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

TUESDAY, MARCH 10, 2015
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, March 10, 2015.

Present:	Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Linda Hatch; Councilmember Pat McKee; Councilmember Lon Turner; Councilmember Don Wojcik
Staff Present:	Town Manager Robert Smith; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Human Resources Director Laura Kyriakakis; Police Chief Chuck Wynn; Police Lieutenant Vince Schaan; Police Officer Stephen Farmer; Police Officer Kevin Giese; Assistant Public Works Director/Town Engineer Michael Lopez; Development Services Director Ruth Mayday; IT Specialist Spencer Guest; Utilities/Recreation Supervisor Chris Bartels; Deputy Town Clerk Liz Hart (recorder)

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

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

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

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

Robert McCaullay, resident, spoke about his removal from the Planning and Zoning Commission in September 2014 and requested that Council not fill any vacancies on the Commission until the Town responded to his request for a hearing.

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.

There was nothing to report.

5) CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

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

Mayor Marley responded to questions raised during the February 26th study session on the following topics:

- *47% "did-not-work" statistic:* The data, which came from the 2008-2012 U.S. Census American Community Survey, did not change on a 2015 update using data from 2009-2013. While unemployment rates were based on a percentage of labor force numbers, "did-not-work" rates were based on a percentage of the entire population and included those 16 and over not looking for work, in school, retired, and the like. Area unemployment rates cited in the data was 14.3%.
- *Skate park maintenance costs:* Maintenance costs for the City of Prescott's skate park, which was fenced and closed at night, cost about \$6,000-\$7,000. As the Town's would open at all times, its maintenance costs would be higher.
- *Town employee salaries (addressed in the Monthly Mayor's Report):* Per the League of Arizona Cities and Towns salary survey, the Town's department head salaries were mostly below the average salaries for comparable municipalities.

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

Mr. Smith had nothing to report.

c) Update regarding the Town's application to the Economic Development Administration (EDA) for infrastructure improvements at Old Home Manor. (Ruth Mayday, Development Services Director)

Ms. Mayday reported that the December 2014 EDA application deadline had been delayed to March 12, 2015, due to funding conflicts and continuing resolutions in congress. She anticipated a response by the end of March or early April.

Councilmember Hatch reported that she had received conflicting information on the response date.

6) CONSENT AGENDA

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

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to approve Financial Report for the month ended December 31, 2014.

Vote: 7 - 0 PASSED

a) Consideration and possible action to approve Financial Report for the month ended December 31, 2014. (Joe Duffy, Finance Director)

7) ACTION ITEMS

a) Consideration and possible direction to staff regarding budget items discussed, including pool operations, at the February 26, 2015 Study Session. (Joe Duffy, Finance Director)

Recommended Action: Direction to staff regarding budget items discussed at the February 26, 2015 Study Session.

Mr. Duffy reported that:

- Current projections were tentative and preliminary, based on the best data available at the time, but were very fluid and subject to revision.
- Required reserves were fully funded in FY 2014 and FY 2015. Staff hoped to maintain these levels until the enterprise funds were self-sufficient, which was projected to take about two years. Although the Town had made great strides, future year projections still lacked needed yearly capital replacement funding.
- As reserves were expected to decrease $433,000 in FY 2016, staff will bring issues to Council for potential cuts or additional revenues. Staff brought the Aquatic Center issue sooner than all the others due to its imminent hiring schedule.
- Aquatic Center revenues were steady, and while usage increased, the low fees did not contribute much. Public Works had reduced net expenses from $292,120 in 2012 to $137,818 in 2014, and they believed they could keep expenses to $125,000-$135,000 this year. Closing the pool would save about $100,000-$125,000.
- Two ways to fund the pool were to use carryover funds from FY 2015 or transfer funds from the Capital Improvement Fund. Per Resolution 04-711, the Capital Improvements Fund could be used for pool operations and maintenance. He recommended not making a decision on funding until Council reviewed whole budget.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to keep swimming pool facility open for the 2015 summer session and continue to research methods for determining the Town budget.

