations as applicable)
- Date and time of the pick up
- Date and time of release
- Name and address of the individual to whom the vehicle was released
- Make, model, and year of the vehicle
- License plate number and state of issue
- Vehicle identification number

If the vehicle is sold at auction, Contractor shall document, in writing, the date of auction, and the name and address of the person purchasing the vehicle at auction.

Contractor shall maintain records of itemized tow and storage billing statements.

Upon reasonable notice, Contractor shall permit during normal business hours:

- inspection of the vehicles and records required to be kept by this Agreement; and
- inspection of the storage facilities by any member of the CVPD; and

- audit of the records required to be kept by this Agreement at its place of business.

Within ten (10) days after release of a vehicle, Contractor shall notify YCSO Dispatch via facsimile at 928-771-3260.

12. Fees

Contractor shall not bill CVPD for any fees received from an individual owner of a towed vehicle. If Contractor receives any fees from an owner of a towed vehicle that has been billed to and/or paid by the CVPD, Contractor shall immediately remit such amounts to the CVPD.

13. Site Cleanup

Contractor shall be responsible for debris cleanup at the scene of accidents, including all vehicle parts, broken glass, dirt, sand and any other matter left in the roadway as a result of an accident. Contractor is responsible for retention of and/or appropriate disposal of accident debris. Failure to adequately cleanup a roadway may result in the driver or company being issued a citation or being charged pursuant to A.R.S. § 28-898 or § 28-7056 and possible removal of Contractor from the rotational tow list.

14. Cancellation of Tow Service Request

After Contractor has received a request for Service, CVPD may cancel the request at any time. If the request for cancellation is made prior to any portion of Contractor's equipment being physically attached to the vehicle to be towed, Contractor shall not charge for the Service. If this request is made subsequent to any portion of the tow vehicle's equipment being physically attached to the vehicle to be towed, Contractor may charge for the Service even if the vehicle is **not actually towed**.

15. Vehicles Towed Pursuant to A.R.S. § 28-3511.

The requirements set forth in this section apply only to vehicles towed pursuant to a request from a peace officer to remove and either immobilize or impound a vehicle pursuant to the provisions of A.R.S. § 28-3511.

Upon request from CVPD to tow a vehicle pursuant to A.R.S. §28-3511, Contractor shall tow, not drive, the vehicle to the Town's Storage Yard, located at _____, Chino Valley, AZ (the "Yard"). CVPD shall be liable for the vehicle and its contents while the vehicle is impounded at the Yard.

Contractor shall submit a written invoice to CVPD at the time of delivery for each vehicle it tows to the Yard. CVPD shall retain the invoice and, if a hearing is held and the vehicle released, collect the towing fee from the vehicle owner. Town shall notify Contractor of the release of the vehicle and shall remit Contractor's towing fee to Contractor within one month of collection.

If a vehicle is not released within 30 days of impoundment, Town shall contact Contractor and Contractor shall tow the vehicle to Contractor's storage facilities within one

business day of such notice without charge to Town. If the owner subsequently contacts Contractor requesting release of the vehicle, Contractor shall advise the vehicle owner of the requirement for a hearing. If a hearing is held, Town will collect its hearing fee and impound fees and notify Contractor that the vehicle is available for release. It is the responsibility of Contractor to collect its towing fees and any other impound fees incurred after removal from the Yard. Town is not responsible and will not pay towing fees for any vehicle that is not claimed by the owner and subsequently picked up by Contractor.

For any vehicle towed pursuant to A.R.S. § 28-3511 which Contractor obtains possession of (either through receipt of abandoned vehicle title or by virtue of the owner transferring title to Contractor), prior to disposing of the vehicle, Contractor shall provide CVPD with the following information:

- A complete description of the vehicle
- VIN number
- Department Report Number
- a clear copy of the title (front and back).

Upon receipt of this information, CVPD shall prepare a letter authorizing Contractor to take possession of the vehicle and dispose of it in compliance with A.R.S. § 28-3515.

EXHIBIT B**SERVICE RATE FEE SCHEDULE****AS OF _____, 2013****(Subject to Change)**

<i>Type of Service</i>	<i>Tasks Included</i>	<i>Fee</i>
Level 1 Service	Unlock Fuel Delivery (customer pay for fuel) Tire Change (up to ¾ ton) Jump Starts	\$ 55.00
Level 2 Tow*	Basic tow: Vehicle has keys; Wheels and tires operable. Vehicle under 9,000 lb GVW.	\$ 95.00
Level 3 Tow*	Accident tow: No keys; Wheels and tires inoperable; Winching under 50 feet from tow truck access. Vehicle under 9,000 lb GVW.	\$185.00
Level 4 Tow	Vehicles towed pursuant to A.R.S. § 28-3511; Vehicles towed as requested by CVPD	\$ 200.00
Large Vehicle Tows	9,001 – 16,000 lb GVW 16,001 – 26,000 lb GVW 26,001 – 80,000 lb GVW	\$ 95.00/hr port to port \$ 135.00/hr port to port \$ 175.00/hr port to port
Off-Road Recovery Rate/ Standby Rate***	After first ½ hour on scene or vehicle greater than 50 feet from tow truck access, Vehicle under 9,000 GVW	\$ 95.00
Recovery, Large Vehicles	9,001 – 16,000 lb GVW 16,001 – 80,000 lb GVW	\$ 150.00/hr \$ 250.00/hr
Daily Storage	Regular tow after first full 24-hour period	\$ 30.00
Daily Storage	Vehicles impounded pursuant to A.R.S. § 28-3511	\$ 15.00
After Hours Gate Fee**		\$ 65.00
Cost per loaded mile		\$ 4.50
Filing Fee		Not to exceed \$150.00
Fuel Surcharge	Rate will be recalculated based on EIA rates if diesel prices rise to \$4.50 per gal. or higher	15% of total service bill

* Level 2 and 3 tows include towing the vehicle inside the boundaries of the Town of Chino Valley. When the vehicle owner or agent requests vehicle be towed to a location outside the Town limits, "Cost per loaded mile" may be charged from the Town limits to the requested destination.

** After Hours Gate Fee will be charged only when the owner or agent of a vehicle requests entrance to the impound facility after normal business hours. It will not be charged when a tow is performed outside normal business hours.

*** Off-road Recovery fee will be charged only when a vehicle has to be recovered more than 50 feet from tow truck access and will be charged at the rate commensurate with the vehicle's registered GVW.

No other miscellaneous charges are allowed. These services shall be considered to be part of the towing fee and include, but are not limited to, such things as Snatch Block, Skates, no key, driveshaft removal, etc.

AGREEMENT FOR TOWING SERVICES

Contract No. _____

THIS Agreement is entered into as of this _____ day of _____, 20____, by and between the Town of Chino Valley, Arizona, a municipal corporation, hereinafter referred to as "Town" and A Country Trailer (ACT) Towing, hereinafter referred to as the "Contractor."

FOR THE PURPOSE of providing towing services for the Town of Chino Valley on a rotational basis, Town and Contractor do hereby mutually agree to the following:

1. SERVICES AND RESPONSIBILITIES

1.1 Retention of Contractor. In consideration of the mutual promises contained in this Agreement, Town engages Contractor to render services set forth herein, in accordance with all the terms and conditions contained in this Agreement.

1.2 Scope of Services. Contractor shall do, perform and carry out in a satisfactory and proper manner, as determined by Town, the services set forth in this Agreement, including all exhibits ("Services"). The specific scope of work and additional requirements of this Agreement are set forth in Exhibit A.

1.3 Responsibility of Contractor.

1.3.1 Contractor shall comply with applicable ordinances, laws and regulations, including those governing towing.

1.3.2 Contractor shall procure and maintain during the course of this Agreement insurance coverage required by Paragraph 4 of this Agreement.

1.3.3 Contractor shall designate Larry Espey as his Contractor Representative and all communications shall be directed to him.

1.3.4 Contractor shall obtain its own legal, insurance and financial advice regarding Contractor's legal, insurance and financial obligations under this Agreement.

1.3.5 Contractor shall coordinate its activities with Town's Representative and submit its reports to Town's Representative.

1.3.6 Contractor shall provide, pay for and insure under the requisite laws and regulations of Chino Valley, Arizona and the United States, all labor, materials, equipment, transportation, and other facilities and services necessary for the proper execution and completion of the Services.

1.3.7 Contractor shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. Contractor shall pay all applicable taxes.

1.3.8 Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Services.

1.3.9 Contractor shall maintain, separate from any other entity on the Town's rotational towing list, its business address, storage yard address and tow trucks.

1.4 Responsibility of Town.

1.4.1 Town shall cooperate with Contractor by placing at its disposal all available information concerning the Services.

1.4.2 Town designates Lt. Vincent Schaan as its Town Representative. All communications to Town shall be through its Town Representative.

1.4.3 Nothing in this Agreement shall be construed to provide an exclusive contract for services with Contractor for the Services. Town shall be free to enter into similar agreements with other qualified contractors and to use the contractors on a rotational basis, at the Town's discretion.

1.5 Contract Term; Renewal.

1.5.1 The Contract commences upon execution of the Contract by both parties and continues through June 30, 2016. The Contract may be renewed for up to two (2) additional one-year terms upon mutual agreement of the parties.

2. COMPENSATION AND METHOD OF PAYMENT

2.1 Compensation. Town shall not be responsible for payment of any fees or charges of Contractor for the Services or for any costs incurred by Contractor. Contractor's sole compensation for the performance of the Services shall be from fees and charges collected from owners of vehicles towed pursuant to this Agreement. The fees charged shall be consistent with the rates established by Town pursuant to A.R.S. § 9-499.05(A) or reasonable fees if none are set by Town. A copy of the Town's current fees at the time of execution of this Agreement is attached hereto as Exhibit B. Town reserves the right to revise its approved fees at any time, with or without notice to Contractor.

3. INSURANCE REPRESENTATIONS AND REQUIREMENTS

3.1 General. Contractor agrees to comply with all Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer)

with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town. Failure to maintain insurance as specified may result in termination of this Agreement at Town's option.

3.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town does not represent that coverage and limits will be adequate to protect Contractor. Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

3.3 Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

3.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by Town, unless specified otherwise in this Agreement.

3.5 Primary Insurance. Contractor's insurance shall be primary insurance as respects performance of subject contract and in the protection of Town as an Additional Insured.

3.6 Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

3.7 Waiver. All policies, including Workers' Compensation Insurance, shall contain a waiver of rights of recovery (subrogation) against Town, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

3.8 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage, which contain deductibles or self insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to Town. Contractor shall be solely responsible for any such deductible or self insured retention amount. Town, at its option, may require Contractor to secure payment of such

deductible or self insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

3.9 Evidence of Insurance. Prior to commencing any Services under this Agreement, Contractor shall furnish Town with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Contractor's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions, and limits of coverage specified in this Agreement, and that such coverage and provisions are in full force and effect. Acceptance and reliance by Town on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to the Town Manager. If any of the above cited policies expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

3.9.1 Town, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

- a. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent.
- b. Auto Liability-Under ISO Form CA 20 48 or equivalent.
- c. Excess Liability-Follow Form to underlying insurance.

3.9.2 Contractor's insurance shall be primary insurance as respects performance of this Agreement.

3.9.3 All policies, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by Contractor under this Agreement.

3.9.4 Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

3.10 Required Coverage:

3.10.1 Commercial General Liability: Contractor shall maintain "occurrence" from Commercial Liability Insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including, but not limited

to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you". If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3.10.2 Vehicle Liability: Contractor shall maintain Business Automobile Liability Insurance with a combined single limit of \$1,000,000 and not less than \$100,000 for property damage each occurrence on Contractor's owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's Services under this Agreement. In addition, Contractor shall maintain On Hook/Cargo coverage with a minimum \$50,000 limit. Coverage will be at least as broad as Insurance Services Office, Inc., coverage code "1" any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3.10.3 Workers' Compensation Insurance: Contractor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance Services under this Agreement, and shall also maintain Employer Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

3.10.4 Garage Keepers Coverage: Contractor shall maintain Garage Keepers coverage in an amount deemed by Contractor to be adequate and shall provide Town with proof of said coverage.

3.10.5 On Hook/Cargo Coverage: Contractor shall maintain On Hook/Cargo coverage in an amount not less than \$50,000.

4. INDEMNIFICATION

4.1 To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless Town, its agents, officers, officials and employees from and against all demands, claims, proceedings, suits, damages, losses and expenses (including, but not limited to, attorney fees, court costs, and the cost of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, Services caused by the Contractor, its agents, employees or any tier of Contractor's subcontractors related to the Services in the performance of this Agreement. Contractor's duty to defend, hold harmless and

indemnify Town, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting therefrom, caused by Contractor's acts, errors, mistakes, omissions, Services in the performance of this Agreement, including any employee of the Contractor, any tier of Contractor's subcontractor or any other person for whose acts, errors, mistakes, omissions, Services the Contractor may be legally liable, including Town. Such indemnity does not extend to Town's negligence.

4.2 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

5. TERMINATION OF THIS AGREEMENT

5.1 Termination. Town may, by written notice to Contractor, terminate this Agreement in whole or in part with seven (7) days' notice, either for Town's convenience or because of Contractor's failure to fulfill its contract obligations. Upon receipt of such notice, Contractor shall immediately discontinue all services affected (unless the notice directs otherwise). This Agreement may be terminated in whole or in part by Contractor in the event of substantial failure by Town to fulfill its obligations.

6. ASSURANCES

6.1 Litigation. Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this Agreement, all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party.

6.2 Independent Contractor. This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that Contractor will be an independent contractor and not Town's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Internal Revenue Code, the Immigration and Naturalization Act, Arizona revenue and taxation laws, Arizona Workers' Compensation Law, and Arizona Unemployment Insurance Law. Contractor agrees that it is a separate and independent enterprise from Town, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Contract shall not be construed as creating any joint employment relationship between the Contractor and Town, and Town will not be liable for any obligation incurred by Contractor, including, but not limited to, unpaid minimum wages and/or overtime premiums. [FOR SOLE PROPRIETORS ONLY: The Contractor shall execute the Sole Proprietor's Waiver of Workers' Compensation Benefits attached hereto and incorporated by reference.]

6.3 Immigration Law Compliance Warranty. As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor verifies the employment eligibility of the employee through the E-Verify program. If Contractor uses any subcontractors in performance of the Work, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Contractor is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. Town, at its option, may terminate the Contract after the third violation. Contractor shall not be deemed in material breach of this Contract if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). Town retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.

6.4 Equal Treatment of Workers. Contractor shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the Services. Contractor shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to, laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA"). Contractor shall protect and indemnify Town and its representatives against any claim or liability arising from or based on the violation of such, whether by Contractor or its employees.

6.5 Sole Agreement. There are no understandings or agreements except as herein expressly stated.

6.6 Notices. Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

TOWN:

Town Manager
Town of Chino Valley
202 North State Route 89
Chino Valley, Arizona 86323

CONTRACTOR:

ACT TOWING
3890 N HWY 89
Chino Valley AZ 86323

The address may be changed from time to time by either party by serving notices as provided above.

6.7 Controlling Law. This Agreement is to be governed by the laws of the State of Arizona.

7. INTERESTS AND BENEFITS

7.1 Interest of Contractor. Contractor covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

7.2 Interest of Town Members and Others. No officer, member or employee of Town and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

7.3 Notice Regarding A.R.S. § 38-511. This Contract is subject to cancellation under Section 38-511, Arizona Revised Statutes.

8. ASSIGNABILITY

The Contractor shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of Town thereto.

IN WITNESS WHEREOF, Chino Valley and Contractor have executed this Agreement as of the date first written.

TOWN OF CHINO VALLEY

By: _____
Chris Marley, Mayor

ATTEST:

By: _____
Jami, Town Clerk

APPROVED AS TO FORM:

By:

Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
Town Attorneys
Phyllis L.N. Smiley, Esq.

CONTRACTOR

By: Larry Espey / Barbara Espey
Its: OWNERS

EXHIBIT A SCOPE OF WORK

Contractor shall provide towing services ("Services") as requested by the Town including removal of disabled vehicles from accident scenes, vehicles that constitute traffic hazards, vehicles that may be evidence of a crime, and/or any other vehicle towed in accordance with any state statute or Town of Chino Valley ordinance. Contractor shall provide the Services in accordance with the following:

1. Vehicle Identification

Each vehicle used for towing shall have the towing company (Contractor's) name painted on driver and passenger sides of the vehicle in lettering at least three-inches (3") in height and shall display the current Arizona Department of Public Safety inspection seal.

Rates for Services shall be posted in all tow trucks.

2. Information to be Provided by Contractor to Person Responsible for Towed Vehicle

a. Each vehicle shall contain business cards for the Contractor that the Contractor's employee shall distribute to every person responsible for a vehicle being towed. The business cards shall include the following information:

- Name, address, and telephone number of the company;
- Hours of operation; and
- Telephone number for after-hour releases of vehicles.

b. Each vehicle shall contain brochures listing rates and terms of this Agreement and clear instructions with contact information for retrieval of the vehicle that shall be provided to the owner, operator or person responsible for the vehicle being towed.

3. Equipment

All vehicles used for towing shall:

- Be equipped with proper equipment to comply with A.R.S. § 28-1108 and prevent damage to towed vehicles. This equipment includes, but is not limited to: dollies, chains, slings, and bumpers.
- Have the necessary equipment to clean accident scenes including, but not limited to: brooms, shovels, and sand or appropriate absorbent material. An appropriate absorbent material shall be used when conditions exist that sand does not adequately absorb spilled liquids/material.
- Have a functioning two-way radio system with 24-hour dispatching.

Contractor shall have, at a minimum, the following vehicles, at least one of which is classified as a Medium or Heavy-Duty Wrecker, available at all times:

- One power-operated wrecker
- One rollback wrecker in good and serviceable condition

Prior to Contractor being placed on the rotational list pursuant to this Agreement, the Chino Valley Police Department ("CVPD") shall inspect and approve the equipment and facilities to be used by Contractor in providing the Services. Contractor shall notify the CVPD in writing prior to any change or substitution of the equipment or facilities. If prior notice is not possible due to emergency situations, written notice within ten (10) days of any change is required.

4. Storage Facilities

Storage facilities shall be located within the corporate limits of the Town of Chino Valley. Storage facilities shall meet all municipal and/or county zoning requirements for the area in which they are located and said locations shall be on record with the CVPD. Storage facilities shall be owned or leased for use by the Contractor. Proof of ownership or lessee status must be provided with the application.

Vehicles shall be taken directly to the Contractor's storage facility unless the tow driver is advised differently by the CVPD or the owner or driver of the vehicle.

The storage facility shall not be located within a wrecking yard that is in the business of dismantling vehicles.

