

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

**TUESDAY FEBRUARY 26, 2019
6:00 P.M.**

The Town Council of the Town of Chino Valley met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, FEBRUARY 26, 2019.

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

Present: Mayor Darryl Croft; Vice-Mayor Jack Miller; Councilmember Mike Best; Councilmember Cloyce Kelly; Councilmember Corey Mendoza; Councilmember Lon Turner

Absent: Councilmember Annie Perkins

Staff Town Manager Cecilia Grittmann; Town Attorney Andrew McGuire (electronically); Finance

Present: Director Joe Duffy; Public Works Director/Town Engineer Frank Marbury; Planner Alex Lerma; Police Sergeant Steven Angel; Civilian Operations Supervisor Laurie Whisenand; Administrative Technician Kathy Frohock (videographer); Town Clerk Jami Lewis (recorder)

Mayor Croft called the meeting to order at 6:02 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a) Proclamation declaring February 25, 2019–March 2, 2019 as "Stand With Me, Be Drug Free Week," sponsored by MATFORCE.

Mayor Croft read the proclamation and presented it to Cheryl Main, Laurie Whisenand, Sgt. Steven Angel, Yavapai Community College Officer Tyran Payne, and Chad Nanke representing MATFORCE, who spoke about MATFORCE programs.

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council 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.

Karen Archibald spoke regarding a proposed zoning change, but since the item was officially on the agenda, Mayor Croft explained that her comments needed to be held until the item was heard.

Gary Denney spoke about being recently cited for an off-premise sign violation and the Town needing to address the necessity of off-premise signs for businesses like his for which directional signage was necessary.

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. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

a) Status reports by Mayor and Council regarding current events.

Councilmember Kelly reported that there was a lot of negative information on the internet regarding the upcoming ballot measure. He encouraged people to attend one of several informational meetings that were scheduled

Councilmember Best invited people to attend the upcoming 50th Anniversary meeting on March 6.

b) Status report by Town Manager Cecilia Grittmann regarding Town accomplishments, and current or upcoming projects.

Manager Grittmann reported on:

- February Town staff work anniversaries.
- The recent Snowmageddon / Snowpocalypse storm and thanked staff for their relief efforts.
- Upcoming Special Election informational meetings.
- Citizens academy starting on March 21.
- Posting Request for Proposal for operation of the shooting range, due the end of March.

c) Presentation regarding the May 21, 2019 Special Election Ballot Questions. (Frank Marbury, Public Works Director/Town Engineer; Joe Duffy, Finance Director)

Mr. Marbury presented an overview of the proposed Road Maintenance Program:

- Council and the Roads and Streets Committee realized the road network was falling apart and the Town did not have the necessary funds to address the issue.
- The Town had 153 miles of roadway, with one third of those being major arterial and collector roads. The residential and rural roads covered two thirds of the road system.
- Road surfaces included: 39 miles (25%) of asphalt roads; 78 miles (50%) chip sealed roads; 16 miles of improved dirt roads with gravel; and 20 miles of road that were dirt.
- Chip seal was a surface treatment to keep the water off the roads and was effective in dust control and appropriate for passenger car traffic.
- Effective road maintenance included several types of seal coating, overlays, or in some cases reconstruction or expansion. Overlays on the heavier traveled roads would be emphasized and the residential roads would mostly be seal coat treatments.
- Every road would go through the treatment process every seven years.
- Over a 20-year cycle, approximate program maintenance costs were: \$250,000 per mile for arterial road overlays; \$175,000 per mile for residential streets; and \$30,000-\$50,000

per mile for dirt and gravel roads. The total approximate cost over 20 years would be \$32 million or \$1.6 million per year.

Mr. Duffy reported:

- The HURF gas tax was approximately \$1 million per year and paid for labor, salaries, equipment, fuel, etc., leaving only about \$325,000 for road maintenance. The Roads and Streets Committee and Town Council agreed to a ballot measure requesting an annual \$1.5 million property tax levy that would ensure excess funding for necessary major capital road projects.
- The funds would be used exclusively for road maintenance and construction. No overhead would be charged. The funds would be kept in a separate fund that would be audited annually and an annual report would be issued to the Town Council.
- The average tax payer would pay a tax rate of 1.97%. The average assessed value of a home was approximately 50% of the market value of a home.
- Town properties included 255 commercial, 2,200 vacant lots, and 4,400 residential properties. The average residential net assessed value was \$114,000.
- Most of the work would be contracted out. There would be a five-year capital program with annual Town Council approval for the roads that would be maintained.
- There would be a 20-year sunset clause on the tax and a renewal would need approval from the Town Council.