Vote: 7 - 0 PASSED

b) Consideration and possible action to: (i) make the finding that there is a reasonable basis for constructing the Chino Valley Skate Park capital project in-house, and that this project is not being constructed in-house to avoid the bidding requirements, pursuant to the Town's Procurement Policy; (ii) authorize the use of $19,000 in Parks Impact Fees for the project; and (iii) direct staff to report to Council after a project stakeholder's meeting. Funds to come from Parks Impact Fees $13,000 and P&R Grant Funds $ 6,000. (Vice-Mayor Croft; Mayor Marley)

Recommended Action: (i) Make the finding that there is a reasonable basis for constructing the Chino Valley Skate Park capital project in-house, and that this project is not being constructed in-house to avoid the bidding requirements, pursuant to the Town's Procurement Policy; (ii) Authorize the use of $19,000 in Parks Impact Fees for the project; and (iii) Direct staff to report to Council after a project stakeholder's meeting.

The staff report by Town Clerk Lewis stated that Council considered this item on February 24, 2015. The vote to approve the item failed 3-3-1. Pursuant to Robert's Rules of Order, Rule 38, which allowed a motion that had been rejected to be introduced again at any future session, Mayor Marley and Vice-Mayor Croft desired to bring the item back for consideration.

Council discussed:

- Restricting the Town's funding to the $19,000 or allowing staff to request future funding, which Council could always deny.
- Staff reporting on all expenses and Town labor hours used; and staff services needed even if the project was contracted out.
- This being an opportunity for the Town to obtain in-kind services from the community.
- The whole Council previously approving $34,225 for the engineered drawings and the community indicating a high level of support for the project.
- The difference between the original estimate and the actual engineering estimate.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to (i) Make the finding that there is a reasonable basis for constructing the Chino Valley Skate Park capital project in-house, and that this project is not being constructed in-house to avoid the bidding requirements, pursuant to the Town's Procurement Policy; (ii) Authorize the use of $19,000 in Parks Impact Fees for the project; and (iii) Direct staff to report to Council after a project stakeholder's meeting.

Vote: 4 - 3 PASSED

NAY: Councilmember Linda Hatch
Councilmember Pat McKee
Councilmember Don Wojcik

Mayor Marley recessed the meeting at 6:37 p.m. and reconvened it at 6:51 p.m.

c) Discussion and possible action to address a complaint filed by Mayor Chris Marley against Councilmember Linda Hatch pursuant to Town Code Chapter 35Code of Ethics Section 35.04 Conduct in Public Office. (Vice Mayor Croft;Mayor Marley)

Recommended Action: Adopt Resolution No. 15-1055 censuring Councilmember Hatch for refusing to comply with certain records requests when such records did, in-fact exist and demanding that Councilmember Hatch comply with said requests by furnishing any missing documents to the Chino Valley Town Attorney within ten business days.

Mayor Marley turned the item over to Vice-Mayor Croft.

Vice-Mayor Croft reported that the mayor's complaint was filed on March 4, 2015 and Council received it and the supporting documentation on March 9. As that was not sufficient time for Councilmember Hatch and the other councilmembers to study the material and provide an appropriate response, he suggested postponing the item to April 28.

MOVED by Councilmember Lon Turner, seconded by Councilmember Mike Best to postpone the item.

Gary Kidd, legal counsel for Councilmember Hatch, supported postponement and a full hearing to allow due process. Due to the Town Code lacking procedures for an appropriate legal process and records requests pending, he suggested postponing the item to the first meeting in May.

MOVED by Councilmember Lon Turner, seconded by Councilmember Mike Best to AMEND the motion to delay this and bring it back on May 12. 7-0.

Vote: 7 - 0 PASSED

Vice-Mayor Croft turned the meeting back over to Mayor Marley.

d) Informational hearing, consideration, and possible action to approve contracts between Pinnacle Consulting/SunState and the Town of Chino Valley for the installation of three (3) wireless communications towers to provide enhanced wireless capabilities between the Town Hall, North Campus (Library) and the Recreation Center. The Town budgeted $40,000 in the Capital Improvement Fund this fiscal year for this project. This project will negate need for $1,100 per month to CableOne for fiber optic service saving the Town $13,200 each fiscal year. (Ruth Mayday, Development Services Director)

Recommended Action: Approve contracts between Pinnacle Consulting / SunState and the Town for the wireless communication project.