Contractor shall provide a fenced storage area with a secure fence at least six feet (6') in height plus outwardly slanted 3-strand (or greater) barbed or razor wire and must comply with the requirements of the Chino Valley Town Code and Unified Development Ordinance.

The storage area shall be lit with at least 7.4 lumen light output level of electrical light for each square foot of storage area.

Storage facilities shall have a controlled access point and be locked when unattended. Contractor shall be responsible for the safekeeping of vehicles stored and for the items and personal property in the stored vehicles. Vehicles shall not be stored at any location other than those on record with the CVPD.

Vehicles shall not be removed from the initial storage yard for a period of fifteen (15) calendar days unless requested by the owner or authorized agent. If, after a period of fifteen (15) calendar days, instructions have not been received from an owner or authorized agency, Contractor may remove the vehicle to an alternate storage lot outside the Town boundaries that meets the security requirements listed above. Removal to an alternate lot shall not result in any additional charge to the vehicle owner.

Persons whose vehicles are stored or have been impounded for reasons other than evidentiary purposes shall have the right to remove any personal property, perishables, or valuables prior to the release or payment of impound fees of a vehicle stored in Contractor's lot (excluding items attached to the vehicle; e.g., stereo equipment, etc.). All storage fees shall be assessed against the vehicle/owner and not against personal property.

5. Personnel

Contractor shall have sufficient qualified personnel available for the operation of its vehicles at all times.

All drivers shall have a current State of Arizona driver's license, with proper class, endorsements and medical qualifications.

Drivers shall refrain from using profane and vulgar language in a public area while performing work for the CVPD.

Contractor's drivers, owners, and operators shall not solicit or suggest a repair facility to the owner or driver of a damaged vehicle.

All drivers shall operate the vehicle used for towing in a safe and prudent manner and shall obey all traffic laws, ordinances and other applicable laws at all times.

Drivers shall wear a safety vest any time they are in a roadway, including while hooking up vehicles to be towed and when cleaning debris from the scene.

Contractor shall be fully responsible for drivers' actions.

Contractor's personnel shall treat customers whose vehicles have been towed on behalf of CVPD in a manner consistent with the Town's expectations of proper customer service.

6. Availability

Contractor shall have a staff member on-site its storage facility to assist customers, at a minimum, during Normal Business Hours. "Normal Business Hours" as that term is used in this Agreement, shall mean from 8:00 a.m. to 5:00 p.m. every day except:

- Saturday
- Sunday
- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving

- Christmas Day

At all other times, Contractor shall have a telephone number prominently posted at its storage location for after-hours release of vehicles. The after-hours telephone number shall be answered and responded to at all times, so that vehicles may actually be released after regular business hours, if necessary. Contractor shall maintain with CVPD an emergency phone number to facilitate release of a vehicle.

7. Response to Requests for Service

Contractor shall provide the Services set forth in this Agreement and respond to requests for service twenty-four (24) hours a day, every calendar day of the year.

Contractor shall not designate or send another company to substitute for it when called by the CVPD.

Upon receiving a request for Service, Contractor shall be responsible for dispatching its own truck.

Contractor shall tow the requested vehicle regardless of its condition or value.

Response time to the designated site shall not be more than twenty (20) minutes, on average, from the time of the request from CVPD. Appropriate staffing shall be in place to accommodate this response 24 hours a day. Average response times will be determined by adding all recent consecutive response times of Contractor (up to a limit of the fifteen most recent responses) and dividing by the number of responses.

Failure to respond to a request for service within 20 minutes may result in: (1) suspension of Contractor from the rotational list; (2) Contractor being placed at the bottom of the rotational list; or (3) cancellation of this Agreement, at the discretion of Town. Extenuating circumstances for delays, including but not limited to weather, severe traffic backup due to crash, additional accidents, may be taken into consideration by Town in its decision to take any action occasioned by Contractor's failure to respond within 20 minutes.

Each call to Contractor shall constitute one turn on the rotational list. After each call, Contractor shall be placed at the bottom of the rotation. Contractor shall forfeit its turn and be moved to the bottom of the list if: (1) Contractor fails to answer its telephone; or (2) Contractor is unable to respond or provide service; or (3) the call is cancelled due to excessive response time.

8. Release/Retention of Vehicles

When a Chino Valley Police officer instructs Contractor to tow a vehicle pursuant to A.R.S. § 28-3511, Contractor shall deliver said vehicle to the Town's storage yard located at 1950 Voss Dr., Chino Valley, Arizona. (See Paragraph 15 for additional requirements related to vehicles towed pursuant to A.R.S. § 28-3511).

It shall be Contractor's sole responsibility to determine that the vehicle is being released to the actual owner or authorized agent and shall not release a vehicle unless and until the owner or authorized agent has provided Contractor with a copy of the owner or authorized agent's valid driver's license, proof of insurance and current registration for the vehicle.

9. Business Licensing

Contractor shall maintain required state and Town licenses for the operation of its business within the Town of Chino Valley.

10. Compliance With State and Local Laws

Contractor shall at all times remain in compliance with all federal, state, and local laws relating to the operation of tow companies, including but not limited to, laws regarding reporting requirements on towed vehicles to federal, state, and local agencies.

Contractor shall submit all necessary reports to the Arizona Department of Transportation as required by A.R.S. §§ 28-4801 through 28-4884 *et al.* and any subsequent amendments thereto.

11. Records

Contractor shall maintain a record for one year on each vehicle towed by CVPD request. The record shall contain, at minimum, the following information:

- Location where the vehicle was picked up
- Location where the vehicle was taken (and other storage locations as applicable)
- Date and time of the pick up
- Date and time of release
- Name and address of the individual to whom the vehicle was released
- Make, model, and year of the vehicle
- License plate number and state of issue
- Vehicle identification number

If the vehicle is sold at auction, Contractor shall document, in writing, the date of auction, and the name and address of the person purchasing the vehicle at auction.

Contractor shall maintain records of itemized tow and storage billing statements.

Upon reasonable notice, Contractor shall permit during normal business hours:

- inspection of the vehicles and records required to be kept by this Agreement; and
- inspection of the storage facilities by any member of the CVPD; and

- audit of the records required to be kept by this Agreement at its place of business.

Within ten (10) days after release of a vehicle, Contractor shall notify YCSO Dispatch via facsimile at 928-771-3260.

12. Fees

Contractor shall not bill CVPD for any fees received from an individual owner of a towed vehicle. If Contractor receives any fees from an owner of a towed vehicle that has been billed to and/or paid by the CVPD, Contractor shall immediately remit such amounts to the CVPD.

13. Site Cleanup

Contractor shall be responsible for debris cleanup at the scene of accidents, including all vehicle parts, broken glass, dirt, sand and any other matter left in the roadway as a result of an accident. Contractor is responsible for retention of and/or appropriate disposal of accident debris. Failure to adequately cleanup a roadway may result in the driver or company being issued a citation or being charged pursuant to A.R.S. § 28-898 or § 28-7056 and possible removal of Contractor from the rotational tow list.

14. Cancellation of Tow Service Request

After Contractor has received a request for Service, CVPD may cancel the request at any time. If the request for cancellation is made prior to any portion of Contractor's equipment being physically attached to the vehicle to be towed, Contractor shall not charge for the Service. If this request is made subsequent to any portion of the tow vehicle's equipment being physically attached to the vehicle to be towed, Contractor may charge for the Service even if the vehicle is **not actually towed**.

15. Vehicles Towed Pursuant to A.R.S. § 28-3511.

The requirements set forth in this section apply only to vehicles towed pursuant to a request from a peace officer to remove and either immobilize or impound a vehicle pursuant to the provisions of A.R.S. § 28-3511.

Upon request from CVPD to tow a vehicle pursuant to A.R.S. §28-3511, Contractor shall tow, not drive, the vehicle to the Town's Storage Yard, located at 1950 Voss Dr., Chino Valley, AZ (the "Yard"). CVPD shall be liable for the vehicle and its contents while the vehicle is impounded at the Yard.

Contractor shall submit a written invoice to CVPD at the time of delivery for each vehicle it tows to the Yard. CVPD shall retain the invoice and, if a hearing is held and the vehicle released, collect the towing fee from the vehicle owner. Town shall notify Contractor of the release of the vehicle and shall remit Contractor's towing fee to Contractor within one month of collection.

If a vehicle is not released within 30 days of impoundment, Town shall contact Contractor and Contractor shall tow the vehicle to Contractor's storage facilities within one

business day of such notice without charge to Town. If the owner subsequently contacts Contractor requesting release of the vehicle, Contractor shall advise the vehicle owner of the requirement for a hearing. If a hearing is held, Town will collect its hearing fee and impound fees and notify Contractor that the vehicle is available for release. It is the responsibility of Contractor to collect its towing fees and any other impound fees incurred after removal from the Yard. Town is not responsible and will not pay towing fees for any vehicle that is not claimed by the owner and subsequently picked up by Contractor.

For any vehicle towed pursuant to A.R.S. § 28-3511 which Contractor obtains possession of (either through receipt of abandoned vehicle title or by virtue of the owner transferring title to Contractor), prior to disposing of the vehicle, Contractor shall provide CVPD with the following information:

- A complete description of the vehicle
- VIN number
- Department Report Number
- a clear copy of the title (front and back).

Upon receipt of this information, CVPD shall prepare a letter authorizing Contractor to take possession of the vehicle and dispose of it in compliance with A.R.S. § 28-3515.

EXHIBIT B**SERVICE RATE FEE SCHEDULE****AS OF _____, 2014****(Subject to Change)**

<i>Type of Service</i>	<i>Tasks Included</i>	<i>Fee</i>
Level 1 Service	Unlock Fuel Delivery (customer pay for fuel) Tire Change (up to ¾ ton) Jump Starts	\$ 55.00
Level 2 Tow*	Basic tow: Vehicle has keys; Wheels and tires operable. Vehicle under 9,000 lb GVW.	\$ 95.00
Level 3 Tow*	Accident tow: No keys; Wheels and tires inoperable; Winching under 50 feet from tow truck access. Vehicle under 9,000 lb GVW.	\$185.00
Level 4 Tow	Vehicles towed pursuant to A.R.S. § 28-3511; Vehicles towed as requested by CVPD	\$ 200.00
Large Vehicle Tows	9,001 – 16,000 lb GVW 16,001 – 26,000 lb GVW 26,001 – 80,000 lb GVW	\$ 95.00/hr port to port \$ 135.00/hr port to port \$ 175.00/hr port to port
Off-Road Recovery Rate/ Standby Rate***	After first ½ hour on scene or vehicle greater than 50 feet from tow truck access, Vehicle under 9,000 GVW	\$ 95.00
Recovery, Large Vehicles	9,001 – 16,000 lb GVW 16,001 – 80,000 lb GVW	\$ 150.00/hr \$ 250.00/hr
Daily Storage	Regular tow after first full 24-hour period	\$ 30.00
Daily Storage	Vehicles impounded pursuant to A.R.S. § 28-3511	\$ 15.00
After Hours Gate Fee**		\$ 65.00
Cost per loaded mile		\$ 4.50
Filing Fee		Not to exceed \$150.00
Fuel Surcharge	Rate will be recalculated based on EIA rates if diesel prices rise to \$4.50 per gal. or higher	15% of total service bill

* Level 2 and 3 tows include towing the vehicle inside the boundaries of the Town of Chino Valley. When the vehicle owner or agent requests vehicle be towed to a location outside the Town limits, "Cost per loaded mile" may be charged from the Town limits to the requested destination.

** After Hours Gate Fee will be charged only when the owner or agent of a vehicle requests entrance to the impound facility after normal business hours. It will not be charged when a tow is performed outside normal business hours.

*** Off-road Recovery fee will be charged only when a vehicle has to be recovered more than 50 feet from tow truck access and will be charged at the rate commensurate with the vehicle's registered GVW.

No other miscellaneous charges are allowed. These services shall be considered to be part of the towing fee and include, but are not limited to, such things as Snatch Block, Skates, no key, driveshaft removal, etc.

AGREEMENT FOR TOWING SERVICES

Contract No. _____

THIS Agreement is entered into as of this _____ day of _____, 20____, by and between the Town of Chino Valley, Arizona, a municipal corporation, hereinafter referred to as "Town" and Custom Towing, hereinafter referred to as the "Contractor."

FOR THE PURPOSE of providing towing services for the Town of Chino Valley on a rotational basis, Town and Contractor do hereby mutually agree to the following:

1. SERVICES AND RESPONSIBILITIES

1.1 Retention of Contractor. In consideration of the mutual promises contained in this Agreement, Town engages Contractor to render services set forth herein, in accordance with all the terms and conditions contained in this Agreement.

1.2 Scope of Services. Contractor shall do, perform and carry out in a satisfactory and proper manner, as determined by Town, the services set forth in this Agreement, including all exhibits ("Services"). The specific scope of work and additional requirements of this Agreement are set forth in Exhibit A.

1.3 Responsibility of Contractor.

1.3.1 Contractor shall comply with applicable ordinances, laws and regulations, including those governing towing.

1.3.2 Contractor shall procure and maintain during the course of this Agreement insurance coverage required by Paragraph 4 of this Agreement.

1.3.3 Contractor shall designate Tam Cantley as his Contractor Representative and all communications shall be directed to him.

1.3.4 Contractor shall obtain its own legal, insurance and financial advice regarding Contractor's legal, insurance and financial obligations under this Agreement.

1.3.5 Contractor shall coordinate its activities with Town's Representative and submit its reports to Town's Representative.

1.3.6 Contractor shall provide, pay for and insure under the requisite laws and regulations of Chino Valley, Arizona and the United States, all labor, materials, equipment, transportation, and other facilities and services necessary for the proper execution and completion of the Services.

1.3.7 Contractor shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. Contractor shall pay all applicable taxes.

1.3.7 Contractor shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. Contractor shall pay all applicable taxes.

1.3.8 Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Services.

1.3.9 Contractor shall maintain, separate from any other entity on the Town's rotational towing list, its business address, storage yard address and tow trucks.

1.4 Responsibility of Town.

1.4.1 Town shall cooperate with Contractor by placing at its disposal all available information concerning the Services.

1.4.2 Town designates Lt. Vincent Schaan as its Town Representative. All communications to Town shall be through its Town Representative.

1.4.3 Nothing in this Agreement shall be construed to provide an exclusive contract for services with Contractor for the Services. Town shall be free to enter into similar agreements with other qualified contractors and to use the contractors on a rotational basis, at the Town's discretion.

1.5 Contract Term; Renewal.

1.5.1 The Contract commences upon execution of the Contract by both parties and continues through June 30, 2016. The Contract may be renewed for up to two (2) additional one-year terms upon mutual agreement of the parties.

2. COMPENSATION AND METHOD OF PAYMENT

2.1 Compensation. Town shall not be responsible for payment of any fees or charges of Contractor for the Services or for any costs incurred by Contractor. Contractor's sole compensation for the performance of the Services shall be from fees and charges collected from owners of vehicles towed pursuant to this Agreement. The fees charged shall be consistent with the rates established by Town pursuant to A.R.S. § 9-499.05(A) or reasonable fees if none are set by Town. A copy of the Town's current fees at the time of execution of this Agreement is attached hereto as Exhibit B. Town reserves the right to revise its approved fees at any time, with or without notice to Contractor.

3. INSURANCE REPRESENTATIONS AND REQUIREMENTS

3.1 General. Contractor agrees to comply with all Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer)

with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town. Failure to maintain insurance as specified may result in termination of this Agreement at Town's option.

3.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town does not represent that coverage and limits will be adequate to protect Contractor. Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

3.3 Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

3.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by Town, unless specified otherwise in this Agreement.

3.5 Primary Insurance. Contractor's insurance shall be primary insurance as respects performance of subject contract and in the protection of Town as an Additional Insured.

3.6 Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

3.7 Waiver. All policies, including Workers' Compensation Insurance, shall contain a waiver of rights of recovery (subrogation) against Town, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

3.8 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage, which contain deductibles or self insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to Town. Contractor shall be solely responsible for any such deductible or self insured retention amount. Town, at its option, may require Contractor to secure payment of such

deductible or self insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

3.9 Evidence of Insurance. Prior to commencing any Services under this Agreement, Contractor shall furnish Town with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Contractor's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions, and limits of coverage specified in this Agreement, and that such coverage and provisions are in full force and effect. Acceptance and reliance by Town on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to the Town Manager. If any of the above cited policies expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

3.9.1 Town, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

- a. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent.
- b. Auto Liability-Under ISO Form CA 20 48 or equivalent.
- c. Excess Liability-Follow Form to underlying insurance.

3.9.2 Contractor's insurance shall be primary insurance as respects performance of this Agreement.

3.9.3 All policies, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by Contractor under this Agreement.

3.9.4 Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

3.10 Required Coverage:

3.10.1 Commercial General Liability: Contractor shall maintain "occurrence" from Commercial Liability Insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including, but not limited

to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you". If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3.10.2 Vehicle Liability: Contractor shall maintain Business Automobile Liability Insurance with a combined single limit of \$1,000,000 and not less than \$100,000 for property damage each occurrence on Contractor's owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's Services under this Agreement. In addition, Contractor shall maintain On Hook/Cargo coverage with a minimum \$50,000 limit. Coverage will be at least as broad as Insurance Services Office, Inc., coverage code "1" any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3.10.3 Workers' Compensation Insurance: Contractor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance Services under this Agreement, and shall also maintain Employer Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

3.10.4 Garage Keepers Coverage: Contractor shall maintain Garage Keepers coverage in an amount deemed by Contractor to be adequate and shall provide Town with proof of said coverage.

3.10.5 On Hook/Cargo Coverage: Contractor shall maintain On Hook/Cargo coverage in an amount not less than \$50,000.

4. INDEMNIFICATION

4.1 To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless Town, its agents, officers, officials and employees from and against all demands, claims, proceedings, suits, damages, losses and expenses (including, but not limited to, attorney fees, court costs, and the cost of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, Services caused by the Contractor, its agents, employees or any tier of Contractor's subcontractors related to the Services in the performance of this Agreement. Contractor's duty to defend, hold harmless and

indemnify Town, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting therefrom, caused by Contractor's acts, errors, mistakes, omissions, Services in the performance of this Agreement, including any employee of the Contractor, any tier of Contractor's subcontractor or any other person for whose acts, errors, mistakes, omissions, Services the Contractor may be legally liable, including Town. Such indemnity does not extend to Town's negligence.

4.2 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

5. TERMINATION OF THIS AGREEMENT

5.1 Termination. Town may, by written notice to Contractor, terminate this Agreement in whole or in part with seven (7) days' notice, either for Town's convenience or because of Contractor's failure to fulfill its contract obligations. Upon receipt of such notice, Contractor shall immediately discontinue all services affected (unless the notice directs otherwise). This Agreement may be terminated in whole or in part by Contractor in the event of substantial failure by Town to fulfill its obligations.