6) **CONSENT AGENDA**

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

7) **ACTION ITEMS**

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

- a) Consideration and possible action to approve Ordinance No. 2019-865 to rezone 2.85 acres of real property, Assessor's Parcel Number 306-29-002N, located approximately .25 miles east of the southeast corner of East Center Street and South State Route 89 from SR-2.5 (Single Family Residential-2.5 acre minimum) zoning district to MR-1 (Multiple Family Residential-1 acre minimum) zoning district. (Owner of Record: Clatterbuck Jared Shaun) (Alex Lerma, Planner)

Recommended Action: Adopt Ordinance No. 2019-865 rezoning 2.85 acres of real property from SR-2.5 (Single Family Residential-2.5 acre minimum) zoning district to MR-1 (Multi-Family Residential-1 Acre Minimum) zoning district with the conditions recommended by staff.

Mr. Lerma presented on the following:

- *Proposal:* The applicant requested the zone change to allow the necessary density for nine duplexes consisting of 18 single family residences. Each property would have a garage with a driveway 16 feet wide and 22-24-foot-deep which could hold up to four vehicles. Guest parking would also be available. Utilities included an onsite water distribution system with a well, pump and water storage tank. The project would be connected to the Town sewer. The primary 24-foot-wide road would be maintained by the owner. An onsite retention basin would contain a playground and picnic area.
- *Area land uses:* The surrounding area was comprised of medium to low density residential and commercial. The property was accessed through E. Center Street.
- *Public comment:* Residents attending the neighborhood meeting voiced concern regarding water levels of neighboring wells, drainage issues, noise level of a higher density, and the density itself. The applicant addressed some issues brought up during study sessions.
- *Staff response to concerns:*
 - The well water issue would be regulated by Arizona Department of Water Resources (ADWR), not the Town. The applicant would need to prove a sufficient water supply.
 - There would be block wall screening.
 - Drainage plans would be required with building permits. The drainage would be required to detain any runoff to pre-development levels and any offsite flow would need to be maintained at the historic and natural rate and place. The applicant's engineer would be required to design the appropriate drainage system.
 - MR-1 allowed for a higher density than the applicant was requesting and the surrounding property owners wanted assurance it would not exceed the current request. A condition for approval could contain language that the development would generally conform with the site plan, which would require the applicant to stay within the current requested density. This would generally allow for modifications to the plan but not the density.
 - Other properties within a half mile that had been developed in the past had higher densities, including Granite Creek Apartments, duplexes, and RV Park/Assisted Living park model development.
- *Recommendation:* The Planning and Zoning Commission voted 6-1 to forward a recommendation of approval with the conditions recommended by staff pertaining to general conformance to the Site Plan, block wall, and the block wall being constructed in the first phase.

Council and Mr. Lerma discussed the following:

- *Guest parking:* Development standards only required guest parking for apartment complexes, not for duplex developments. The original plan called for six parking spaces, but the Commission and Council had requested additional parking.
- *On-street parking:* This would be addressed by staff during the permitting process, but typically, on-street parking was not allowed for 24-foot roads. The garages and driveways allowed for parking of up to four vehicles for each unit. This plan was consistent with other duplex developments.
- *Drainage:* If the rezone was approved, the applicant would then be required to submit a building permit that would include a drainage plan, which would be reviewed by staff for conformance to the development standards. The current application was for zoning only.

Public Comment:

Jim Clark expressed concern about water levels, which had decreased in the area.

Karen Archibald expressed concern about growth encroaching on rural areas, drainage control in an area prone to flooding, and noise levels from the number of residents.

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Lon Turner to adopt Ordinance No. 2019-865 rezoning 2.85 acres of real property from SR-2.5 (Single Family Residential-2.5-acre minimum) zoning district to MR-1 (Multi-Family Residential-1 Acre Minimum) zoning district with the conditions recommended by staff.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best,
Councilmember Corey Mendoza, Councilmember Lon Turner

NAY: Councilmember Cloyce Kelly

PASSED

- b) Presentation, discussion and possible action regarding Town of Chino Valley's Manufactured Home Sales Tax. (Joe Duffy, Finance Director)

Recommended Action: Direct staff per Council discussion.