Ms. Mayday presented the information on the matter:

- *Purpose of Hearing:* The Town was considering entering into agreements with Sun State Towers and Pinnacle Consulting to provide enhanced wireless services by replacing existing fiber-optic connections with a wireless system. UDO Section 4.25(E)(2) Wireless Telecommunication Facilities, Permitted Uses required an informational hearing to be held during a Council regular or special meeting when such facilities were located on Town property.
- *Proposed Project:* (i) Construction of two 100-foot monopole Verizon cell towers on which the Town will place dish antennas for the transmission of network data and telecommunications; and (ii) Sun State to construct an 80-foot tower for the Town at the Library, providing wireless communication between Town Hall, the North Campus, and Recreation Center. The Town will procure the necessary components for the Library tower either through its own process or through Sun State, whichever is less costly.
- *Benefits:* The Town currently paid CableOne $1,100 per month for a fiber-optic connection for its computer network. By replacing the fiber optic with wireless, the Town could save on that expense. The addition of two Verizon cell sites will improve wireless services for the community as a whole.
- *Town Out-of-Pocket Costs:* Approximately $24,000-$28,000 for the materials to construct the 80-foot Library tower and the two dish antennas on the Verizon towers at Town Hall and Recreation Center.
- *Funding:* In the FY 2014/15 Capital Projects Budget, $140,000 was allocated for remodeling the Recreation Center, $40,000 of which was set aside for enhancements to the current network. While the remodel had been postponed, there was still a need for improvements to the wireless network.

Various staff members added that:

- The project would not only provide wireless communications throughout Town facilities, but include the Community Center at no cost as well.
- Should staff relocate to the Recreation Center in the future, lack of such wireless infrastructure will require another CableOne fiber connection at an additional $1,100 per month.

- As the towers were co-locatable, Sun State could receive revenues on their two towers and the Town could receive revenues on its tower.
- During the recent communications outage, increased cell usage during the outage caused a communications gridlock at the Police Department. E-911 went down and the only functioning line was a fax line. Although the Verizon towers were functioning, the Town did not have the coverage or bandwidth to take advantage of them.

Public comment:

John Victor, resident, supported the benefits of the project but asked about relocating the Recreation Center tower as it was right across from his house.

Jonathan Whetstone, resident, opposed the same location, as he lived directly across from it, and asked about moving it to the materials storage yard behind the Recreation Center, as it was fenced and further off the street. Mr. Whetstone, staff, and Chad Ward with Sun State reviewed that and identified another mutually agreeable location.

Dan Carlson stated that he was not opposed to the project, but asked several questions about the project's origination, tower heights, lighting, and lightening protection. Mr. Smith related that:

- He came up with the idea, spoke with the town attorney about procurement requirements, and sought a tower company who would build at the Town's desired locations and carriers conditions.
- The north campus' current tower was 85 feet; the proposed Library tower will be 15 feet taller.
- The FAA did not require such towers to have lighting, and the Town's light code prohibited it.
- Every metal part on a cell tower was grounded by a halo ground ring.

Cheri Romley, resident, asked about additional expense to the Town for cabling and modem in the building. IT Specialist Guest stated that the building would need no additional equipment.

Norm Freeman, resident, requested that the Town's specific communications needs and Verizon cell service be separated out, as he believed this proposal pitted the Town against the private sector and the Town had other ways to obtain the needed data services.

Todd League, Parks and Recreation Advisory Board member, asked about possibly using the tower to mount lighting for the skate park, volleyball, and basketball areas. Mr. Ward stated that lights could be mounted safely.

MOVED by Vice-Mayor Darryl Croft, seconded by Mayor Chris Marley to approve contracts between Pinnacle Consulting/SunState and the Town for the wireless communication project.