6. ASSURANCES

6.1 Litigation. Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this Agreement, all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party.

6.2 Independent Contractor. This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that Contractor will be an independent contractor and not Town's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Internal Revenue Code, the Immigration and Naturalization Act, Arizona revenue and taxation laws, Arizona Workers' Compensation Law, and Arizona Unemployment Insurance Law. Contractor agrees that it is a separate and independent enterprise from Town, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Contract shall not be construed as creating any joint employment relationship between the Contractor and Town, and Town will not be liable for any obligation incurred by Contractor, including, but not limited to, unpaid minimum wages and/or overtime premiums. [FOR SOLE PROPRIETORS ONLY: The Contractor shall execute the Sole Proprietor's Waiver of Workers' Compensation Benefits attached hereto and incorporated by reference.]

6.3 Immigration Law Compliance Warranty. As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor verifies the employment eligibility of the employee through the E-Verify program. If Contractor uses any subcontractors in performance of the Work, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Contractor is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. Town, at its option, may terminate the Contract after the third violation. Contractor shall not be deemed in material breach of this Contract if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). Town retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.

6.4 Equal Treatment of Workers. Contractor shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the Services. Contractor shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to, laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA"). Contractor shall protect and indemnify Town and its representatives against any claim or liability arising from or based on the violation of such, whether by Contractor or its employees.

6.5 Sole Agreement. There are no understandings or agreements except as herein expressly stated.

6.6 Notices. Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

TOWN:

Town Manager
Town of Chino Valley
202 North State Route 89
Chino Valley, Arizona 86323

CONTRACTOR:

Custom Recovery, LLC dba: Custom Towing
1222 S. Hwy 89
Chino Valley, Az 86323
(928) 636-2636

The address may be changed from time to time by either party by serving notices as provided above.

6.7 Controlling Law. This Agreement is to be governed by the laws of the State of Arizona.

7. INTERESTS AND BENEFITS

7.1 Interest of Contractor. Contractor covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

7.2 Interest of Town Members and Others. No officer, member or employee of Town and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

7.3 Notice Regarding A.R.S. § 38-511. This Contract is subject to cancellation under Section 38-511, Arizona Revised Statutes.

8. ASSIGNABILITY

The Contractor shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of Town thereto.

IN WITNESS WHEREOF, Chino Valley and Contractor have executed this Agreement as of the date first written.

TOWN OF CHINO VALLEY

By: _____
Chris Marley, Mayor

ATTEST:

By: _____
Jami, Town Clerk

APPROVED AS TO FORM:

By:

Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
Town Attorneys
Phyllis L.N. Smiley, Esq.

CONTRACTOR

By: 
Its: owner-manager

EXHIBIT A SCOPE OF WORK

Contractor shall provide towing services ("Services") as requested by the Town including removal of disabled vehicles from accident scenes, vehicles that constitute traffic hazards, vehicles that may be evidence of a crime, and/or any other vehicle towed in accordance with any state statute or Town of Chino Valley ordinance. Contractor shall provide the Services in accordance with the following:

1. Vehicle Identification

Each vehicle used for towing shall have the towing company (Contractor's) name painted on driver and passenger sides of the vehicle in lettering at least three-inches (3") in height and shall display the current Arizona Department of Public Safety inspection seal.

Rates for Services shall be posted in all tow trucks.

2. Information to be Provided by Contractor to Person Responsible for Towed Vehicle

a. Each vehicle shall contain business cards for the Contractor that the Contractor's employee shall distribute to every person responsible for a vehicle being towed. The business cards shall include the following information:

- Name, address, and telephone number of the company;
- Hours of operation; and
- Telephone number for after-hour releases of vehicles.

b. Each vehicle shall contain brochures listing rates and terms of this Agreement and clear instructions with contact information for retrieval of the vehicle that shall be provided to the owner, operator or person responsible for the vehicle being towed.

3. Equipment

All vehicles used for towing shall:

- Be equipped with proper equipment to comply with A.R.S. § 28-1108 and prevent damage to towed vehicles. This equipment includes, but is not limited to: dollies, chains, slings, and bumpers.
- Have the necessary equipment to clean accident scenes including, but not limited to: brooms, shovels, and sand or appropriate absorbent material. An appropriate absorbent material shall be used when conditions exist that sand does not adequately absorb spilled liquids/material.
- Have a functioning two-way radio system with 24-hour dispatching.

Contractor shall have, at a minimum, the following vehicles, at least one of which is classified as a Medium or Heavy-Duty Wrecker, available at all times:

- One power-operated wrecker
- One rollback wrecker in good and serviceable condition

Prior to Contractor being placed on the rotational list pursuant to this Agreement, the Chino Valley Police Department ("CVPD") shall inspect and approve the equipment and facilities to be used by Contractor in providing the Services. Contractor shall notify the CVPD in writing prior to any change or substitution of the equipment or facilities. If prior notice is not possible due to emergency situations, written notice within ten (10) days of any change is required.

4. Storage Facilities

Storage facilities shall be located within the corporate limits of the Town of Chino Valley. Storage facilities shall meet all municipal and/or county zoning requirements for the area in which they are located and said locations shall be on record with the CVPD. Storage facilities shall be owned or leased for use by the Contractor. Proof of ownership or lessee status must be provided with the application.

Vehicles shall be taken directly to the Contractor's storage facility unless the tow driver is advised differently by the CVPD or the owner or driver of the vehicle.

The storage facility shall not be located within a wrecking yard that is in the business of dismantling vehicles.

Contractor shall provide a fenced storage area with a secure fence at least six feet (6') in height plus outwardly slanted 3-strand (or greater) barbed or razor wire and must comply with the requirements of the Chino Valley Town Code and Unified Development Ordinance.

The storage area shall be lit with at least 7.4 lumen light output level of electrical light for each square foot of storage area.

Storage facilities shall have a controlled access point and be locked when unattended. Contractor shall be responsible for the safekeeping of vehicles stored and for the items and personal property in the stored vehicles. Vehicles shall not be stored at any location other than those on record with the CVPD.

Vehicles shall not be removed from the initial storage yard for a period of fifteen (15) calendar days unless requested by the owner or authorized agent. If, after a period of fifteen (15) calendar days, instructions have not been received from an owner or authorized agency, Contractor may remove the vehicle to an alternate storage lot outside the Town boundaries that meets the security requirements listed above. Removal to an alternate lot shall not result in any additional charge to the vehicle owner.

Persons whose vehicles are stored or have been impounded for reasons other than evidentiary purposes shall have the right to remove any personal property, perishables, or valuables prior to the release or payment of impound fees of a vehicle stored in Contractor's lot (excluding items attached to the vehicle; e.g., stereo equipment, etc.). All storage fees shall be assessed against the vehicle/owner and not against personal property.

5. Personnel

Contractor shall have sufficient qualified personnel available for the operation of its vehicles at all times.

All drivers shall have a current State of Arizona driver's license, with proper class, endorsements and medical qualifications.

Drivers shall refrain from using profane and vulgar language in a public area while performing work for the CVPD.

Contractor's drivers, owners, and operators shall not solicit or suggest a repair facility to the owner or driver of a damaged vehicle.

All drivers shall operate the vehicle used for towing in a safe and prudent manner and shall obey all traffic laws, ordinances and other applicable laws at all times.

Drivers shall wear a safety vest any time they are in a roadway, including while hooking up vehicles to be towed and when cleaning debris from the scene.

Contractor shall be fully responsible for drivers' actions.

Contractor's personnel shall treat customers whose vehicles have been towed on behalf of CVPD in a manner consistent with the Town's expectations of proper customer service.

6. Availability

Contractor shall have a staff member on-site its storage facility to assist customers, at a minimum, during Normal Business Hours. "Normal Business Hours" as that term is used in this Agreement, shall mean from 8:00 a.m. to 5:00 p.m. every day except:

- Saturday
- Sunday
- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving

- Christmas Day

At all other times, Contractor shall have a telephone number prominently posted at its storage location for after-hours release of vehicles. The after-hours telephone number shall be answered and responded to at all times, so that vehicles may actually be released after regular business hours, if necessary. Contractor shall maintain with CVPD an emergency phone number to facilitate release of a vehicle.

7. Response to Requests for Service

Contractor shall provide the Services set forth in this Agreement and respond to requests for service twenty-four (24) hours a day, every calendar day of the year.

Contractor shall not designate or send another company to substitute for it when called by the CVPD.

Upon receiving a request for Service, Contractor shall be responsible for dispatching its own truck.

Contractor shall tow the requested vehicle regardless of its condition or value.

Response time to the designated site shall not be more than twenty (20) minutes, on average, from the time of the request from CVPD. Appropriate staffing shall be in place to accommodate this response 24 hours a day. Average response times will be determined by adding all recent consecutive response times of Contractor (up to a limit of the fifteen most recent responses) and dividing by the number of responses.

Failure to respond to a request for service within 20 minutes may result in: (1) suspension of Contractor from the rotational list; (2) Contractor being placed at the bottom of the rotational list; or (3) cancellation of this Agreement, at the discretion of Town. Extenuating circumstances for delays, including but not limited to weather, severe traffic backup due to crash, additional accidents, may be taken into consideration by Town in its decision to take any action occasioned by Contractor's failure to respond within 20 minutes.

Each call to Contractor shall constitute one turn on the rotational list. After each call, Contractor shall be placed at the bottom of the rotation. Contractor shall forfeit its turn and be moved to the bottom of the list if: (1) Contractor fails to answer its telephone; or (2) Contractor is unable to respond or provide service; or (3) the call is cancelled due to excessive response time.

8. Release/Retention of Vehicles

When a Chino Valley Police officer instructs Contractor to tow a vehicle pursuant to A.R.S. § 28-3511, Contractor shall deliver said vehicle to the Town's storage yard located at 1950 Voss Dr., Chino Valley, Arizona. (See Paragraph 15 for additional requirements related to vehicles towed pursuant to A.R.S. § 28-3511).

It shall be Contractor's sole responsibility to determine that the vehicle is being released to the actual owner or authorized agent and shall not release a vehicle unless and until the owner or authorized agent has provided Contractor with a copy of the owner or authorized agent's valid driver's license, proof of insurance and current registration for the vehicle.

9. Business Licensing

Contractor shall maintain required state and Town licenses for the operation of its business within the Town of Chino Valley.

10. Compliance With State and Local Laws

Contractor shall at all times remain in compliance with all federal, state, and local laws relating to the operation of tow companies, including but not limited to, laws regarding reporting requirements on towed vehicles to federal, state, and local agencies.

Contractor shall submit all necessary reports to the Arizona Department of Transportation as required by A.R.S. §§ 28-4801 through 28-4884 *et al.* and any subsequent amendments thereto.

11. Records

Contractor shall maintain a record for one year on each vehicle towed by CVPD request. The record shall contain, at minimum, the following information:

- Location where the vehicle was picked up
- Location where the vehicle was taken (and other storage locations as applicable)
- Date and time of the pick up
- Date and time of release
- Name and address of the individual to whom the vehicle was released
- Make, model, and year of the vehicle
- License plate number and state of issue
- Vehicle identification number

If the vehicle is sold at auction, Contractor shall document, in writing, the date of auction, and the name and address of the person purchasing the vehicle at auction.

Contractor shall maintain records of itemized tow and storage billing statements.

Upon reasonable notice, Contractor shall permit during normal business hours:

- inspection of the vehicles and records required to be kept by this Agreement; and
- inspection of the storage facilities by any member of the CVPD; and

- audit of the records required to be kept by this Agreement at its place of business.

Within ten (10) days after release of a vehicle, Contractor shall notify YCSO Dispatch via facsimile at 928-771-3260.

12. Fees

Contractor shall not bill CVPD for any fees received from an individual owner of a towed vehicle. If Contractor receives any fees from an owner of a towed vehicle that has been billed to and/or paid by the CVPD, Contractor shall immediately remit such amounts to the CVPD.

13. Site Cleanup

Contractor shall be responsible for debris cleanup at the scene of accidents, including all vehicle parts, broken glass, dirt, sand and any other matter left in the roadway as a result of an accident. Contractor is responsible for retention of and/or appropriate disposal of accident debris. Failure to adequately cleanup a roadway may result in the driver or company being issued a citation or being charged pursuant to A.R.S. § 28-898 or § 28-7056 and possible removal of Contractor from the rotational tow list.

14. Cancellation of Tow Service Request

After Contractor has received a request for Service, CVPD may cancel the request at any time. If the request for cancellation is made prior to any portion of Contractor's equipment being physically attached to the vehicle to be towed, Contractor shall not charge for the Service. If this request is made subsequent to any portion of the tow vehicle's equipment being physically attached to the vehicle to be towed, Contractor may charge for the Service even if the vehicle is **not actually towed**.

15. Vehicles Towed Pursuant to A.R.S. § 28-3511.

The requirements set forth in this section apply only to vehicles towed pursuant to a request from a peace officer to remove and either immobilize or impound a vehicle pursuant to the provisions of A.R.S. § 28-3511.

Upon request from CVPD to tow a vehicle pursuant to A.R.S. §28-3511, Contractor shall tow, not drive, the vehicle to the Town's Storage Yard, located at 1950 Voss Dr., Chino Valley, AZ (the "Yard"). CVPD shall be liable for the vehicle and its contents while the vehicle is impounded at the Yard.

Contractor shall submit a written invoice to CVPD at the time of delivery for each vehicle it tows to the Yard. CVPD shall retain the invoice and, if a hearing is held and the vehicle released, collect the towing fee from the vehicle owner. Town shall notify Contractor of the release of the vehicle and shall remit Contractor's towing fee to Contractor within one month of collection.

If a vehicle is not released within 30 days of impoundment, Town shall contact Contractor and Contractor shall tow the vehicle to Contractor's storage facilities within one

business day of such notice without charge to Town. If the owner subsequently contacts Contractor requesting release of the vehicle, Contractor shall advise the vehicle owner of the requirement for a hearing. If a hearing is held, Town will collect its hearing fee and impound fees and notify Contractor that the vehicle is available for release. It is the responsibility of Contractor to collect its towing fees and any other impound fees incurred after removal from the Yard. Town is not responsible and will not pay towing fees for any vehicle that is not claimed by the owner and subsequently picked up by Contractor.

For any vehicle towed pursuant to A.R.S. § 28-3511 which Contractor obtains possession of (either through receipt of abandoned vehicle title or by virtue of the owner transferring title to Contractor), prior to disposing of the vehicle, Contractor shall provide CVPD with the following information:

- A complete description of the vehicle
- VIN number
- Department Report Number
- a clear copy of the title (front and back).

Upon receipt of this information, CVPD shall prepare a letter authorizing Contractor to take possession of the vehicle and dispose of it in compliance with A.R.S. § 28-3515.

EXHIBIT B**SERVICE RATE FEE SCHEDULE**

AS OF _____, 2014

(Subject to Change)

<i>Type of Service</i>	<i>Tasks Included</i>	<i>Fee</i>
Level 1 Service	Unlock Fuel Delivery (customer pay for fuel) Tire Change (up to ¾ ton) Jump Starts	\$ 55.00
Level 2 Tow*	Basic tow: Vehicle has keys; Wheels and tires operable. Vehicle under 9,000 lb GVW.	\$ 95.00
Level 3 Tow*	Accident tow: No keys; Wheels and tires inoperable; Winching under 50 feet from tow truck access. Vehicle under 9,000 lb GVW.	\$185.00
Level 4 Tow	Vehicles towed pursuant to A.R.S. § 28-3511; Vehicles towed as requested by CVPD	\$ 200.00
Large Vehicle Tows	9,001 – 16,000 lb GVW 16,001 – 26,000 lb GVW 26,001 – 80,000 lb GVW	\$ 95.00/hr port to port \$ 135.00/hr port to port \$ 175.00/hr port to port
Off-Road Recovery Rate/ Standby Rate***	After first ½ hour on scene or vehicle greater than 50 feet from tow truck access, Vehicle under 9,000 GVW	\$ 95.00
Recovery, Large Vehicles	9,001 – 16,000 lb GVW 16,001 – 80,000 lb GVW	\$ 150.00/hr \$ 250.00/hr
Daily Storage	Regular tow after first full 24-hour period	\$ 30.00
Daily Storage	Vehicles impounded pursuant to A.R.S. § 28-3511	\$ 15.00
After Hours Gate Fee**		\$ 65.00
Cost per loaded mile		\$ 4.50
Filing Fee		Not to exceed \$150.00
Fuel Surcharge	Rate will be recalculated based on EIA rates if diesel prices rise to \$4.50 per gal. or higher	15% of total service bill

* Level 2 and 3 tows include towing the vehicle inside the boundaries of the Town of Chino Valley. When the vehicle owner or agent requests vehicle be towed to a location outside the Town limits, "Cost per loaded mile" may be charged from the Town limits to the requested destination.

** After Hours Gate Fee will be charged only when the owner or agent of a vehicle requests entrance to the impound facility after normal business hours. It will not be charged when a tow is performed outside normal business hours.

*** Off-road Recovery fee will be charged only when a vehicle has to be recovered more than 50 feet from tow truck access and will be charged at the rate commensurate with the vehicle's registered GVW.

No other miscellaneous charges are allowed. These services shall be considered to be part of the towing fee and include, but are not limited to, such things as Snatch Block, Skates, no key, driveshaft removal, etc.

AGREEMENT FOR TOWING SERVICES

Contract No. _____

THIS Agreement is entered into as of this _____ day of _____, 20____, by and between the Town of Chino Valley, Arizona, a municipal corporation, hereinafter referred to as "Town" and TNT Towing, hereinafter referred to as the "Contractor."

FOR THE PURPOSE of providing towing services for the Town of Chino Valley on a rotational basis, Town and Contractor do hereby mutually agree to the following:

1. SERVICES AND RESPONSIBILITIES

1.1 Retention of Contractor. In consideration of the mutual promises contained in this Agreement, Town engages Contractor to render services set forth herein, in accordance with all the terms and conditions contained in this Agreement.

1.2 Scope of Services. Contractor shall do, perform and carry out in a satisfactory and proper manner, as determined by Town, the services set forth in this Agreement, including all exhibits ("Services"). The specific scope of work and additional requirements of this Agreement are set forth in Exhibit A.

1.3 Responsibility of Contractor.

1.3.1 Contractor shall comply with applicable ordinances, laws and regulations, including those governing towing.

1.3.2 Contractor shall procure and maintain during the course of this Agreement insurance coverage required by Paragraph 4 of this Agreement.

1.3.3 Contractor shall designate T.J. KELEY as his Contractor Representative and all communications shall be directed to him.

1.3.4 Contractor shall obtain its own legal, insurance and financial advice regarding Contractor's legal, insurance and financial obligations under this Agreement.