Mr. Duffy reported on the following:

- On December 13, 2016, Council reduced the tax rate on manufactured homes from 4% to 2% which went into effect on March 2017.
- Manufactured homes had a separate distinct category in the tax code and it was one of the few businesses categories that could have a separate tax rate. Most businesses fell under retail sales tax but the State set up a separate category for manufactured homes.
- In 2015, the Town collected \$86,000 in sales tax for manufactured homes. In 2016 and 2017 the town collected \$154,000. In 2018, with the rise in home sales and construction, the Town collected \$215,000. An analysis of regular construction sales tax showed that 2015 collected tax was \$258,000, 2016 was \$366,000, 2017 was \$409,000, and 2018 was \$697,000. Some manufactured homes were sold at 4% because it was a package sale not just the home.
- Manufactured home building permit activity included 55 homes in 2015, 60 in 2016, 40 in 2017 and 31 in 2018 showing that the number of manufactured homes built in Chino had been decreasing.
- Part of the increase was definitely from increased building activity, and the sales tax rate probably helped. The largest increase in sales of manufactured homes was for sales outside of Chino Valley. The annual gross sales for manufactured home businesses had increased each year.

Vice-Mayor Miller and Councilmember Kelly preferred that the Town's taxes be fair across the board.

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Cloyce Kelly to direct staff per Council discussion, to discontinue the 2% sales tax break.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Cloyce Kelly,
Councilmember Lon Turner

NAY: Councilmember Mike Best

Other: Councilmember Corey Mendoza (ABSTAIN)

PASSED

- c) Consideration and possible action to adopt two ordinances relating to property maintenance matters in the Unified Development Ordinance (UDO) and Town Code as follows:
- (1) Adopt Ordinance No. 2019-862 amending the UDO by deleting Sub-subsection 1.11.10 Abatement of Hazards to Public Health and Safety and Civil Sanctions Pursuant to A.R.S. §9-499, and amending Sub-subsection 1.6.2. Powers and Duties [of the Zoning Administrator and Assistant Zoning Administrator], and deleting Section 6 Property Maintenance; and
- (2) Adopt Ordinance No. 2019-864 declaring the document entitled "Town of Chino Valley Property Maintenance and Public Nuisance Town Code Amendments Dated February 26, 2019" as a public record; adopting said document; and amending Town Code Title V Public Works, Chapter 52 Removal of Rubbish, Trash and the Like, and Culvert Maintenance, repealing Title V Chapter 52 subchapter Removal of Rubbish, trash and the Like; Dilapidated Structures, adding new Title VIII Health and Safety, and amending Title XIII General Offenses. (Joe Duffy, Finance Director)

Recommended Action: Adopt Ordinance No. 2019-862 and Ordinance No. 2019-864 to amend the Unified Development Ordinance and Town Code with regard to property maintenance matters.

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Lon Turner to move item c to the next meeting.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best,
Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Lon Turner

PASSED - Unanimously

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) An executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the Town Attorney regarding the acquisition of a portion of the Prescott Water system and 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 an intergovernmental agreement with the City of Prescott. (Cecilia Gritman, Town Manager)

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Lon Turner to go into executive session at 7:07 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best,
Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Lon Turner

PASSED - Unanimously

9) **ACTION ITEMS RESUMED**

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

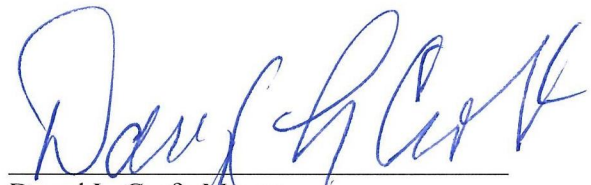
Mayor Croft reconvened the regular meeting at 7:32 p.m. and reported that the Council discussed the issue with the Town attorney, had not reached a decision, and will correspond with the City of Prescott.

10) **ADJOURNMENT**

MOVED by Councilmember Cloyce Kelly, seconded by Councilmember Lon Turner to adjourn the meeting at 7:33 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best,
Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Lon
Turner

PASSED - Unanimously


Darryl L. Croft, Mayor

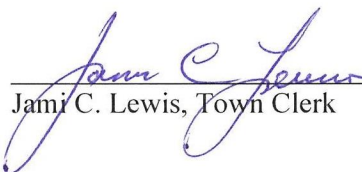
ATTEST:


Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 26th day of February, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12th day of March, 2019.


Jami C. Lewis, Town Clerk