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

THURSDAY, MARCH 15, 2012
6:00 PM

The Town Council of the Town of Chino Valley, Arizona met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Thursday, March 15, 2012.

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

Council Present: Mayor Chris Marley, Vice-Mayor Carl Tenney, and Councilmembers Mike Best, Darryl Croft, Dean Echols, Linda Hatch, and Lon Turner.

Staff Present: Interim Town Manager Robert Smith, General Services Director Cecilia Watts, Finance Director Vera Smith, Town Engineer/Public Works Director Ron Grittman, Utilities Technician Joe Grassi, Building Official Dan Trout, and Town Clerk Jami Lewis (recorder).

2) Interim Town Manager's status report on Town issues. (Robert Smith, Interim Town Manager)

Mr. Smith related that normally, a report of this nature would take several months to complete, but he accelerated it due to constraints with the budget process, compensation and classification study, existing conflicts, and general plan update. As priority demanded that internal issues be examined first, external relationships and connections were not fully explored or reviewed.

His approach to this report was to observe and investigate matters; discuss and explore options with staff, Council, and others in the community; catalog and evaluate the issues; and report his findings and offer suggestions to Council. He requested that, as he reviewed each topic, councilmembers rank the items in order of priority.

The items reviewed were as follows:

<u>Legal</u>

- Bright Star well and waterline – Staff believed this would be resolved soon.
- City of Prescott water issue – Staff believed this was to be resolved soon.
- Del Rio water rights – Staff believed this was to be resolved soon.
- Fann wastewater treatment plant agreement and connections – The Town Attorney was proceeding per Council's previous direction.
- Sun Edison right-of-way dedication – Staff was continuing to work on this issue.
- HIA water rights – This was a long term issue being worked on by the Town Water Attorney. Council may need further discussion in executive session with regard to another party being involved.
- HR/EEOC litigation and actions – Some of these were clearing and some were ongoing.

- Attorney performance reporting – This was a new item. He discussed with the Town Attorney having the firm provide a list of issues they were working on, along with financial reporting, so Council could see how much the Town was spending and progress being made on each issue.

Finance

- FY12/13 budget, modifying fiscal reporting – Staff will be bringing some new ideas forward.
- Fiscal plan for stability by 6/2013 – Staff will try to come up with a solution, but it will involve some difficult decisions.
- Debt service schedule added to financial reporting – This had been done.
- Development agreement fiscal impact schedule – Council needed to understand how current development agreements would affect the Town's fiscal condition over time.
- Procurement code revisions – These were underway.
- Tax audit – Staff was reviewing the Town's collectible taxes to make sure it was receiving the appropriate revenue.
- Uniform tax code – Staff kept the Town's code in line with the League's proposals.
- Transaction privilege tax – Staff will be reviewing the possibility of being able to tax medical marijuana.
- Single audit – This was an annual event.
- Re-imposition of impact fees – Council should consider getting these back on the books.
- Feasibility for property or sales tax – The Town needed to focus on increasing revenue. Both of these options had challenges and staff was running the numbers to see if either would help.

Infrastructure.

- The Town already had a lot of information and engineering in place that positioned it to be able to move forward in the future.
- Utilities rate and fees study – This was in process and would come to Council soon.
- Whittle Utilities report – Staff was looking at alternatives beyond that report. The Town may want to implement the EZ Trac system to recover aging utility fees.
- Lien collections – The Town's lien officer was working with the Court to possibly use the Court's EZ Trac system. The Town needed to make sure it had a streamlined approach that worked.
- Waste Water Treatment Plant Solar Project – There will be a ribbon cutting on this soon, and future expansion will have a positive impact.
- Waste Water Treatment Plant valuation – This will play an important role in working through issues with Bright Star.
- Drainage plan – This will allow the Town to execute projects and staff had received recommendations from engineers on how to proceed with phased approaches.
- Flood control – He met with County Flood Control last week to learn how the County funded projects. Regarding funding for this year, the County asked for more details on the Town's requested projects as well as commitment of Town funds. Staff will follow up for clarification on guidelines.