1.3.5 Contractor shall coordinate its activities with Town's Representative and submit its reports to Town's Representative.

1.3.6 Contractor shall provide, pay for and insure under the requisite laws and regulations of Chino Valley, Arizona and the United States, all labor, materials, equipment, transportation, and other facilities and services necessary for the proper execution and completion of the Services.

1.3.7 Contractor shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. Contractor shall pay all applicable taxes.

1.3.7 Contractor shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. Contractor shall pay all applicable taxes.

1.3.8 Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Services.

1.3.9 Contractor shall maintain, separate from any other entity on the Town's rotational towing list, its business address, storage yard address and tow trucks.

1.4 Responsibility of Town.

1.4.1 Town shall cooperate with Contractor by placing at its disposal all available information concerning the Services.

1.4.2 Town designates Lt. Vincent Schaan as its Town Representative. All communications to Town shall be through its Town Representative.

1.4.3 Nothing in this Agreement shall be construed to provide an exclusive contract for services with Contractor for the Services. Town shall be free to enter into similar agreements with other qualified contractors and to use the contractors on a rotational basis, at the Town's discretion.

1.5 Contract Term; Renewal.

1.5.1 The Contract commences upon execution of the Contract by both parties and continues through June 30, 2016. The Contract may be renewed for up to two (2) additional one-year terms upon mutual agreement of the parties.

2. COMPENSATION AND METHOD OF PAYMENT

2.1 Compensation. Town shall not be responsible for payment of any fees or charges of Contractor for the Services or for any costs incurred by Contractor. Contractor's sole compensation for the performance of the Services shall be from fees and charges collected from owners of vehicles towed pursuant to this Agreement. The fees charged shall be consistent with the rates established by Town pursuant to A.R.S. § 9-499.05(A) or reasonable fees if none are set by Town. A copy of the Town's current fees at the time of execution of this Agreement is attached hereto as Exhibit B. Town reserves the right to revise its approved fees at any time, with or without notice to Contractor.

3. INSURANCE REPRESENTATIONS AND REQUIREMENTS

3.1 General. Contractor agrees to comply with all Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer)

with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town. Failure to maintain insurance as specified may result in termination of this Agreement at Town's option.

3.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town does not represent that coverage and limits will be adequate to protect Contractor. Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

3.3 Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

3.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by Town, unless specified otherwise in this Agreement.

3.5 Primary Insurance. Contractor's insurance shall be primary insurance as respects performance of subject contract and in the protection of Town as an Additional Insured.

3.6 Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

3.7 Waiver. All policies, including Workers' Compensation Insurance, shall contain a waiver of rights of recovery (subrogation) against Town, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

3.8 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage, which contain deductibles or self insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to Town. Contractor shall be solely responsible for any such deductible or self insured retention amount. Town, at its option, may require Contractor to secure payment of such

deductible or self insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

3.9 Evidence of Insurance. Prior to commencing any Services under this Agreement, Contractor shall furnish Town with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Contractor's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions, and limits of coverage specified in this Agreement, and that such coverage and provisions are in full force and effect. Acceptance and reliance by Town on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to the Town Manager. If any of the above cited policies expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

3.9.1 Town, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

- a. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent.
- b. Auto Liability-Under ISO Form CA 20 48 or equivalent.
- c. Excess Liability-Follow Form to underlying insurance.

3.9.2 Contractor's insurance shall be primary insurance as respects performance of this Agreement.

3.9.3 All policies, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by Contractor under this Agreement.

3.9.4 Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

3.10 Required Coverage:

3.10.1 Commercial General Liability: Contractor shall maintain "occurrence" from Commercial Liability Insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including, but not limited

to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you". If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3.10.2 Vehicle Liability: Contractor shall maintain Business Automobile Liability Insurance with a combined single limit of \$1,000,000 and not less than \$100,000 for property damage each occurrence on Contractor's owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's Services under this Agreement. In addition, Contractor shall maintain On Hook/Cargo coverage with a minimum \$50,000 limit. Coverage will be at least as broad as Insurance Services Office, Inc., coverage code "1" any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3.10.3 Workers' Compensation Insurance: Contractor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance Services under this Agreement, and shall also maintain Employer Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

3.10.4 Garage Keepers Coverage: Contractor shall maintain Garage Keepers coverage in an amount deemed by Contractor to be adequate and shall provide Town with proof of said coverage.

3.10.5 On Hook/Cargo Coverage: Contractor shall maintain On Hook/Cargo coverage in an amount not less than \$50,000.

4. INDEMNIFICATION

4.1 To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless Town, its agents, officers, officials and employees from and against all demands, claims, proceedings, suits, damages, losses and expenses (including, but not limited to, attorney fees, court costs, and the cost of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, Services caused by the Contractor, its agents, employees or any tier of Contractor's subcontractors related to the Services in the performance of this Agreement. Contractor's duty to defend, hold harmless and

indemnify Town, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting therefrom, caused by Contractor's acts, errors, mistakes, omissions, Services in the performance of this Agreement, including any employee of the Contractor, any tier of Contractor's subcontractor or any other person for whose acts, errors, mistakes, omissions, Services the Contractor may be legally liable, including Town. Such indemnity does not extend to Town's negligence.

4.2 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

5. TERMINATION OF THIS AGREEMENT

5.1 Termination. Town may, by written notice to Contractor, terminate this Agreement in whole or in part with seven (7) days' notice, either for Town's convenience or because of Contractor's failure to fulfill its contract obligations. Upon receipt of such notice, Contractor shall immediately discontinue all services affected (unless the notice directs otherwise). This Agreement may be terminated in whole or in part by Contractor in the event of substantial failure by Town to fulfill its obligations.

6. ASSURANCES

6.1 Litigation. Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this Agreement, all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party.

6.2 Independent Contractor. This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that Contractor will be an independent contractor and not Town's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Internal Revenue Code, the Immigration and Naturalization Act, Arizona revenue and taxation laws, Arizona Workers' Compensation Law, and Arizona Unemployment Insurance Law. Contractor agrees that it is a separate and independent enterprise from Town, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Contract shall not be construed as creating any joint employment relationship between the Contractor and Town, and Town will not be liable for any obligation incurred by Contractor, including, but not limited to, unpaid minimum wages and/or overtime premiums. [FOR SOLE PROPRIETORS ONLY: The Contractor shall execute the Sole Proprietor's Waiver of Workers' Compensation Benefits attached hereto and incorporated by reference.]

6.3 Immigration Law Compliance Warranty. As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor verifies the employment eligibility of the employee through the E-Verify program. If Contractor uses any subcontractors in performance of the Work, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Contractor is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. Town, at its option, may terminate the Contract after the third violation. Contractor shall not be deemed in material breach of this Contract if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). Town retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.

6.4 Equal Treatment of Workers. Contractor shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the Services. Contractor shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to, laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA"). Contractor shall protect and indemnify Town and its representatives against any claim or liability arising from or based on the violation of such, whether by Contractor or its employees.

6.5 Sole Agreement. There are no understandings or agreements except as herein expressly stated.

6.6 Notices. Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

TOWN:

Town Manager
Town of Chino Valley
202 North State Route 89
Chino Valley, Arizona 86323

CONTRACTOR:

TNT Towing & Transport
942 N Hwy 89
Chino Valley, AZ 86323

The address may be changed from time to time by either party by serving notices as provided above.

6.7 Controlling Law. This Agreement is to be governed by the laws of the State of Arizona.

7. INTERESTS AND BENEFITS

7.1 Interest of Contractor. Contractor covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

7.2 Interest of Town Members and Others. No officer, member or employee of Town and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

7.3 Notice Regarding A.R.S. § 38-511. This Contract is subject to cancellation under Section 38-511, Arizona Revised Statutes.

8. ASSIGNABILITY

The Contractor shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of Town thereto.

IN WITNESS WHEREOF, Chino Valley and Contractor have executed this Agreement as of the date first written.

TOWN OF CHINO VALLEY

By: _____
Chris Marley, Mayor

ATTEST:

By: _____
Jami, Town Clerk

APPROVED AS TO FORM:

By:

Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
Town Attorneys
Phyllis L.N. Smiley, Esq.

CONTRACTOR

By:

T. M. [Signature]
Its: OWNER

EXHIBIT A SCOPE OF WORK

Contractor shall provide towing services ("Services") as requested by the Town including removal of disabled vehicles from accident scenes, vehicles that constitute traffic hazards, vehicles that may be evidence of a crime, and/or any other vehicle towed in accordance with any state statute or Town of Chino Valley ordinance. Contractor shall provide the Services in accordance with the following:

1. Vehicle Identification

Each vehicle used for towing shall have the towing company (Contractor's) name painted on driver and passenger sides of the vehicle in lettering at least three-inches (3") in height and shall display the current Arizona Department of Public Safety inspection seal.

Rates for Services shall be posted in all tow trucks.

2. Information to be Provided by Contractor to Person Responsible for Towed Vehicle

a. Each vehicle shall contain business cards for the Contractor that the Contractor's employee shall distribute to every person responsible for a vehicle being towed. The business cards shall include the following information:

- Name, address, and telephone number of the company;
- Hours of operation; and
- Telephone number for after-hour releases of vehicles.

b. Each vehicle shall contain brochures listing rates and terms of this Agreement and clear instructions with contact information for retrieval of the vehicle that shall be provided to the owner, operator or person responsible for the vehicle being towed.

3. Equipment

All vehicles used for towing shall:

- Be equipped with proper equipment to comply with A.R.S. § 28-1108 and prevent damage to towed vehicles. This equipment includes, but is not limited to: dollies, chains, slings, and bumpers.
- Have the necessary equipment to clean accident scenes including, but not limited to: brooms, shovels, and sand or appropriate absorbent material. An appropriate absorbent material shall be used when conditions exist that sand does not adequately absorb spilled liquids/material.
- Have a functioning two-way radio system with 24-hour dispatching.

Contractor shall have, at a minimum, the following vehicles, at least one of which is classified as a Medium or Heavy-Duty Wrecker, available at all times:

- One power-operated wrecker
- One rollback wrecker in good and serviceable condition

Prior to Contractor being placed on the rotational list pursuant to this Agreement, the Chino Valley Police Department ("CVPD") shall inspect and approve the equipment and facilities to be used by Contractor in providing the Services. Contractor shall notify the CVPD in writing prior to any change or substitution of the equipment or facilities. If prior notice is not possible due to emergency situations, written notice within ten (10) days of any change is required.

4. Storage Facilities

Storage facilities shall be located within the corporate limits of the Town of Chino Valley. Storage facilities shall meet all municipal and/or county zoning requirements for the area in which they are located and said locations shall be on record with the CVPD. Storage facilities shall be owned or leased for use by the Contractor. Proof of ownership or lessee status must be provided with the application.

Vehicles shall be taken directly to the Contractor's storage facility unless the tow driver is advised differently by the CVPD or the owner or driver of the vehicle.

The storage facility shall not be located within a wrecking yard that is in the business of dismantling vehicles.

Contractor shall provide a fenced storage area with a secure fence at least six feet (6') in height plus outwardly slanted 3-strand (or greater) barbed or razor wire and must comply with the requirements of the Chino Valley Town Code and Unified Development Ordinance.

The storage area shall be lit with at least 7.4 lumen light output level of electrical light for each square foot of storage area.

Storage facilities shall have a controlled access point and be locked when unattended. Contractor shall be responsible for the safekeeping of vehicles stored and for the items and personal property in the stored vehicles. Vehicles shall not be stored at any location other than those on record with the CVPD.

Vehicles shall not be removed from the initial storage yard for a period of fifteen (15) calendar days unless requested by the owner or authorized agent. If, after a period of fifteen (15) calendar days, instructions have not been received from an owner or authorized agency, Contractor may remove the vehicle to an alternate storage lot outside the Town boundaries that meets the security requirements listed above. Removal to an alternate lot shall not result in any additional charge to the vehicle owner.

Persons whose vehicles are stored or have been impounded for reasons other than evidentiary purposes shall have the right to remove any personal property, perishables, or valuables prior to the release or payment of impound fees of a vehicle stored in Contractor's lot (excluding items attached to the vehicle; e.g., stereo equipment, etc.). All storage fees shall be assessed against the vehicle/owner and not against personal property.

5. Personnel

Contractor shall have sufficient qualified personnel available for the operation of its vehicles at all times.

All drivers shall have a current State of Arizona driver's license, with proper class, endorsements and medical qualifications.

Drivers shall refrain from using profane and vulgar language in a public area while performing work for the CVPD.

Contractor's drivers, owners, and operators shall not solicit or suggest a repair facility to the owner or driver of a damaged vehicle.

All drivers shall operate the vehicle used for towing in a safe and prudent manner and shall obey all traffic laws, ordinances and other applicable laws at all times.

Drivers shall wear a safety vest any time they are in a roadway, including while hooking up vehicles to be towed and when cleaning debris from the scene.

Contractor shall be fully responsible for drivers' actions.

Contractor's personnel shall treat customers whose vehicles have been towed on behalf of CVPD in a manner consistent with the Town's expectations of proper customer service.

6. Availability

Contractor shall have a staff member on-site its storage facility to assist customers, at a minimum, during Normal Business Hours. "Normal Business Hours" as that term is used in this Agreement, shall mean from 8:00 a.m. to 5:00 p.m. every day except:

- Saturday
- Sunday
- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving

- Christmas Day

At all other times, Contractor shall have a telephone number prominently posted at its storage location for after-hours release of vehicles. The after-hours telephone number shall be answered and responded to at all times, so that vehicles may actually be released after regular business hours, if necessary. Contractor shall maintain with CVPD an emergency phone number to facilitate release of a vehicle.

7. Response to Requests for Service

Contractor shall provide the Services set forth in this Agreement and respond to requests for service twenty-four (24) hours a day, every calendar day of the year.

Contractor shall not designate or send another company to substitute for it when called by the CVPD.

Upon receiving a request for Service, Contractor shall be responsible for dispatching its own truck.

Contractor shall tow the requested vehicle regardless of its condition or value.

Response time to the designated site shall not be more than twenty (20) minutes, on average, from the time of the request from CVPD. Appropriate staffing shall be in place to accommodate this response 24 hours a day. Average response times will be determined by adding all recent consecutive response times of Contractor (up to a limit of the fifteen most recent responses) and dividing by the number of responses.

Failure to respond to a request for service within 20 minutes may result in: (1) suspension of Contractor from the rotational list; (2) Contractor being placed at the bottom of the rotational list; or (3) cancellation of this Agreement, at the discretion of Town. Extenuating circumstances for delays, including but not limited to weather, severe traffic backup due to crash, additional accidents, may be taken into consideration by Town in its decision to take any action occasioned by Contractor's failure to respond within 20 minutes.

Each call to Contractor shall constitute one turn on the rotational list. After each call, Contractor shall be placed at the bottom of the rotation. Contractor shall forfeit its turn and be moved to the bottom of the list if: (1) Contractor fails to answer its telephone; or (2) Contractor is unable to respond or provide service; or (3) the call is cancelled due to excessive response time.

8. Release/Retention of Vehicles

When a Chino Valley Police officer instructs Contractor to tow a vehicle pursuant to A.R.S. § 28-3511, Contractor shall deliver said vehicle to the Town's storage yard located at 1950 Voss Dr., Chino Valley, Arizona. (See Paragraph 15 for additional requirements related to vehicles towed pursuant to A.R.S. § 28-3511).

It shall be Contractor's sole responsibility to determine that the vehicle is being released to the actual owner or authorized agent and shall not release a vehicle unless and until the owner or authorized agent has provided Contractor with a copy of the owner or authorized agent's valid driver's license, proof of insurance and current registration for the vehicle.

9. Business Licensing

Contractor shall maintain required state and Town licenses for the operation of its business within the Town of Chino Valley.

10. Compliance With State and Local Laws

Contractor shall at all times remain in compliance with all federal, state, and local laws relating to the operation of tow companies, including but not limited to, laws regarding reporting requirements on towed vehicles to federal, state, and local agencies.

Contractor shall submit all necessary reports to the Arizona Department of Transportation as required by A.R.S. §§ 28-4801 through 28-4884 *et al.* and any subsequent amendments thereto.

11. Records

Contractor shall maintain a record for one year on each vehicle towed by CVPD request. The record shall contain, at minimum, the following information:

- Location where the vehicle was picked up
- Location where the vehicle was taken (and other storage locations as applicable)
- Date and time of the pick up
- Date and time of release
- Name and address of the individual to whom the vehicle was released
- Make, model, and year of the vehicle
- License plate number and state of issue
- Vehicle identification number

If the vehicle is sold at auction, Contractor shall document, in writing, the date of auction, and the name and address of the person purchasing the vehicle at auction.

Contractor shall maintain records of itemized tow and storage billing statements.

Upon reasonable notice, Contractor shall permit during normal business hours:

- inspection of the vehicles and records required to be kept by this Agreement; and
- inspection of the storage facilities by any member of the CVPD; and

- audit of the records required to be kept by this Agreement at its place of business.

Within ten (10) days after release of a vehicle, Contractor shall notify YCSO Dispatch via facsimile at 928-771-3260.

12. Fees

Contractor shall not bill CVPD for any fees received from an individual owner of a towed vehicle. If Contractor receives any fees from an owner of a towed vehicle that has been billed to and/or paid by the CVPD, Contractor shall immediately remit such amounts to the CVPD.

13. Site Cleanup

Contractor shall be responsible for debris cleanup at the scene of accidents, including all vehicle parts, broken glass, dirt, sand and any other matter left in the roadway as a result of an accident. Contractor is responsible for retention of and/or appropriate disposal of accident debris. Failure to adequately cleanup a roadway may result in the driver or company being issued a citation or being charged pursuant to A.R.S. § 28-898 or § 28-7056 and possible removal of Contractor from the rotational tow list.

14. Cancellation of Tow Service Request

After Contractor has received a request for Service, CVPD may cancel the request at any time. If the request for cancellation is made prior to any portion of Contractor's equipment being physically attached to the vehicle to be towed, Contractor shall not charge for the Service. If this request is made subsequent to any portion of the tow vehicle's equipment being physically attached to the vehicle to be towed, Contractor may charge for the Service even if the vehicle is **not actually towed**.

15. Vehicles Towed Pursuant to A.R.S. § 28-3511.

The requirements set forth in this section apply only to vehicles towed pursuant to a request from a peace officer to remove and either immobilize or impound a vehicle pursuant to the provisions of A.R.S. § 28-3511.

Upon request from CVPD to tow a vehicle pursuant to A.R.S. §28-3511, Contractor shall tow, not drive, the vehicle to the Town's Storage Yard, located at 1950 Voss Dr., Chino Valley, AZ (the "Yard"). CVPD shall be liable for the vehicle and its contents while the vehicle is impounded at the Yard.