Vote: 2 - 5 FAILED

NAY: Councilmember Mike Best
Councilmember Linda Hatch
Councilmember Pat McKee
Councilmember Lon Turner
Councilmember Don Wojcik

MOVED by Councilmember Mike Best to request that staff do more research, now that they had heard from the constituents, and bring it back before Council.

Mayor Marley stated that a motion was not needed, but Council could instruct staff to do further research.

e) Consideration and possible action to select Henry & Horne, LLP as the Town's Audit firm, as recommended by the Finance Committee, to perform Professional Audit Services for the Fiscal Years Ending June 30, 2015 through June 30, 2017. The Town will budget the annual amount for each of the three fiscal years in the Finance Department's Budget . (Joe Duffy, Finance Director)

Recommended Action: Approve Henry & Horne, LLP to be the Town's Audit Firm to perform Professional Audit Services for the Fiscal Years Ending June 30, 2015 through June 30, 2017.

Mr. Duffy reported that the Town's Financial Policies required the Finance Department to issue a request for proposals (RFP) for professional audit services every five years. Staff issued an RFP in December 2014; six audit firms responded. The Finance Subcommittee reviewed and scored the responses and recommended that Council select Henry & Horne, LLP with a three-year and an option for two additional years.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to select and approve Henry & Horne, LLP to be the Town's Audit Firm to perform professional audit services for the fiscal years ending June 30, 2015 through June 30, 2017.

Vote: 7 - 0 PASSED

f) Consideration and possible action to appoint applicants to fill vacancies on the Planning and Zoning Commission, Parks and Recreation Advisory Board, Public Safety Retirement Board, Industrial Development Authority, and Municipal Property Corporation. (Jami Lewis, Town Clerk)

Recommended Action: Appoint applicants to the Planning and Zoning Commission, Parks and Recreation Advisory Board, Public Safety Retirement Board, Industrial Development Authority, and Municipal Property Corporation, as recommended by the Council Appointments Subcommittee; and designate that Ms. Lane be appointed to the term ending January 31, ____[2016 or 2017] and Mr. Bacon be appointed to term ending January 31, ____[2016 or 2017].

Deputy Clerk Hart reported that the Appointments Subcommittee met on February 23 to review applications for several public bodies and made the following recommendations:

- *Planning and Zoning Commission:* Appoint Annie Lane and Michael Bacon, with Claude Baker as alternate. As the Subcommittee did not designate a term ending date for either of the applicants, Council will need to designate on appointment with term ending January 31, 2016 and the other on January 31, 2017.
- *Parks and Recreation Advisory Board:* Appoint Deryl Jevons to term ending June 30, 2015.
- *Public Safety Retirement Board*: Re-appoint Cheryl Romley to term ending June 30, 2016.
- *Industrial Development Authority:* Appoint John Coomer to term ending June 30, 2017.
- *Municipal Property Corporation:* Re-appoint John Coomer to term ending June 30, 2017.

Councilmember Hatch requested that staff provide background material for all applicants.

MOVED by Councilmember Pat McKee, seconded by Councilmember Linda Hatch that this item be postponed until the second meeting in May, pending Mr. McCaullay's request to be reinstated on the Commission.

Vote: 5 - 2 PASSED

NAY: Vice-Mayor Darryl Croft
Councilmember Lon Turner

Council asked if this action could keep the Commission from meeting. Ms. Mayday stated that the seven-member board currently had five members and needed four for a quorum.

Councilmember Hatch asked about the other positions to be filled. Ms. Smiley stated that because Council wanted to see the background material, she understood the motion was to postpone the entire item. However, Council could reconsider the motion.

MOVED by Mayor Chris Marley, seconded by Councilmember Mike Best to reconsider the motion.

Vote: 7 - 0 PASSED

Councilmember McKee and Councilmember Hatch stated that their motion was intended only to postpone the Planning and Zoning Commission portion.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to postpone all these appointments to the second meeting in May.

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.

9) ACTION ITEMS RESUMED

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

10) ADJOURNMENT

MOVED by Mayor Chris Marley, seconded by Councilmember Pat McKee to adjourn the meeting at 8:00 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 10th day of March, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 24th day of March, 2015.

Jami C. Lewis, Town Clerk