- Culvert & ditch maintenance policy – Staff had drafted a resolution that will be brought to Council soon.
- Box culverts – The Town needed to move forward with this project.
- Roadway maintenance – This funding line being gutted was creating issues for the Town. The Town should be maintaining 10 to 12 miles of roadway a year or Town rights-of-way and road services will suffer.
- 89 widening & BBD conduit – Staff got this project accelerated from 2016 to 2013 and hopefully, ADOT could lay broadband conduit at same time.
- 89 sidewalk – This will be installed after the widening; then the Town will ask ADOT to extend the conduit.
- 89 additional roundabouts – The artwork for the roundabout was currently under jury.
- Williamson Valley Road – With the new supervisory district that included Chino Valley and Williamson Valley, it would make sense to connect these two communities via Road 2 South or Center Street.
- Second well site – The Town was currently operating on one well. The Country West well was probably the best well for rehabilitation. Between the Bright Star reimbursement agreement and the money budgeted this year, hopefully there will be enough to do so.
- Water provider aggregation – Aggregating all the private water providers may not be the right answer for the Town, but it could look at acquiring users from other providers, which would allow it to loop systems for fire flow and other purposes, and possible economic development.
- Shooting range – Already underway, this project will provide some economic development for the Town.
- Wireless communications – The Town's service was bad and needed more robust communications, as economic development over the next several years was going to come from telecommuters.
- Rainwater harvesting – This was an element in the strategic plan and would become more active he moved forward on it.
- Biomass Partnership – This was an element in the strategic plan and would become more active he moved forward on it.

Councilmember Hatch commented that there was funding available for solar panels for governments and the Town should check with APS to see what the benefits would be. She also noted that there was a wireless project for rural areas that she learned about from NACOG.

<u>Economic Development</u>

- Economic development plan – Council had indicated that they wanted an economic development plan by December 2012. This was a little aggressive now, but staff could take some short-term steps.
- Impact fees – Discussed above.
- Water system expansion – It was easier to expand water than sewer, and growing the water user base had the potential to create cash flow to assist with the sewer system expansion.
- Sewer system expansion – Discussed above.

- Exploring opportunities – The Town needed to reach out to external entities for partnerships.
- Interface with external entities – He hoped to development partnerships with several organizations.

Vice Mayor Tenney reported that at a Central Arizona Partnership meeting, the Arizona Cardinals owner encouraged the region to take advantage of its good weather to sponsor sports tournaments. Also, there were new signs of real estate activity. Mr. Smith noted that Highlands Ranch was getting started again, Del Rio was to get their preliminary plat rolling, Bright Star was moving forward, and Charlie Arnold's greenhouse project was going to the Planning and Zoning Commission.

Community Development

- Strategic plan – This addressed community development issues.
- General plan – Staff hoped to adopt this in mid-2014, which will drive zoning map and UDO revisions.
- UDO revision – Discussed above.
- Code enforcement – The Police Department was working with the Court to use the Court's e-cite system for enforcement purposes and staff was also reviewing code enforcement fines.
- Non-conformities inventory – The 2006 UDO created several non-conformities and the Development Services Department should have gone through an inventory process. This will need to be completed after the general plan update.
- Wireless communications ordinance revisions – He will be recommending changes in the way the Town regulated wireless communication infrastructure.

Community Services

- Policing – He believed that Commander Wynn was doing an excellent job and had a good relationship with the County.
- Court system – The Court was going through major improvements with the EZ track payment system, tax intercepts, and collections.
- Safety and emergency management – The Town had not been through a plan update in awhile. Staff was putting together a safety committee.
- Resource development – It was difficult to come up with funds for services, such as transit, recreation, and senior center. The Town needed to find resources to bolster these services or fund them through another route. He was considering paring back on existing personnel proposals to create a half-time resource development position that could find alternative funding for these services.
- Community services (Senior services, Parks and Recreation, Library, Transit) and Chamber of Commerce/Visitor Center – Discussed above.

Mayor Marley reported that a group interested in taking over the Senior Center highly recommended non-profit status, but indicated that it would require major changes in the days of operation, staffing, and budget before it could be viable. Councilmember Hatch pointed out that the same people who helped set up the Senior Foundation had the expertise to help with that.