Contractor shall submit a written invoice to CVPD at the time of delivery for each vehicle it tows to the Yard. CVPD shall retain the invoice and, if a hearing is held and the vehicle released, collect the towing fee from the vehicle owner. Town shall notify Contractor of the release of the vehicle and shall remit Contractor's towing fee to Contractor within one month of collection.

If a vehicle is not released within 30 days of impoundment, Town shall contact Contractor and Contractor shall tow the vehicle to Contractor's storage facilities within one

business day of such notice without charge to Town. If the owner subsequently contacts Contractor requesting release of the vehicle, Contractor shall advise the vehicle owner of the requirement for a hearing. If a hearing is held, Town will collect its hearing fee and impound fees and notify Contractor that the vehicle is available for release. It is the responsibility of Contractor to collect its towing fees and any other impound fees incurred after removal from the Yard. Town is not responsible and will not pay towing fees for any vehicle that is not claimed by the owner and subsequently picked up by Contractor.

For any vehicle towed pursuant to A.R.S. § 28-3511 which Contractor obtains possession of (either through receipt of abandoned vehicle title or by virtue of the owner transferring title to Contractor), prior to disposing of the vehicle, Contractor shall provide CVPD with the following information:

- A complete description of the vehicle
- VIN number
- Department Report Number
- a clear copy of the title (front and back).

Upon receipt of this information, CVPD shall prepare a letter authorizing Contractor to take possession of the vehicle and dispose of it in compliance with A.R.S. § 28-3515.

EXHIBIT B**SERVICE RATE FEE SCHEDULE****AS OF _____, 2014****(Subject to Change)**

<i>Type of Service</i>	<i>Tasks Included</i>	<i>Fee</i>
Level 1 Service	Unlock Fuel Delivery (customer pay for fuel) Tire Change (up to ¾ ton) Jump Starts	\$ 55.00
Level 2 Tow*	Basic tow: Vehicle has keys; Wheels and tires operable. Vehicle under 9,000 lb GVW.	\$ 95.00
Level 3 Tow*	Accident tow: No keys; Wheels and tires inoperable; Winching under 50 feet from tow truck access. Vehicle under 9,000 lb GVW.	\$185.00
Level 4 Tow	Vehicles towed pursuant to A.R.S. § 28-3511; Vehicles towed as requested by CVPD	\$ 200.00
Large Vehicle Tows	9,001 – 16,000 lb GVW 16,001 – 26,000 lb GVW 26,001 – 80,000 lb GVW	\$ 95.00/hr port to port \$ 135.00/hr port to port \$ 175.00/hr port to port
Off-Road Recovery Rate/ Standby Rate***	After first ½ hour on scene or vehicle greater than 50 feet from tow truck access, Vehicle under 9,000 GVW	\$ 95.00
Recovery, Large Vehicles	9,001 – 16,000 lb GVW 16,001 – 80,000 lb GVW	\$ 150.00/hr \$ 250.00/hr
Daily Storage	Regular tow after first full 24-hour period	\$ 30.00
Daily Storage	Vehicles impounded pursuant to A.R.S. § 28-3511	\$ 15.00
After Hours Gate Fee**		\$ 65.00
Cost per loaded mile		\$ 4.50
Filing Fee		Not to exceed \$150.00
Fuel Surcharge	Rate will be recalculated based on EIA rates if diesel prices rise to \$4.50 per gal. or higher	15% of total service bill

* Level 2 and 3 tows include towing the vehicle inside the boundaries of the Town of Chino Valley. When the vehicle owner or agent requests vehicle be towed to a location outside the Town limits, "Cost per loaded mile" may be charged from the Town limits to the requested destination.

** After Hours Gate Fee will be charged only when the owner or agent of a vehicle requests entrance to the impound facility after normal business hours. It will not be charged when a tow is performed outside normal business hours.

*** Off-road Recovery fee will be charged only when a vehicle has to be recovered more than 50 feet from tow truck access and will be charged at the rate commensurate with the vehicle's registered GVW.

No other miscellaneous charges are allowed. These services shall be considered to be part of the towing fee and include, but are not limited to, such things as Snatch Block, Skates, no key, driveshaft removal, etc.

AGREEMENT FOR TOWING SERVICES

Contract No. _____

THIS Agreement is entered into as of this _____ day of _____, 20____, by and between the Town of Chino Valley, Arizona, a municipal corporation, hereinafter referred to as "Town" and Tri-City Towing, hereinafter referred to as the "Contractor."

FOR THE PURPOSE of providing towing services for the Town of Chino Valley on a rotational basis, Town and Contractor do hereby mutually agree to the following:

1. SERVICES AND RESPONSIBILITIES

1.1 Retention of Contractor. In consideration of the mutual promises contained in this Agreement, Town engages Contractor to render services set forth herein, in accordance with all the terms and conditions contained in this Agreement.

1.2 Scope of Services. Contractor shall do, perform and carry out in a satisfactory and proper manner, as determined by Town, the services set forth in this Agreement, including all exhibits ("Services"). The specific scope of work and additional requirements of this Agreement are set forth in Exhibit A.

1.3 Responsibility of Contractor.

1.3.1 Contractor shall comply with applicable ordinances, laws and regulations, including those governing towing.

1.3.2 Contractor shall procure and maintain during the course of this Agreement insurance coverage required by Paragraph 4 of this Agreement.

1.3.3 Contractor shall designate Jason Grams as his Contractor Representative and all communications shall be directed to him.

1.3.4 Contractor shall obtain its own legal, insurance and financial advice regarding Contractor's legal, insurance and financial obligations under this Agreement.

1.3.5 Contractor shall coordinate its activities with Town's Representative and submit its reports to Town's Representative.

1.3.6 Contractor shall provide, pay for and insure under the requisite laws and regulations of Chino Valley, Arizona and the United States, all labor, materials, equipment, transportation, and other facilities and services necessary for the proper execution and completion of the Services.

1.3.7 Contractor shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. Contractor shall pay all applicable taxes.

1.3.7 Contractor shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. Contractor shall pay all applicable taxes.

1.3.8 Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Services.

1.3.9 Contractor shall maintain, separate from any other entity on the Town's rotational towing list, its business address, storage yard address and tow trucks.

1.4 Responsibility of Town.

1.4.1 Town shall cooperate with Contractor by placing at its disposal all available information concerning the Services.

1.4.2 Town designates Lt. Vincent Schaan as its Town Representative. All communications to Town shall be through its Town Representative.

1.4.3 Nothing in this Agreement shall be construed to provide an exclusive contract for services with Contractor for the Services. Town shall be free to enter into similar agreements with other qualified contractors and to use the contractors on a rotational basis, at the Town's discretion.

1.5 Contract Term; Renewal.

1.5.1 The Contract commences upon execution of the Contract by both parties and continues through June 30, 2016. The Contract may be renewed for up to two (2) additional one-year terms upon mutual agreement of the parties.

2. COMPENSATION AND METHOD OF PAYMENT

2.1 Compensation. Town shall not be responsible for payment of any fees or charges of Contractor for the Services or for any costs incurred by Contractor. Contractor's sole compensation for the performance of the Services shall be from fees and charges collected from owners of vehicles towed pursuant to this Agreement. The fees charged shall be consistent with the rates established by Town pursuant to A.R.S. § 9-499.05(A) or reasonable fees if none are set by Town. A copy of the Town's current fees at the time of execution of this Agreement is attached hereto as Exhibit B. Town reserves the right to revise its approved fees at any time, with or without notice to Contractor.

3. INSURANCE REPRESENTATIONS AND REQUIREMENTS

3.1 General. Contractor agrees to comply with all Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer)

with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town. Failure to maintain insurance as specified may result in termination of this Agreement at Town's option.

3.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town does not represent that coverage and limits will be adequate to protect Contractor. Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

3.3 Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

3.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by Town, unless specified otherwise in this Agreement.

3.5 Primary Insurance. Contractor's insurance shall be primary insurance as respects performance of subject contract and in the protection of Town as an Additional Insured.

3.6 Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

3.7 Waiver. All policies, including Workers' Compensation Insurance, shall contain a waiver of rights of recovery (subrogation) against Town, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

3.8 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage, which contain deductibles or self insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to Town. Contractor shall be solely responsible for any such deductible or self insured retention amount. Town, at its option, may require Contractor to secure payment of such

deductible or self insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

3.9 Evidence of Insurance. Prior to commencing any Services under this Agreement, Contractor shall furnish Town with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Contractor's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions, and limits of coverage specified in this Agreement, and that such coverage and provisions are in full force and effect. Acceptance and reliance by Town on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to the Town Manager. If any of the above cited policies expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

3.9.1 Town, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

- a. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent.
- b. Auto Liability-Under ISO Form CA 20 48 or equivalent.
- c. Excess Liability-Follow Form to underlying insurance.

3.9.2 Contractor's insurance shall be primary insurance as respects performance of this Agreement.

3.9.3 All policies, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by Contractor under this Agreement.

3.9.4 Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

3.10 Required Coverage:

3.10.1 Commercial General Liability: Contractor shall maintain "occurrence" from Commercial Liability Insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including, but not limited

to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you". If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3.10.2 Vehicle Liability: Contractor shall maintain Business Automobile Liability Insurance with a combined single limit of \$1,000,000 and not less than \$100,000 for property damage each occurrence on Contractor's owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's Services under this Agreement. In addition, Contractor shall maintain On Hook/Cargo coverage with a minimum \$50,000 limit. Coverage will be at least as broad as Insurance Services Office, Inc., coverage code "1" any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3.10.3 Workers' Compensation Insurance: Contractor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance Services under this Agreement, and shall also maintain Employer Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

3.10.4 Garage Keepers Coverage: Contractor shall maintain Garage Keepers coverage in an amount deemed by Contractor to be adequate and shall provide Town with proof of said coverage.

3.10.5 On Hook/Cargo Coverage: Contractor shall maintain On Hook/Cargo coverage in an amount not less than \$50,000.

4. INDEMNIFICATION

4.1 To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless Town, its agents, officers, officials and employees from and against all demands, claims, proceedings, suits, damages, losses and expenses (including, but not limited to, attorney fees, court costs, and the cost of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, Services caused by the Contractor, its agents, employees or any tier of Contractor's subcontractors related to the Services in the performance of this Agreement. Contractor's duty to defend, hold harmless and

indemnify Town, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting therefrom, caused by Contractor's acts, errors, mistakes, omissions, Services in the performance of this Agreement, including any employee of the Contractor, any tier of Contractor's subcontractor or any other person for whose acts, errors, mistakes, omissions, Services the Contractor may be legally liable, including Town. Such indemnity does not extend to Town's negligence.

4.2 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

5. TERMINATION OF THIS AGREEMENT

5.1 Termination. Town may, by written notice to Contractor, terminate this Agreement in whole or in part with seven (7) days' notice, either for Town's convenience or because of Contractor's failure to fulfill its contract obligations. Upon receipt of such notice, Contractor shall immediately discontinue all services affected (unless the notice directs otherwise). This Agreement may be terminated in whole or in part by Contractor in the event of substantial failure by Town to fulfill its obligations.

6. ASSURANCES

6.1 Litigation. Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this Agreement, all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party.

6.2 Independent Contractor. This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that Contractor will be an independent contractor and not Town's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Internal Revenue Code, the Immigration and Naturalization Act, Arizona revenue and taxation laws, Arizona Workers' Compensation Law, and Arizona Unemployment Insurance Law. Contractor agrees that it is a separate and independent enterprise from Town, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Contract shall not be construed as creating any joint employment relationship between the Contractor and Town, and Town will not be liable for any obligation incurred by Contractor, including, but not limited to, unpaid minimum wages and/or overtime premiums. [FOR SOLE PROPRIETORS ONLY: The Contractor shall execute the Sole Proprietor's Waiver of Workers' Compensation Benefits attached hereto and incorporated by reference.]

6.3 Immigration Law Compliance Warranty. As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor verifies the employment eligibility of the employee through the E-Verify program. If Contractor uses any subcontractors in performance of the Work, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Contractor is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. Town, at its option, may terminate the Contract after the third violation. Contractor shall not be deemed in material breach of this Contract if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). Town retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.

6.4 Equal Treatment of Workers. Contractor shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the Services. Contractor shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to, laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA"). Contractor shall protect and indemnify Town and its representatives against any claim or liability arising from or based on the violation of such, whether by Contractor or its employees.

6.5 Sole Agreement. There are no understandings or agreements except as herein expressly stated.

6.6 Notices. Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

TOWN:

Town Manager
Town of Chino Valley
202 North State Route 89
Chino Valley, Arizona 86323

CONTRACTOR:

Tri City Towing
PO Box 4105
2803 N Hwy 89
Chino Valley, AZ 86323
928-636-8307

The address may be changed from time to time by either party by serving notices as provided above.

6.7 Controlling Law. This Agreement is to be governed by the laws of the State of Arizona.

7. INTERESTS AND BENEFITS

7.1 Interest of Contractor. Contractor covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

7.2 Interest of Town Members and Others. No officer, member or employee of Town and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

7.3 Notice Regarding A.R.S. § 38-511. This Contract is subject to cancellation under Section 38-511, Arizona Revised Statutes.

8. ASSIGNABILITY

The Contractor shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of Town thereto.

IN WITNESS WHEREOF, Chino Valley and Contractor have executed this Agreement as of the date first written.

TOWN OF CHINO VALLEY

By: _____
Chris Marley, Mayor

ATTEST:

By: _____
Jami, Town Clerk

APPROVED AS TO FORM:

By:

Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
Town Attorneys
Phyllis L.N. Smiley, Esq.

CONTRACTOR

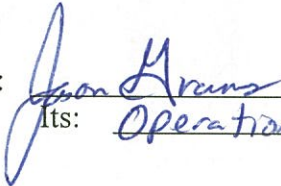
By: 
Its: Operations Manager

EXHIBIT A SCOPE OF WORK

Contractor shall provide towing services ("Services") as requested by the Town including removal of disabled vehicles from accident scenes, vehicles that constitute traffic hazards, vehicles that may be evidence of a crime, and/or any other vehicle towed in accordance with any state statute or Town of Chino Valley ordinance. Contractor shall provide the Services in accordance with the following:

1. Vehicle Identification

Each vehicle used for towing shall have the towing company (Contractor's) name painted on driver and passenger sides of the vehicle in lettering at least three-inches (3") in height and shall display the current Arizona Department of Public Safety inspection seal.

Rates for Services shall be posted in all tow trucks.

2. Information to be Provided by Contractor to Person Responsible for Towed Vehicle

a. Each vehicle shall contain business cards for the Contractor that the Contractor's employee shall distribute to every person responsible for a vehicle being towed. The business cards shall include the following information:

- Name, address, and telephone number of the company;
- Hours of operation; and
- Telephone number for after-hour releases of vehicles.

b. Each vehicle shall contain brochures listing rates and terms of this Agreement and clear instructions with contact information for retrieval of the vehicle that shall be provided to the owner, operator or person responsible for the vehicle being towed.

3. Equipment

All vehicles used for towing shall:

- Be equipped with proper equipment to comply with A.R.S. § 28-1108 and prevent damage to towed vehicles. This equipment includes, but is not limited to: dollies, chains, slings, and bumpers.
- Have the necessary equipment to clean accident scenes including, but not limited to: brooms, shovels, and sand or appropriate absorbent material. An appropriate absorbent material shall be used when conditions exist that sand does not adequately absorb spilled liquids/material.
- Have a functioning two-way radio system with 24-hour dispatching.

Contractor shall have, at a minimum, the following vehicles, at least one of which is classified as a Medium or Heavy-Duty Wrecker, available at all times:

- One power-operated wrecker
- One rollback wrecker in good and serviceable condition

Prior to Contractor being placed on the rotational list pursuant to this Agreement, the Chino Valley Police Department ("CVPD") shall inspect and approve the equipment and facilities to be used by Contractor in providing the Services. Contractor shall notify the CVPD in writing prior to any change or substitution of the equipment or facilities. If prior notice is not possible due to emergency situations, written notice within ten (10) days of any change is required.

4. Storage Facilities

Storage facilities shall be located within the corporate limits of the Town of Chino Valley. Storage facilities shall meet all municipal and/or county zoning requirements for the area in which they are located and said locations shall be on record with the CVPD. Storage facilities shall be owned or leased for use by the Contractor. Proof of ownership or lessee status must be provided with the application.

Vehicles shall be taken directly to the Contractor's storage facility unless the tow driver is advised differently by the CVPD or the owner or driver of the vehicle.

The storage facility shall not be located within a wrecking yard that is in the business of dismantling vehicles.

Contractor shall provide a fenced storage area with a secure fence at least six feet (6') in height plus outwardly slanted 3-strand (or greater) barbed or razor wire and must comply with the requirements of the Chino Valley Town Code and Unified Development Ordinance.

The storage area shall be lit with at least 7.4 lumen light output level of electrical light for each square foot of storage area.

Storage facilities shall have a controlled access point and be locked when unattended. Contractor shall be responsible for the safekeeping of vehicles stored and for the items and personal property in the stored vehicles. Vehicles shall not be stored at any location other than those on record with the CVPD.

Vehicles shall not be removed from the initial storage yard for a period of fifteen (15) calendar days unless requested by the owner or authorized agent. If, after a period of fifteen (15) calendar days, instructions have not been received from an owner or authorized agency, Contractor may remove the vehicle to an alternate storage lot outside the Town boundaries that meets the security requirements listed above. Removal to an alternate lot shall not result in any additional charge to the vehicle owner.

Persons whose vehicles are stored or have been impounded for reasons other than evidentiary purposes shall have the right to remove any personal property, perishables, or valuables prior to the release or payment of impound fees of a vehicle stored in Contractor's lot (excluding items attached to the vehicle; e.g., stereo equipment, etc.). All storage fees shall be assessed against the vehicle/owner and not against personal property.

5. Personnel

Contractor shall have sufficient qualified personnel available for the operation of its vehicles at all times.

All drivers shall have a current State of Arizona driver's license, with proper class, endorsements and medical qualifications.

Drivers shall refrain from using profane and vulgar language in a public area while performing work for the CVPD.

Contractor's drivers, owners, and operators shall not solicit or suggest a repair facility to the owner or driver of a damaged vehicle.

All drivers shall operate the vehicle used for towing in a safe and prudent manner and shall obey all traffic laws, ordinances and other applicable laws at all times.

Drivers shall wear a safety vest any time they are in a roadway, including while hooking up vehicles to be towed and when cleaning debris from the scene.

Contractor shall be fully responsible for drivers' actions.

Contractor's personnel shall treat customers whose vehicles have been towed on behalf of CVPD in a manner consistent with the Town's expectations of proper customer service.

6. Availability

Contractor shall have a staff member on-site its storage facility to assist customers, at a minimum, during Normal Business Hours. "Normal Business Hours" as that term is used in this Agreement, shall mean from 8:00 a.m. to 5:00 p.m. every day except:

- Saturday
- Sunday
- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving

- Christmas Day

At all other times, Contractor shall have a telephone number prominently posted at its storage location for after-hours release of vehicles. The after-hours telephone number shall be answered and responded to at all times, so that vehicles may actually be released after regular business hours, if necessary. Contractor shall maintain with CVPD an emergency phone number to facilitate release of a vehicle.

7. Response to Requests for Service

Contractor shall provide the Services set forth in this Agreement and respond to requests for service twenty-four (24) hours a day, every calendar day of the year.

Contractor shall not designate or send another company to substitute for it when called by the CVPD.

Upon receiving a request for Service, Contractor shall be responsible for dispatching its own truck.

Contractor shall tow the requested vehicle regardless of its condition or value.

Response time to the designated site shall not be more than twenty (20) minutes, on average, from the time of the request from CVPD. Appropriate staffing shall be in place to accommodate this response 24 hours a day. Average response times will be determined by adding all recent consecutive response times of Contractor (up to a limit of the fifteen most recent responses) and dividing by the number of responses.

Failure to respond to a request for service within 20 minutes may result in: (1) suspension of Contractor from the rotational list; (2) Contractor being placed at the bottom of the rotational list; or (3) cancellation of this Agreement, at the discretion of Town. Extenuating circumstances for delays, including but not limited to weather, severe traffic backup due to crash, additional accidents, may be taken into consideration by Town in its decision to take any action occasioned by Contractor's failure to respond within 20 minutes.

Each call to Contractor shall constitute one turn on the rotational list. After each call, Contractor shall be placed at the bottom of the rotation. Contractor shall forfeit its turn and be moved to the bottom of the list if: (1) Contractor fails to answer its telephone; or (2) Contractor is unable to respond or provide service; or (3) the call is cancelled due to excessive response time.

8. Release/Retention of Vehicles

When a Chino Valley Police officer instructs Contractor to tow a vehicle pursuant to A.R.S. § 28-3511, Contractor shall deliver said vehicle to the Town's storage yard located at 1950 Voss Dr., Chino Valley, Arizona. (See Paragraph 15 for additional requirements related to vehicles towed pursuant to A.R.S. § 28-3511).

It shall be Contractor's sole responsibility to determine that the vehicle is being released to the actual owner or authorized agent and shall not release a vehicle unless and until the owner or authorized agent has provided Contractor with a copy of the owner or authorized agent's valid driver's license, proof of insurance and current registration for the vehicle.

9. Business Licensing

Contractor shall maintain required state and Town licenses for the operation of its business within the Town of Chino Valley.

10. Compliance With State and Local Laws

Contractor shall at all times remain in compliance with all federal, state, and local laws relating to the operation of tow companies, including but not limited to, laws regarding reporting requirements on towed vehicles to federal, state, and local agencies.

Contractor shall submit all necessary reports to the Arizona Department of Transportation as required by A.R.S. §§ 28-4801 through 28-4884 *et al.* and any subsequent amendments thereto.

11. Records

Contractor shall maintain a record for one year on each vehicle towed by CVPD request. The record shall contain, at minimum, the following information:

- Location where the vehicle was picked up
- Location where the vehicle was taken (and other storage locations as applicable)
- Date and time of the pick up
- Date and time of release
- Name and address of the individual to whom the vehicle was released
- Make, model, and year of the vehicle
- License plate number and state of issue
- Vehicle identification number

If the vehicle is sold at auction, Contractor shall document, in writing, the date of auction, and the name and address of the person purchasing the vehicle at auction.

Contractor shall maintain records of itemized tow and storage billing statements.

Upon reasonable notice, Contractor shall permit during normal business hours:

- inspection of the vehicles and records required to be kept by this Agreement; and
- inspection of the storage facilities by any member of the CVPD; and

- audit of the records required to be kept by this Agreement at its place of business.

Within ten (10) days after release of a vehicle, Contractor shall notify YCSO Dispatch via facsimile at 928-771-3260.

12. Fees

Contractor shall not bill CVPD for any fees received from an individual owner of a towed vehicle. If Contractor receives any fees from an owner of a towed vehicle that has been billed to and/or paid by the CVPD, Contractor shall immediately remit such amounts to the CVPD.

13. Site Cleanup

Contractor shall be responsible for debris cleanup at the scene of accidents, including all vehicle parts, broken glass, dirt, sand and any other matter left in the roadway as a result of an accident. Contractor is responsible for retention of and/or appropriate disposal of accident debris. Failure to adequately cleanup a roadway may result in the driver or company being issued a citation or being charged pursuant to A.R.S. § 28-898 or § 28-7056 and possible removal of Contractor from the rotational tow list.

14. Cancellation of Tow Service Request

After Contractor has received a request for Service, CVPD may cancel the request at any time. If the request for cancellation is made prior to any portion of Contractor's equipment being physically attached to the vehicle to be towed, Contractor shall not charge for the Service. If this request is made subsequent to any portion of the tow vehicle's equipment being physically attached to the vehicle to be towed, Contractor may charge for the Service even if the vehicle is **not actually towed**.

15. Vehicles Towed Pursuant to A.R.S. § 28-3511.

The requirements set forth in this section apply only to vehicles towed pursuant to a request from a peace officer to remove and either immobilize or impound a vehicle pursuant to the provisions of A.R.S. § 28-3511.

Upon request from CVPD to tow a vehicle pursuant to A.R.S. §28-3511, Contractor shall tow, not drive, the vehicle to the Town's Storage Yard, located at 1950 Voss Dr., Chino Valley, AZ (the "Yard"). CVPD shall be liable for the vehicle and its contents while the vehicle is impounded at the Yard.

Contractor shall submit a written invoice to CVPD at the time of delivery for each vehicle it tows to the Yard. CVPD shall retain the invoice and, if a hearing is held and the vehicle released, collect the towing fee from the vehicle owner. Town shall notify Contractor of the release of the vehicle and shall remit Contractor's towing fee to Contractor within one month of collection.

If a vehicle is not released within 30 days of impoundment, Town shall contact Contractor and Contractor shall tow the vehicle to Contractor's storage facilities within one

business day of such notice without charge to Town. If the owner subsequently contacts Contractor requesting release of the vehicle, Contractor shall advise the vehicle owner of the requirement for a hearing. If a hearing is held, Town will collect its hearing fee and impound fees and notify Contractor that the vehicle is available for release. It is the responsibility of Contractor to collect its towing fees and any other impound fees incurred after removal from the Yard. Town is not responsible and will not pay towing fees for any vehicle that is not claimed by the owner and subsequently picked up by Contractor.

For any vehicle towed pursuant to A.R.S. § 28-3511 which Contractor obtains possession of (either through receipt of abandoned vehicle title or by virtue of the owner transferring title to Contractor), prior to disposing of the vehicle, Contractor shall provide CVPD with the following information:

- A complete description of the vehicle
- VIN number
- Department Report Number
- a clear copy of the title (front and back).

Upon receipt of this information, CVPD shall prepare a letter authorizing Contractor to take possession of the vehicle and dispose of it in compliance with A.R.S. § 28-3515.

EXHIBIT B**SERVICE RATE FEE SCHEDULE**

AS OF _____, 2014

(Subject to Change)

<i>Type of Service</i>	<i>Tasks Included</i>	<i>Fee</i>
Level 1 Service	Unlock Fuel Delivery (customer pay for fuel) Tire Change (up to ¾ ton) Jump Starts	\$ 55.00
Level 2 Tow*	Basic tow: Vehicle has keys; Wheels and tires operable. Vehicle under 9,000 lb GVW.	\$ 95.00
Level 3 Tow*	Accident tow: No keys; Wheels and tires inoperable; Winching under 50 feet from tow truck access. Vehicle under 9,000 lb GVW.	\$185.00
Level 4 Tow	Vehicles towed pursuant to A.R.S. § 28-3511; Vehicles towed as requested by CVPD	\$ 200.00
Large Vehicle Tows	9,001 – 16,000 lb GVW 16,001 – 26,000 lb GVW 26,001 – 80,000 lb GVW	\$ 95.00/hr port to port \$ 135.00/hr port to port \$ 175.00/hr port to port
Off-Road Recovery Rate/ Standby Rate***	After first ½ hour on scene or vehicle greater than 50 feet from tow truck access, Vehicle under 9,000 GVW	\$ 95.00
Recovery, Large Vehicles	9,001 – 16,000 lb GVW 16,001 – 80,000 lb GVW	\$ 150.00/hr \$ 250.00/hr
Daily Storage	Regular tow after first full 24-hour period	\$ 30.00
Daily Storage	Vehicles impounded pursuant to A.R.S. § 28-3511	\$ 15.00
After Hours Gate Fee**		\$ 65.00
Cost per loaded mile		\$ 4.50
Filing Fee		Not to exceed \$150.00
Fuel Surcharge	Rate will be recalculated based on EIA rates if diesel prices rise to \$4.50 per gal. or higher	15% of total service bill

* Level 2 and 3 tows include towing the vehicle inside the boundaries of the Town of Chino Valley. When the vehicle owner or agent requests vehicle be towed to a location outside the Town limits, "Cost per loaded mile" may be charged from the Town limits to the requested destination.

** After Hours Gate Fee will be charged only when the owner or agent of a vehicle requests entrance to the impound facility after normal business hours. It will not be charged when a tow is performed outside normal business hours.

*** Off-road Recovery fee will be charged only when a vehicle has to be recovered more than 50 feet from tow truck access and will be charged at the rate commensurate with the vehicle's registered GVW.

No other miscellaneous charges are allowed. These services shall be considered to be part of the towing fee and include, but are not limited to, such things as Snatch Block, Skates, no key, driveshaft removal, etc.



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **8. a.**

Meeting Date: 02/11/2014

Contact Person/Dept: Jami Lewis, Town Clerk

Department: Council

**Estimated length
of staff presentation:** None

AGENDA ITEM TITLE:

Consideration and possible action to approve the proposed agreement with Cortez Enterprises, Inc. in settlement of claims and contemplated litigation. (Mayor Marley)

RECOMMENDED ACTION:

Approve the proposed agreement with Cortez Enterprises, Inc. or Direction to staff.

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **8. b.**

Meeting Date: 02/11/2014
Contact Person: Joe Duffy, Finance Director
 Phone: 928-636-2646 x-1211
Department: Finance
Item Type: Action-Presentation
Estimated length of staff presentation: 10 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to accept the Comprehensive Annual Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2013, as prepared by Hinton Burdick, CPAs & Advisors.

RECOMMENDED ACTION:

Accept the Comprehensive Annual Audited Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2013, as prepared by Hinton Burdick, CPAs & Advisors.

SITUATION AND ANALYSIS:

Hinton Burdick CPAs and Advisors was retained by the Town to complete the audit for the fiscal year ended June 30, 2013.

The audit has been completed, and the final reports have been issued.

The reports were reviewed by the Finance Committee on January 21, 2014.

Other Pertinent Documents Available Upon Request:

A printed copy of the report is being provided to Council and pertinent staff separately. The report will be available on the Town's website at <http://www.chinoaz.net/finance/budget.shtml>.

Fiscal Impact

Fiscal Impact?: None

If Yes, Budget Code:

Available:

Funding Source:

Attachments
<i>No file(s) attached.</i>



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **8. c.**

Meeting Date: 02/11/2014
Contact Person: Ruth Mayday, Planner
 Phone: 928-636-4427 x-1217
Department: Development Services
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 approve Resolution No. 14-1024, authorizing staff to submit an application related to an Arizona Commerce Authority's Rural Economic Development Grant, which may include an application to the Federal Economic Development Authority for an Economic Development Assistance Grant related to certain sewer and water infrastructure improvements at Old Home Manor; authorizing execution of documents needed for the application, and agreeing to accept and maintain the improvements that are constructed and installed with grant funds.

RECOMMENDED ACTION:

Approve Resolution No. 14-1024, authorizing staff to submit the grant application, and approving the plan to install sewer and water infrastructure, accepting the completed improvements, and maintaining them in perpetuity.

SITUATION AND ANALYSIS:

Staff is in the process of applying for both the Arizona Commerce Authority (ACA) Rural Economic Development Grant (REDG) and the Economic Development Administration (EDA) Economic Development Assistance Program (EDAP). As a part of the ACA-REDG application, the ACA requires documentation of commitment for the cash match funds as well as acceptance of improvements and perpetual maintenance thereof. While the EDA does not necessarily require a Resolution, submitting such a statement of support further strengthens the application as evidence of broad community support.

Each application also requires a cover letter; by authorizing the Mayor (or in his absence, the vice-mayor) to sign the cover letter, Staff can submit the applications when ready and approved by council.

Fiscal Impact

Fiscal Impact?: Yes

If Yes, Budget Code:

Available: Yes

Funding Source:

10% matching funds will be required.

Attachments

Resolution 14-1024

RESOLUTION NO. 14-1024

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, ARIZONA, AUTHORIZING SUBMISSION OF AN APPLICATION TO THE ARIZONA COMMERCE AUTHORITY FOR A RURAL ECONOMIC DEVELOPMENT GRANT WHICH MAY INCLUDE AN APPLICATION TO THE FEDERAL ECONOMIC DEVELOPMENT AUTHORITY FOR AN ECONOMIC DEVELOPMENT ASSISTANCE GRANT RELATED TO CERTAIN SEWER AND WATER INFRASTRUCTURE IMPROVEMENTS AT OLD HOME MANOR, AUTHORIZING EXECUTION OF DOCUMENTS NEEDED FOR THE APPLICATION, AND AGREEING TO ACCEPT AND MAINTAIN THE IMPROVEMENTS THAT ARE CONSTRUCTED AND INSTALLED WITH GRANT FUNDS

WHEREAS, the Town Council of the Town of Chino Valley desires to improve the economy of the community by creating jobs through economic development; and

WHEREAS, the Town Council has determined that the property located in what is known as Old Home Manor would be an ideal location for development of certain industrial and commercial uses; and

WHEREAS, sewer and water infrastructure, which is currently not available, is imperative in order to attract industrial and commercial users to the Old Home Manor property; and

WHEREAS, the Town Council has determined that installation of water and sewer infrastructure in extensions of the Jerome Junction and Tree Farm Road rights-of-way is necessary for development of Old Home Manor for industrial and commercial uses; and

WHEREAS, the Arizona Commerce Authority and U. S. Economic Development Authority offer funding to rural communities like Chino Valley through economic development grants; and

WHEREAS, the Town of Chino Valley intends to install water and sewer infrastructure within the extensions of Tree Farm Road and Jerome Junction with grant funds and, upon final acceptance by the Town Engineer, to maintain said infrastructure in perpetuity;

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

1. That it hereby authorizes submission of a grant application to the Arizona Commerce Authority for an economic development grant for the purpose of water and sewer infrastructure improvements to facilitate economic development of Old Home Manor; and

2. That it authorizes the Mayor and, in the Mayor's absence the Vice Mayor, to execute all documents to reasonably necessary for submission of the grant application; and

3. That it agrees to construct said improvements if the funding is made available and, upon final acceptance of the improvements by the Town Engineer, to accept the improvements and maintain them in perpetuity.

BE IT FURTHER RESOLVED that all resolutions or parts of resolutions in conflict with the provisions of this resolution are hereby repealed.

BE IT FURTHER RESOLVED that is any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 11th day of February, 2014.

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
Town Attorneys
By: Phyllis Smiley

I hereby certify the above foregoing Resolution No. 14-1024 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on February 11, 2014, and that quorum was present thereat and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **8. d.**

Meeting Date: 02/11/2014
Contact Person: Joe Duffy, Finance Director
 Phone: 928-636-2646 x-1211
Department: Finance
Item Type: Action-Presentation
Estimated length of staff presentation: 10 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve Financial Report for the month ended December 31, 2013.

RECOMMENDED ACTION:

Approve Financial Report for the six months ended December 31, 2013.

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 Town's 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 and a debt summary.

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

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Financial Report, December 2013

Town of Chino Valley

Arizona

Financial Report



To The Town Council

For the Six Months Ending December 31, 2013 50% of the Fiscal Year

Town of Chino Valley						
Revenue and Expense Summary						
For the Six Months Ending December 31, 2013 50% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2012-13	Actual Year to Date FY 2013-14 (2)	Amount	% FY 2013-14/ FY 2012-13	Annual Budget FY 2013-14 (1)	% of Budget YTD
GENERAL FUND						
General Fund Revenues by Category						
Franchise Taxes	\$ 36,767	\$ 34,798	\$ (1,969)	-5%	\$ 138,500	25%
Tax Revenues	\$ 1,207,672	\$ 1,831,904	\$ 624,232	52%	\$ 3,911,000	47%
Licenses & Permits	\$ 86,760	\$ 114,557	\$ 27,797	32%	\$ 165,000	69%
Intergovernmental	\$ 1,276,220	\$ 1,364,881	\$ 88,661	7%	\$ 2,892,400	47%
Charges for Services	\$ 368,354	\$ 28,349	\$ (340,005)	-92%	\$ 102,300	28%
Fines and Forfeitures	\$ 55,052	\$ 45,500	\$ (9,552)	-17%	\$ 132,500	34%
Other Revenues	\$ 2,084	\$ 3,348	\$ 1,264	61%	\$ 2,300	146%
Contributions and Donations	\$ 5,934	\$ 3,439	\$ (2,496)	-42%	\$ 13,800	25%
Investment Earnings	\$ 212	\$ 239	\$ 27	13%	\$ 550	44%
Transfers In	\$ 209,328	\$ 27,740	\$ (181,588)	-87%	\$ 65,480	42%
Total Revenues	\$ 3,248,383	\$ 3,454,756	\$ 206,373	6%	\$ 7,423,830	47%
Total Revenues for the General Fund are up \$206,373 over the previous fiscal year. Tax Revenues are up 52% due to the one percent sales tax rate increase. Charges for Services was down due to a one time payment received in FY 2012-13. Intergovernmental Revenues are up 7% primarily due to a and increase in State Shared Income Tax and State Shared Sales Tax. Building Permits are up 92% from \$34,683 to \$66,487. Charges for Services and Fines and Forfeitures are lagging the budget projections. Transfers In were reduced in the current years budget over the prior year. The total General Fund Revenues are up 6% compared to the same period last year. Overall General Fund Revenues are on track YTD.						