Human Resources

- Compensation plan operations policy & budget – These will be before Council soon. The Town will probably want to retain a 4-day work week, but possibly look at getting to 40 hours for some positions that directly serve the public every day, or changing service delivery scheduling in some departments. In addition, Town employees were paying for training out-of-pocket and working longer hours than then they should, which was affecting their sense of community and ability to work together.
- Interim manager and police chief – He believed Mr. Wynn was the right man for the police chief position; and if Council brought in a new chief, they might end up with problems that the Town did not need. He still hoped to be Council's selection for the town manager position.
- Personnel manual revisions – HR staff was to go through this for revisions to provide consistency and fairness in execution of HR policies.
- Police MOU meet and confer agreement – He was working on this, but there was a long way to go.
- Open HR/EEOC actions – The Town needed to resolve these.
- Ethics hotline – This will cost more than $8,000, but the Town needed to implement it and train staff.

Structure and Service Delivery

- Long term view – This involved working on changing how the Town operated.
- Core function, priorities and optimization – Staff needed to discuss how to meet the Town's core objectives and close the budget gap. He was not recommending major upheavals in structure, but he may have to entertain some restructuring.
- Department structures, missions, and processes – Discussed above.
- SB 1525 & SB 1598 – These two bills will hit the Town fairly hard.
- Systems and reporting enhancements – The agenda management program will help with this and he was talking with department heads about providing regular key metrics information to Council. Council also needed to look at performance reporting for the Town Attorney.
- Structuring to capture alternative resources – Discussed above.
- Investment in planning/project development – The Town needed to go through some planning exercises to be prepared to take action when the opportunity arose.
- Resource sharing/willingness to partner – This included departmental relationships, as well as those with other entities.
- Alternative sources of resources and support – Discussed above.
- Exploration and outreach to external parties – Discussed above.
- Creativity and receptivity to change – Staff was being creative every day, but some changes in the future will be difficult. He needed to maintain community and morale in the administration.

Outreach & Customer Service

- Cooperative efforts & relationships – Discussed above.
- Consistent approach and process and reliable results with ease of access – The Town needed to deliver this every time, rather than the 'one-offs' that were hurting the Town now.
- Code based processes and outcomes – This related to UDO outcomes from the general plan.
- Consistent application and enforcement – This came from training, education, and practice.
- Standardized development agreements – Having this would make sure the Town was getting the right things every time. He had heard complaints that the Town's requirements for development projects changed in the middle of the project. Staff needed to educate the public on processes and apply them consistently. Staff should look at providing better educational materials.
- Web based access, payments – This would create better receptivity from citizens and it made common sense.

Interim Manager's Summary. At this time, his top priorities were:

- Investment in staff – This was needed for morale and sense of community, without which everything else will be difficult. He believed it was best to retain the 4-day work week wherever possible; but some hourly slots where staff was providing direct services to the public, needed to be open 5 days, with staff still working 4 days. Staff would bring options to Council during the budget process. His top goals were to implement the class and comp plan and sustain the 4-day work week.
- Service delivery – The Town will have to focus on core missions that it was required to provide, optimizing those to deliver them effectively with quality, at the least amount of cost, and planning for future.
- Practice consistency – The Town needed to apply this to processes and policies.
- Resolve outstanding conflicts – Staff was working hard on legal issues.
- Renew external relationships – The Town needed to expand these efforts.
- Develop revenues, internal and external – Discussed above.
- Explore alternative funding – Discussed above.
- Develop infrastructure: water and sewer, flood control, streets – The Town will need to make some large investment in these.

Vice-Mayor Tenney stated that the Town needed a solid staffing plan and would need to make sure there was adequate coverage if open on Friday. He was concerned about possible inequities with some staff working 40 hours and others working 36. He also stated that Council needed to know what, from this huge list, could be done realistically.

3) ADJOURNMENT

Councilmember Croft MOVED, seconded by Councilmember Echols, to adjourn the meeting. The motion PASSED unanimously 7-0 at 7:35 p.m.

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 Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 15th day of March, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 24th day of April, 2012.

Jami C. Lewis, Town Clerk