Town of Chino Valley						
Revenue and Expense Summary						
For the Six Months Ending December 31, 2013 50% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2012-13	Actual Year to Date FY 2013-14 (2)	Amount	% FY 2013-14/ FY 2012-13	Annual Budget FY 2013-14 (1)	% of Budget YTD
General Fund Expenditures by Department						
Prosecutor	\$ 49,734	\$ 53,667	\$ 3,933	8%	\$ 118,650	45%
Town Clerk	\$ 77,362	\$ 80,281	\$ 2,919	4%	\$ 233,850	34%
Town Manager	\$ 160,479	\$ 169,404	\$ 8,925	6%	\$ 348,850	49%
Human Recourses	\$ 22,642	\$ 24,408	\$ 1,766	8%	\$ 66,950	36%
Municipal Court	\$ 124,329	\$ 128,932	\$ 4,603	4%	\$ 294,800	44%
Finance	\$ 127,618	\$ 143,391	\$ 15,773	12%	\$ 279,050	51%
Management Information System	\$ 76,314	\$ 90,377	\$ 14,063	18%	\$ 244,500	37%
Mayor and Council	\$ 11,338	\$ 12,239	\$ 901	8%	\$ 29,550	41%
Planning	\$ 74,758	\$ 90,263	\$ 15,505	21%	\$ 139,350	65%
Building Inspection	\$ 68,724	\$ 90,988	\$ 22,264	32%	\$ 231,030	39%
Police	\$ 1,113,801	\$ 1,230,662	\$ 116,861	10%	\$ 2,491,650	49%
Animal Control	\$ 38,603	\$ 42,553	\$ 3,950	10%	\$ 91,400	47%
Recreation	\$ 26,032	\$ 13,194	\$ (12,838)	-49%	\$ 74,250	18%
Library	\$ 122,722	\$ 132,705	\$ 9,983	8%	\$ 281,050	47%
Senior Center	\$ 94,221	\$ 91,051	\$ (3,170)	-3%	\$ 199,450	46%
Parks Maintenance	\$ 211,950	\$ 171,972	\$ (39,978)	-19%	\$ 385,300	45%
Aquatic Center	\$ 106,852	\$ 95,355	\$ (11,497)	-11%	\$ 277,500	34%
Public Works Administration	\$ 9,346	\$ -	\$ (9,346)	-100%	\$ -	
Facilities Maintenance	\$ 128,885	\$ 158,988	\$ 30,103	23%	\$ 349,000	46%
Fleet Maintenance	\$ 149,889	\$ 145,343	\$ (4,546)	-3%	\$ 332,350	44%
Engineering	\$ 20,347	\$ 29,026	\$ 8,679	43%	\$ 64,900	45%
Non Departmental	\$ 284,889	\$ 448,028	\$ 163,139	57%	\$ 868,800	52%
Total Expenditures	\$ 3,100,835	\$ 3,442,829	\$ 341,994	11%	\$ 7,402,230	47%
Total Revenue Over (Under)						
Total Expenditures	\$ 147,548	\$ 11,927	\$ (135,621)		\$ 21,600	
GENERAL FUND (Continued)						
Total General Fund Expenditures are at 47% of budget this fiscal year with 50% of the fiscal year complete. Expenditures are \$341,994 higher to date than last fiscal year. The Finance Department is up due to the timing of the audit fees payment. The Police Department personnel costs are up over the prior fiscal year and are at 48% year to date. A detailed analysis of the Police Departments payroll projects them to be under budget by the end of the fiscal year. The Planning department will be over budget this fiscal year due to hiring a full time planner and and increased contract planner expenses. Non Departmental is up due to the emergency gas line repair on North Campus. All other departments are on track.						

Town of Chino Valley						
Revenue and Expense Summary						
For the Six Months Ending December 31, 2013 50% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2012-13	Actual Year to Date FY 2013-14 (2)	Amount	% FY 2013-14/ FY 2012-13	Annual Budget FY 2013-14 (1)	% of Budget YTD
HIGHWAY USER REVENUE FUND						
Total Revenues	\$ 350,119	\$ 355,942	\$ 5,823	2%	\$ 1,019,550	35%
Expenditures						
Road Maintenance	\$ 278,333	\$ 437,788	\$ 159,455	57%	\$ 1,019,550	43%
Total Revenue Over (Under)						
Total Expenditures	\$ 71,786	\$ (81,846)	\$ (153,632)		\$ -	
Total Fund Revenues are up slightly over the prior fiscal year. Expenditures are up due to the chip seal work completed this fiscal year, but the department is at 43% year to date.						
WATER ENTERPRISE FUND						
Water Revenues	\$ 249,980	\$ 250,304	\$ 324		\$ 472,000	
Transfers In	\$ 181,494	\$ 110,000	\$ (71,494)		\$ 220,000	
Total Revenues	\$ 431,474	\$ 360,304	\$ (71,170)	-16%	\$ 692,000	52%
Expenditures						
Water Utility Operations	\$ 265,061	\$ 270,617	\$ 5,556		\$ 539,700	
Capital Improvements	\$ 6,047	\$ -	\$ (6,047)			
Debt Service/Reserve	\$ 14,010	\$ -	\$ (14,010)		\$ 94,895	
Total Expenditures	\$ 285,118	\$ 270,617	\$ (14,501)	-5%	\$ 634,595	43%
Total Revenue Over (Under)						
Total Expenditures	\$ 146,356	\$ 89,687	\$ (56,669)		\$ 57,405	
Total Water Enterprise Fund Revenues are even with last fiscal year, however Water Service Fees are down 22% due to reduced ball field watering and a faulty meter at the Old Home Manor Ball Fields. See the attached for additional information. Total Revenues are even due to the collection of \$52,000 in Water Buy In Fees so far this fiscal year. Expenditures are down slightly over last fiscal year and are at 43% year to date.						
SEWER ENTERPRISE FUND						
Total Revenue	\$ 686,623	\$ 717,525	\$ 30,902	5%	\$ 1,683,365	43%
Expenditures						
Sewer	\$ 428,023	\$ 396,335	\$ (31,688)		\$ 892,050	
Debt Service/Reserve	\$ 162,414	\$ 84,184	\$ (78,230)		\$ 791,315	
Total Expenditures	\$ 590,437	\$ 480,519	\$ (109,918)	-19%	\$ 1,683,365	29%
Total Revenue Over (Under)						
Total Expenditures	\$ 96,186	\$ 237,007	\$ 140,821		\$ -	
Total Sewer Enterprise Fund Revenues are up 5% over last fiscal year. Sewer Service Fees are up 13% primarily due to the rate increase adopted last fiscal year. The Town collected \$55,108 in Sewer Buy In Fees so far this fiscal year. Expenditures are down 19% and are at 29% year to date.						

Town of Chino Valley
Revenue and Expense Summary
For the Six Months Ending December 31, 2013 50% of the Fiscal Year

			Actual vs Prior Year			
	Actual Year to Date FY 2012-13	Actual Year to Date FY 2013-14 (2)	Amount	% FY 2013-14/ FY 2012-13	Annual Budget FY 2013-14 (1)	% of Budget YTD
CAPITAL IMPROVEMENT FUND						
Total Revenues	\$ 604,356	\$ 611,058	\$ 6,702	1%	\$ 4,790,800	13%
Transfers IN Road Impact Fees		\$ 243,280	\$ 243,280		\$ 1,000,000	
Capital Improvements	\$ 130,119	\$ 456,862	\$ 326,743		\$ 4,584,000	
Transfers	\$ 679,194	\$ 429,049	\$ (250,145)		\$ 1,206,800	
Total Expenditures	\$ 809,313	\$ 885,911	\$ 76,598	9%	\$ 5,790,800	15%
Total Revenue Over (Under)						
Total Expenditures	\$ (204,957)	\$ (31,574)	\$ 173,384		\$ -	

Capital Improvement Fund Revenues are up slightly by 1% over the prior fiscal year. Transfers are down due to the reduced amount budgeted this fiscal year. Note the majority of the work done this fiscal year in the Capital Projects fund will be funded by Road Impact Fees.

Detailed Capital Improvement Fund Projects Funded by Road Impact Fees	Actual Year to Date FY 2013-14	Annual Budget FY 2013-14		
Center Street Box Culvert	\$ 12,445	\$ 500,000		
Road 4 South Right of Way	\$ 219,062	\$ 300,000		
Road 4 South Phase 1	\$ 2,191			
Road 4 South Phase 2				
Road 1 East & Road 3 South	\$ 9,582	\$ 200,000		
	\$ 243,280	\$ 1,000,000		

Town of Chino Valley
Revenue and Expense Summary
For the Six Months Ending December 31, 2013 50% of the Fiscal Year

			Actual vs Prior Year			
	Actual Year to Date FY 2012-13	Actual Year to Date FY 2013-14 (2)	Amount	% FY 2013-14/ FY 2012-13	Annual Budget FY 2013-14 (1)	% of Budget YTD
OTHER MINOR FUNDS						
Other Minor Funds -Revenues						
CDBG Grant	\$ -	\$ -	\$ -		\$ -	
Grants Fund	\$ 87,759	\$ 130,424	\$ 42,665		\$ 700,000	
Special Revenue Fund Court	\$ 6,010	\$ 4,425	\$ (1,585)		\$ 15,600	
Capital Asset Replacement	\$ 254	\$ 86	\$ (168)		\$ 25,000	
Police Impact Fee Funds	\$ 346	\$ 8,592	\$ 8,246		\$ 50,000	
Library Impact Fee Funds	\$ 191	\$ 32,168	\$ 31,977		\$ 7,000	
Parks/Rec Impact Fee Funds	\$ 449	\$ 7,036	\$ 6,587		\$ 29,000	
Roads Impact Fee Funds	\$ 4,515	\$ 74,715	\$ 70,200		\$ 1,000,000	
Special Revenue Fund PD	\$ 14,480	\$ 17,354	\$ 2,874		\$ 25,000	
CVSLID Districts	\$ 1,382	\$ 499	\$ (883)		\$ 3,578	
Total Revenues	\$ 115,386	\$ 275,298	\$ 159,912	139%	\$ 1,855,178	15%
CDBG Grant	\$ -	\$ -	\$ -		\$ 650,914	
Grants Funds	\$ 288,372	\$ 142,492	\$ (145,880)		\$ 700,000	
Special Revenue Fund - Court	\$ 4,408	\$ 2,785	\$ (1,623)		\$ 500	
Capital Replacement Fund	\$ 3,997	\$ -	\$ (3,997)		\$ 30,000	
Police Impact Fee Funds	\$ 1,218	\$ 559	\$ (659)		\$ 50,000	
Library Impact Fee Funds	\$ 5,327	\$ 122,117	\$ 116,790		\$ 7,000	
Parks/Rec Impact Fee Funds	\$ 244	\$ (8,811)	\$ (9,055)		\$ 29,000	
Roads Impact Fee Funds	\$ 506,462	\$ 243,280	\$ (263,182)		\$ 1,000,000	
Special Revenue Fund PD	\$ -	\$ 7,040	\$ 7,040		\$ 30,000	
CVSLID Districts	\$ 1,990	\$ 1,899	\$ (91)		\$ 3,806	
Total Expenditures	\$ 812,018	\$ 511,360	\$ (300,658)	-37%	\$ 2,501,220	20%
Total Revenue Over (Under)						
Total Expenditures	\$ (696,632)	\$ (236,062)	\$ 460,570		\$ (646,042)	
Revenues up due to the collection impact fees from new housing starts this fiscal year. As budgeted the Town is using Library Impact Fees to expand the Library this fiscal year.						
TOTAL ALL FUNDS						
Total Revenue All Funds	\$ 5,436,341	\$ 5,774,883	\$ 338,542	6%	\$ 17,464,723	33%
Total Expenditures All Funds	\$ 5,876,054	\$ 6,029,025	\$ 152,971	3%	\$ 19,031,760	32%
Total Revenue Over (Under)						
Total Expenditures All Funds	\$ (439,713)	\$ (254,141)	\$ 185,572		\$ (1,567,037)	
(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 Ending December 31, 2013 50% of the Fiscal Year

					Actual vs Prior Year	
	Actual Year to Date FY 2012-13	Annual Budget FY 2013-14	Actual Year to Date FY 2013-14*	% of Budget YTD	Amount	%
Town Sales Tax Retail	\$ 1,134,021	\$ 3,670,000	\$ 1,702,393	46%	\$ 568,372	50%
Vehicle License Tax	\$ 258,326	\$ 563,000	\$ 292,757	52%	\$ 34,431	13%
State Shared Sales Tax	\$ 418,575	\$ 935,000	\$ 447,094	48%	\$ 28,519	7%
State Shared Income Tax	\$ 552,467	\$ 1,207,000	\$ 603,400	50%	\$ 50,933	9%
Highway User Revenue	\$ 349,099	\$ 763,000	\$ 356,683	47%	\$ 7,584	2%
Water Service Fees	\$ 245,604	\$ 467,000	\$ 191,868	41%	\$ (53,736)	-22%
Capital Improvement	\$ 567,007	\$ 1,138,000	\$ 565,706	50%	\$ (1,301)	0%
Sewer Service Fees	\$ 509,162	\$ 1,125,000	\$ 574,159	51%	\$ 64,997	13%
Major Revenues Y.T.D.	\$ 4,034,261	\$ 9,868,000	\$ 4,734,062	48%	\$ 699,801	17%
Total Revenue All Funds	\$ 5,436,341	\$ 17,464,723	\$ 5,774,883	33%	\$ 338,542	6%

74%

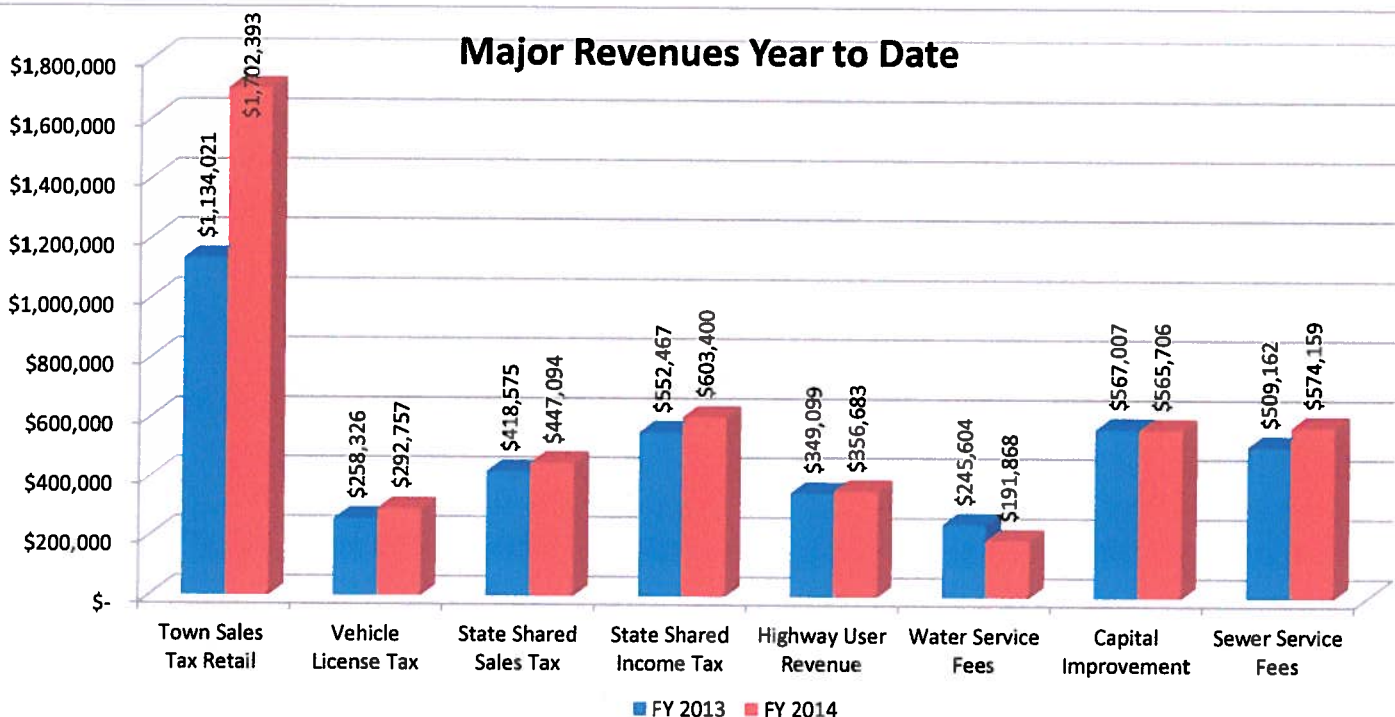
57%

82%

*Note Retail Sales Tax Rate increased from 3% to 4% on June 1, 2013.

The Major Revenues are up \$699,801 or 17% over the prior fiscal year continuing a positive trend. The largest portion is attributed to the 1% sales tax increase that went into effect this fiscal year. Sewer Service Fees are up 13% over last fiscal year due to the adopted rate increase. Excluding Water Service Fees, the remaining revenues are as on track as projected in this years budget.

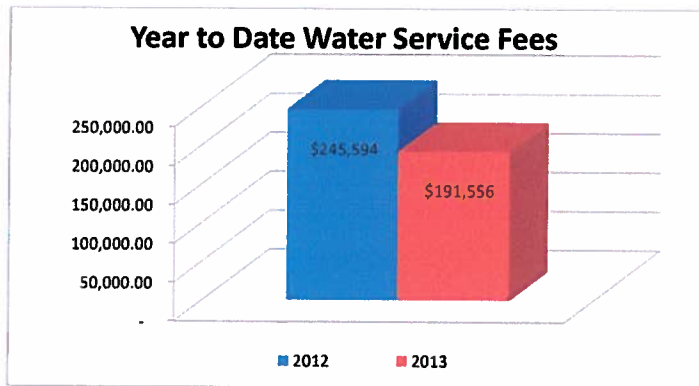
Major Revenues Year to Date



Impact Fee Fund Recaps					
For the Six Months Ending December 31, 2013 50% of the Fiscal Year					
	Police Impact Fees	Library Impact Fees	Parks/Rec Impact Fees	Roads Impact Fees	
Beginning Fund Balance @ 6/30/13	\$ 78,889	\$ 83,963	\$ 23,394	\$ 1,951,941	
Impact Fees Revenue to Date	\$ 8,592	\$ 32,168	\$ 7,036	\$ 74,715	
Impact Fees Expenditures to Date	\$ 559	\$ 122,117	\$ (8,811)	\$ 243,280	
Ending Fund Balance to Date	\$ 86,921	\$ (5,986)	\$ 39,241	\$ 1,783,377	
Budgeted Expenditures FY 13/14	\$ 50,000	\$ 7,000	\$ 29,000	\$ 1,000,000	
Library Impact Fees include a \$30,000 grant from the Yavapai Library District. The deficit will be made up with a contribution from the Friends of the Library. Parks/Recs Impact Fees reflect a prior year credit from the HURF Fund and will be used on the skatepark design.					
Contingency Funds Budget					
For the Six Months Ending December 31, 2013 50% of the Fiscal Year					
	Actual Year to Date FY 2013-14	Annual Budget FY 2013-14			
General Fund Budget		\$ 321,500			
Encumbered to Date					
North Campus Gas Line	\$ 100,186	\$ 100,186			
Great Prescott Regional Economic Retreat	\$ 5,309	\$ 5,309			
General Fund Balance		\$ 205,505			
HURF Fund Budget		\$ 9,500			
Water Fund Budget		\$ 23,000			
Sewer Fund Budget		\$ 68,500			
Balance of Contingency Budget	\$ 105,495	\$ 306,505			
Annual Debt Service Summary By Fund					
Fiscal Year Ended June 30, 2014					
Debt Issue	Date Issued	Original Amount	Outstanding Amount as of June 30, 2013	FY 2014 Principal	FY 2014 Interest
General Government					
GADA Loan 2007A	7/1/2011	\$ 3,825,000	\$ 3,695,000	\$ 75,000	\$ 175,981
US Bank Series 2010	12/15/2010	\$ 7,280,000	\$ 7,280,000		\$ 331,638
		\$ 11,105,000	\$ 10,975,000	\$ 75,000	\$ 507,619
Water Enterprise Fund					
US Bank Series 2010	12/15/2010	\$ 745,000	\$ 655,000	\$ 45,000	\$ 26,895
Sewer Enterprise Fund					
WIFA	1/10/2007	\$ 1,580,000	\$ 1,166,086	\$ 75,796	\$ 32,161
WIFA	1/11/2008	\$ 4,853,000	\$ 3,973,676	\$ 235,511	\$ 111,819
USDA	2/16/2007	\$ 1,595,000	\$ 1,450,165	\$ 37,140	\$ 59,136
USDA	4/10/2008	\$ 1,505,000	\$ 1,406,302	\$ 33,470	\$ 57,382
USDA	4/16/2008	\$ 1,332,000	\$ 1,245,534	\$ 29,577	\$ 50,823
		\$ 10,865,000	\$ 9,241,763	\$ 411,494	\$ 311,321
Total Town of Chino Valley Debt		\$ 22,715,000	\$ 20,871,763	\$ 531,494	\$ 845,835

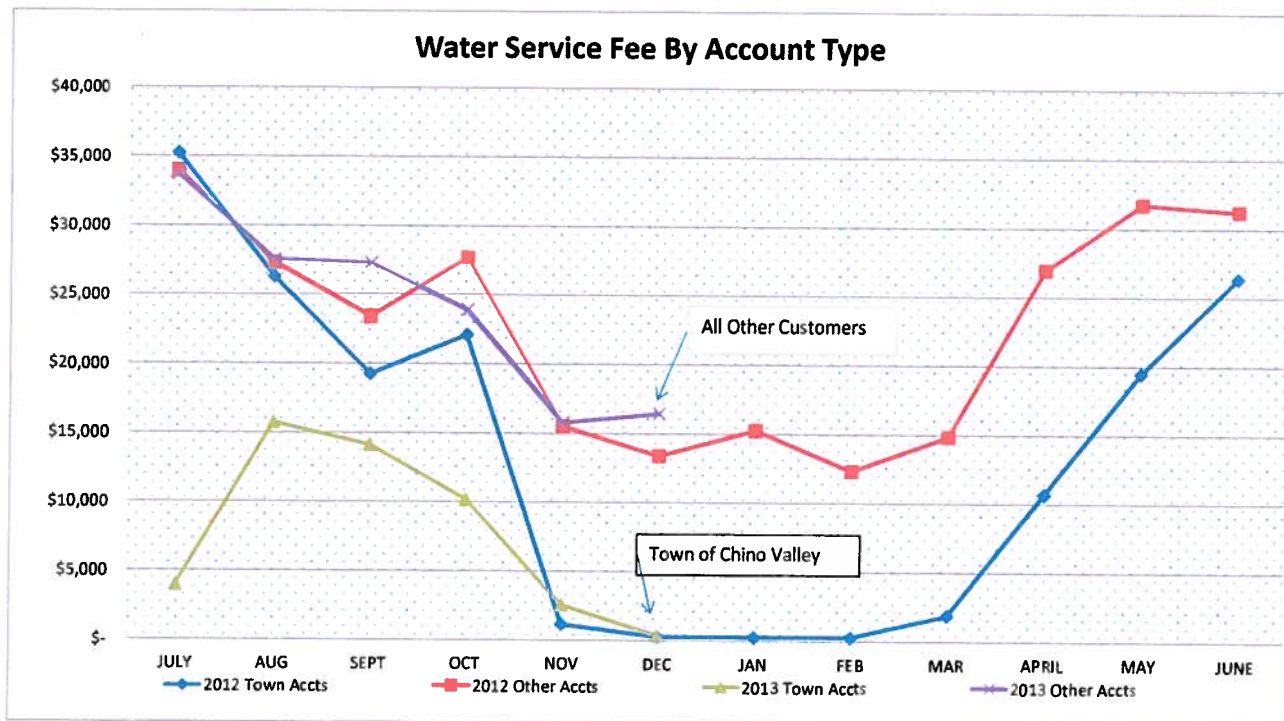
Town of Chino Valley Water Service Fee Analysis

For the first five months of fiscal year 2013 water service fee revenue decreased by \$56,973 compared to the prior fiscal year. An detailed analysis revealed that the reduction was due to a decrease in water used by the Town on the parks and ballfields and a faulty meter on the fields at Old Home Manor. The faulty meter recorded higher water usage in fiscal year 2012 resulting in at \$15,000 credit posted in July 2013, and an overall \$24,000 reduction in usage over the first five months. All other customers usages is even with last fiscal year. The budget shortfall will be made up with Water Buy in Fees this fiscal year.



This chart summarizes the decrease in Water Service Fees

The chart below breaks out the monthly Water Service Fees paid by the Town of Chino Valley and all other customers. The Town of Chino Valley accounted for 37% of the Water Systems Revenue in fiscal year 2012. The Town of Chino Valley is the Water Utilities largest customer. Note that the reduction in water use by the Town so far this fiscal year and an increase in water usage by all other customers.



Note, the Water System Buy In Fees collected so far this fiscal year have offset the loss. However, the Town should carefully monitor this account for the rest of the fiscal year.

**Town of Chino Valley
Reserve Requirement Summary**

"The Town will maintain a fund stabilization reserve of 25% of General Government and Enterprise Funds operating expenditures for unforeseen emergencies or catastrophic impacts to the Town"

	Fund Balance @ 6/30/12	Fund Balance @ 6/30/13	Budgeted Expenditures FY 2013-14	25% of Budgeted Expenditures FY 2013-14 Required Reserve	Budgeted Fund Balance @ 6/30/14	Budgeted Reserve Overage/(Shortfall)
General Fund	\$ 2,613,608	\$ 3,100,744			\$ 2,862,411	
Less Interfund Loans	\$ 1,171,000	\$ 1,352,889			\$ 1,300,000	
Total Available Resources	<u>\$ 1,442,608</u>	<u>\$ 1,747,855</u>	\$ 7,402,230	\$ 1,850,558	<u>\$ 1,562,411</u>	\$ (288,147)
HURF Fund	\$ 747,378	\$ 923,452	\$ 1,019,550	\$ 254,888	\$ 569,773	\$ 314,886
Water Enterprise Fund	\$ 3,921,364	\$ 3,990,525			\$ 4,269,877	
Less Fixed Assets and Long Term Obligation	\$ 4,016,615	\$ 3,992,963			\$ 4,000,000	
Total Available Resourced	<u>\$ (95,251)</u>	<u>\$ (2,438)</u>	\$ 634,595	\$ 158,649	<u>\$ 269,877</u>	\$ 111,228
Sewer Enterprise Fund	\$ 9,997,690	\$ 8,988,351			\$ 9,390,052	
Less Fixed Assets and Long Term Obligation	\$ 8,653,666	\$ 8,222,544			\$ 8,500,000	
Total Available Resourced	<u>\$ 1,344,024</u>	<u>\$ 765,806</u>	\$ 1,683,365	\$ 420,841	<u>\$ 890,052</u>	\$ 469,211

The General Fund is not projected to have the required reserve at June 30, 2014 based on the adopted budget. The Town will update the projection during next years budget cycle and determine the amount to be budgeted next fiscal year. All other funds meet the minimum required reserve amounts.



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **8. e.**

Meeting Date: 02/11/2014
Contact Person: Jami Lewis, Town Clerk
 Phone: 928-636-2646 x-1208
Department: Town Clerk
Item Type: Action
Estimated length of staff presentation: 5 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve Ordinance No. 14-781, amending Town Code Sections 30.065 and 30.066 relating to scheduling Council meetings.

RECOMMENDED ACTION:

Approve Ordinance No. 14-781, amending Town Code Sections 30.065 and 30.066 relating to scheduling Council meetings.

SITUATION AND ANALYSIS:

Currently, Town Code Section 30.066 provides that the Mayor, 4 Councilmembers, or the whole Council may call a special meeting. The Town Attorney has expressed some concern about a quorum potentially deciding outside of a meeting to hold a special meeting and she suggested a possible code revision. In addition, there is no rule delineated in either the Town Code or Rules of Procedure with regard to who may call a study session.

Staff sent a questionnaire to the Mayor and Council concerning these items, with the intent of compiling the responses and bringing them back to Council in the form of a Code or Rules amendment.

Staff received 6 responses to the questionnaire. The results are as follows:

Options	Special Meetings	Study Session
The Mayor	7	7
The Vice-Mayor	3(a)	3(a)
3 Councilmembers (may include the Vice-Mayor)	2	2
2 Councilmembers (may include the Vice-Mayor)	2(b)	2(c)
1 Councilmember	1	1
Town Manager with or without the Mayor	1(d)	1(d)

Other:	0	0
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- (a) In absence of mayor in emergencies (1 comment).
- (b) I don't think it is too much to ask someone elected as a council member to find another council member to support calling a special meeting(1 comment).
- (c) the mayor or two council members should be able to place something on the agenda for an existing date (1 comment).
- (d) With mayor only

Comments:

- It should take a majority to call a special meeting. It will need to be determined how to get through the law of communication or lack of such.
- The Town manager should never be able to call the council into a meeting.
- We may need to think about incapacitation of a Mayor. The vice mayor if the mayor is long term incapacitated. We would have to modify the rules as required when we have to replace a council member as the people voted for the mayor. It would depend on the term of the incapacitation. There might be a need for the vice mayor to step in during an emergency to take action when the mayor is unavailable or otherwise temporarily incapacitated. But technically, the vice mayor is just another council member. We discussed the effect of the incapacity of the Magistrate and handled updating some rules, but probably we need to address these things via ordinance as they have with the president of the US. For Example, in the unlikely event that the Mayor was incapacitated during a time period when he should legally declare martial law, then someone might need to act , we may need to call a special meeting without the mayor. I don't think it is too much to ask someone elected as a council member to find another council member to support calling a special meeting.
- Study sessions should be set by the entire council and not by any one person. However, there may be a need to call a study session more quickly. So the mayor or two council members should be able to place something on the agenda for an existing date. The mayor should not be able to unilaterally move something from the regular agenda to a study session unless the entire council agrees or by majority vote. This is especially important where two council members put something on the regular agenda. The vice mayor should only be able to act as a mayor where the mayor is incapacitated. The Town manager should never be able to unilaterally set a meeting. However he could add something to an existing study session or call a meeting with the mayor's consent or the consent of two council members. There should be an as needed clause for existing meetings or something to automatically cancel a meeting if no agenda items exist by a certain date.

Based on the responses, a majority support only the mayor calling special meetings or study sessions; however, Council may want to discuss what they want do in the eventuality that a council member may request a special meeting or study session and the mayor has no such desire. Staff has drafted an Ordinance amending the Town Code to provide that only the mayor may call special meetings and study sessions. Town Code Sections 30.021 and 30.022 provide for continuation of authority in the mayor's or mayor's and vice-mayor's absence or disability.

Fiscal Impact

Fiscal Impact?: Yes

If Yes, Budget Code: 01-42-5230

Available: TBD

Funding Source:

Funds for publishing an Ordinance/Town Code amendment, if necessary, to come from Town Clerk advertising line.

Attachments

Ordinance 14-781

ORDINANCE NO. 14-781

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, AMENDING THE CODE OF ORDINANCES OF THE TOWN OF CHINO VALLEY, ARIZONA, TITLE III ADMINISTRATION, CHAPTER 30 GOVERNING BODY, BY AMENDING SECTIONS 30.065 REGULAR MEETINGS AND 30.066 SPECIAL MEETINGS, RELATED TO CALLING SPECIAL MEETINGS AND STUDY SESSIONS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR PENALTIES

WHEREAS, Town Code provisions for calling special meeting may conflict with the Open Meeting Law; and

WHEREAS, The Town Code does not provide for Town Council to call and hold study sessions;

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

Section 1. In General.

The Town Chino Valley, Arizona, Code of Ordinances, Title III Administration, Chapter 30 Governing Body, Sections 30.065 Regular Meetings and 30.066 Special Meetings are hereby amended to read as follows (additions shown in ALL CAPS; deletions shown in ~~strikeout~~):

30.065 Regular Meetings

(A) REGULAR MEETINGS: The Council shall hold regular meetings on the second and fourth Thursday of each month at 6:00 p.m. When deemed appropriate, any regular meeting date of the Council may be canceled or rescheduled by the affirmative vote of a majority of the Council, except that at least 1 regular meeting a month must be held, and ~~that the~~ notice of the canceled or rescheduled meeting shall be given to the public as is reasonable and practicable under the circumstances. All regular meetings of the Council shall be held in the Town Hall of Chino Valley, or in such other locations as Council may determine.

30.066 Special Meetings

(B) SPECIAL MEETINGS: The Mayor may ~~, or at the request of 4 members of the Council shall, by giving notice thereof to all members of the Council then in the town,~~ call a special meeting of the Council ~~for a~~ AT ANY time and not earlier than ~~BY~~ NOTIFYING THE COUNCIL MEMBERS OF THE DATE, TIME, PLACE AND PURPOSE OF SUCH SPECIAL MEETING. NOTICE OF SUCH MEETING SHALL BE MADE PURSUANT TO STATE LAW. ~~24 hours after the notice is given. Special meetings of the Council may also be held at any time by the~~

~~common consent of all members of the Council provided proper notice is given. Whenever a special meeting is called, the Clerk shall prepare an agenda and post the agenda no less than 24 hours prior to the special meeting in 3 public places within the town.~~

(C) STUDY SESSIONS: THE MAYOR OR THE COUNCIL, BY COMMON CONSENT THEREOF, MAY CALL A STUDY SESSION OF THE COUNCIL AT ANY TIME BY NOTIFYING THE COUNCIL MEMBERS OF THE DATE, TIME, PLACE AND PURPOSE OF THE STUDY SESSION. NOTICE OF THE STUDY SESSION SHALL BE MADE PURSUANT TO STATE LAW FOR PUBLIC MEETINGS.

30.066 RESERVED

Section 2. Providing for Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance or any part of the Code adopted herein by reference, are hereby repealed.

Section 3. Providing for Severability.

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

Section 4. Providing for Penalties

Any person found responsible for violating any provision of this Ordinance section shall be subject to the civil sanctions and habitual offender provisions set forth in Section 10.99 of the Town Code of Ordinances of the Town of Chino Valley, Arizona.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 11th day of February, 2014 by the following vote:

AYES:	_____	ABSENT:	_____
NAYS:	_____	ABSTAINED:	_____

APPROVED this 11th day of February, 2014.

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
Town Attorneys
By: Phyllis L.N. Smiley

I, JAMI C. LEWIS, TOWN CLERK, DO HEREBY CERTIFY THAT A TRUE AND CORRECT COPY OF THE ORDINANCE NO. 14-781 ADOPTED BY THE COMMON COUNCIL OF THE TOWN OF CHINO VALLEY ON THE 11TH DAY OF FEBRUARY, 2014, WAS POSTED IN THREE PLACES ON THE _____ DAY OF FEBRUARY, 2014.

Jami Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **8. f.**

Meeting Date: 02/11/2014
Contact Person: Jami Lewis, Town Clerk
 Phone: 928-636-2646 x-1208
Department: Council
Item Type: Action
Estimated length of staff presentation: 5 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action regarding the Council Study Session schedule.

RECOMMENDED ACTION:

Select preferred day(s) to schedule study session(s) and determine whether to "soft-schedule," "hard-schedule," or establish standing meeting(s).

SITUATION AND ANALYSIS:

During the Council's strategic planning sessions, Councilmembers discussed designating one day per month as a "standing" study session to address detailed and/or long discussion items and to address further strategic planning issues.

Staff sent a questionnaire to councilmembers asking them to select their top 3 choices and to rank them in order of preference, with the intent of compiling the responses and bringing them back for further consideration. Council considered this matter on January 28, 2014, and voted to postpone the item until all the responses to the questionnaire had come back.

The results of the questionnaire are as follows. Those days ranked 1st were given 3 points, 2nd were given 2 points, and 3rd were given 1 point.

Day of Month	Timeframe for study session item to be on regular meeting agenda	Rankings			Total Points
		1st (3 pts)	2nd (2 pts)	3rd (1 pt)	
1st Thursday	Items reviewed would come back to Council 3 weeks later at the earliest	2	1		7

3rd Thursday	Items reviewed would come back to Council 3 weeks later at the earliest	1	1	1	6
2nd Thursday	Items reviewed could come back to Council 2 weeks later, but would have to be submitted for the regular agenda <i>before</i> the study session		2		4
4th Thursday	Items reviewed could come back to Council 2 weeks later, but would have to be submitted for the regular agenda <i>before</i> the study session		1	3	5
3rd Tuesday*	Items reviewed could come back to Council 1 weeks later, but would have to be submitted for the regular agenda <i>before</i> the study session, or they could come back the following meeting	2		1	7
Other: 2nd and/or 4th Tuesdays	Items reviewed would come back to Council in 2 or 4 weeks.	2			4
Other: A Monday	This would depend upon <i>which</i> Monday of the Month, but it would be the same as any Tuesday meeting.			1	1

*The Planning & Zoning Commission has indicated a desire to reduce their scheduled meetings to once a month on the first Tuesday.

Comments:

- Traditionally, we have reserved the 1st and 3rd Thursdays if needed. I see no reason to change that schedule.
- Holding study sessions the same week as the regular meetings leaves the weeks before and after relatively clear for vacations or the like.
- As long as business is taken care of, I think it's theirs to decide.

Based upon the responses, the preferred days were the 1st Thursday and 3rd Tuesday of each month. If Council retained the 1st Thursday, they could also elect to continue to soft-schedule the 3rd Thursdays. If Council elects to meet on the 3rd Tuesday, it will be helpful to staff to designate alternatives days for additional meetings, if needed, such as the 1st and 3rd Thursdays.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

No file(s) attached.
