

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

**TUESDAY, MARCH 22, 2011
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 22, 2011.

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

Council Present: Mayor Jim Bunker, Vice-Mayor Ron Romley, and Councilmembers Joel Baker, Dean Echols, Linda Hatch, Gloria Moore (by conference phone at 6:16 p.m.), and Carl Tenney.

Staff Present: Town Manager Michael Scannell, Management Assistant Cecilia Watts (recorder), Town Attorney Sharon Sargent-Flack, Finance Director Vera Smith, Police Chief Pat Huntsman, Police Commander Mark Garcia, Police Sergeant Vince Schaan, Development Services Director Pat Clingman, Associate Planner David Nicolella, GIS/CAD Technician Jan Mazy, Town Engineer/Public Works Director Ron Grittmann, Utilities Supervisor Chris Bartels, Utilities Clerk Sally Self, and Library Director Scott Bruner.

Vice-Mayor Romley gave the invocation and Councilmember Baker led the pledge of allegiance.

2) Introductions, Presentations and Proclamations

- 2a)** Proclamation declaring April 2011 as “**Jazz Appreciation Month**,” sponsored by the Prescott Jazz Society, Inc.

Mayor Bunker read the proclamation and presented it to Milton Cannon, who thanked Council and requested that the proclamation be read annually.

- 2b)** Administer ceremonial **Oath of Office** to Joseph Abbate, Parks and Recreation Advisory Board appointee.

Deputy Town Clerk Cecilia Watts administered the Oath of Office to Mr. Abbate.

3) Call to the Public

Carol Faoro, resident, spoke her property being deluged with tumbleweeds from neighboring ranch land and asked the Town to take action to prevent the resulting fire hazard.

Jim Olsen, resident, spoke about the lack of development-related documents associated with the High Plains/KOA development available to the public. Mayor Bunker explained that the developer had not yet submitted any of those documents to the Town.

Paul Eguina, resident, spoke about a problem with storm flooding in the area of Road 1 East and Road 1 South, ongoing damage to several neighboring properties, and obtaining a copy of a related report from the town engineer. Mayor Bunker related that this issue was scheduled to be reviewed during Council's study session on April 7.

Toni Graybill, resident, spoke about Town businesses feeling bullied by the Town and being unhappy about harsh restrictions; and she urged the Council to listen to the citizens when it began the General Plan update process.

Mayor Bunker invited citizens to visit with him about such issues during Open Nights with the Mayor.

Larry Hinsey, resident, spoke about contacting town officials on several occasions and those persons not being available or not returning his calls.

4) Mayor/Council/Manager Report

There were no reports.

Consent Agenda

- 5) Adopt **Resolution No. 11-955**, declaring and adopting the results of the **Primary Election** held on March 8, 2011.
- 6) Adopt **Resolution No.11-954** authorizing the Chino Valley Police Department to apply for, and accept and expend funds for a 2012 **Highway Safety Plan Grant** from the Governor's Office of Highway Safety in the amount not to exceed \$45,000.00. Funds to come from Miscellaneous Police Grants expenditure line in the Grants Fund for fiscal year 2011/2012, with no matching funds required by the Town.

Vice-Mayor Romley asked if an e-citation printer in the list of expenditures was different from what Council approved a few months ago. Commander Garcia stated that it was an additional one that they could obtain through the grant.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to accept Consent Agenda items 5 and 6. The motion PASSED unanimously 7-0.

Action Items

- 7) PUBLIC HEARING and possible approval of application from Joneal P. Young, for person transfer of a Series 6 (Bar) Liquor License for **Doreen's** Back Street Bar & Grill, located at 2879 Arizona Trail in Chino Valley.

The staff report by Town Clerk Jami Lewis stated that A.R.S. § 4-201 required local governing bodies to provide a recommendation to the State Liquor Board as to whether or not it should grant or deny liquor license applications. The Police and Planning Departments reviewed the application and recommended approval with no comments. Staff posted the establishment with

the necessary notices from February 18 through March 22, 2011, and staff did not receive any written arguments in favor of or in opposition to the application.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to open the public hearing.

Ab Jackson, CEO, Chino Valley Area Chamber of Commerce, spoke in support of the application.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to close the public hearing. The motion PASSED unanimously 7-0.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to approve application for a new Series 6 Liquor License for Doreens, located at 2879 Arizona Trail. The motion PASSED unanimously 7-0.

- 8) PUBLIC HEARING and possible adoption of **Ordinance No. 11-744** amending the Chino Valley Town Code, Section 71.12 "**Speed Limits**," to allow the Town Council, with the approval of a Resolution, to set speed limits within the community in accordance with Arizona Revised Statutes § 28-701.

Town Engineer Ron Gritman reported that current Town Code provisions with regard to setting speed limits did not conform to Arizona Revised Statutes and the changes proposed in Ordinance No. 11-744 would bring the Code into compliance. Once the Ordinance took effect, staff planned to submit a resolution to Council on April 26 that would set the speed limits on the west and east sides of the Town.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to open the public hearing. The motion PASSED unanimously 7-0. As no one from the public spoke, Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to close the public hearing. The motion PASSED unanimously 7-0.

Councilmember Tenney supported the Ordinance, as it gave the Town the flexibility needed to set speed limits.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to approve Ordinance No. 11-744 amending the Chino Valley Town Code, Section 71.12 "Speed Limits," to allow the Town Council, with the approval of a Resolution, to set speed limits within the community in accordance with Arizona Revised Statutes § 28-701. The motion PASSED unanimously 7-0.

- 9) *Continued from March 8, 2011:* Approve a one-year Lease Agreement between the Chino Valley **Food Bank**, located at 1943 Voss Drive and the Town of Chino Valley, for the period of April 1, 2011 to March 31, 2012.

Management Assistant Cecilia Watts reported that the Chino Valley Food Bank had requested an extension of their lease agreement with the Town on the property they had occupied for the past 12 years. In Executive Session on January 11, 2011, Council directed staff to extend their lease for a one-year period, as they were reluctant to commit for a longer time frame, due to the

Town's intent to conduct a master plan of its North CaThe motion PASSED unanimously facilities, which included the building in which the Food Bank was housed.

As a couple of the Councilmembers had not seen the lease that was sent to them via email, they asked for a continuance and for staff to provide them with hard copies.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to continue this item until the next Council meeting. The motion PASSED unanimously 7-0.

- 10) Approve the Scope of Services and Estimated Budget by **Dava & Associates**, Inc. for an update of the Town's General Plan and development of an Economic Development Strategy for the Town; and authorize the Mayor to sign an associated Professional Services Agreement between the Town of Chino Valley and Dava & Associates, Inc. upon completion by the Town Attorney. The total project estimated amount of \$120,000 is proposed to be funded over three fiscal years (FY), with \$30,000 in FY 2010/2011, \$72,000 in FY 2011/2012, and \$18,000 in FY 2012/2013. Funds to come from Non-Departmental General Plan expenditure line in the General Fund.

Associate Planner David Nicolella reported that:

- The Town's current general plan structure had been problematic over the years due to its limited scope with only two residential classifications, one commercial classification, limited industrial areas, and lack of definition for special development areas. In addition, prospective businesses preferred a stronger general plan and more definitive land use map to help them determine the potential for their business to succeed.
- On January 12, 2011, Town Manager Michael Scannell and Associate Planner David Nicolella presented an overview of the Arizona Growing Smarter legislation and options for the process to update the Town's General Plan that must be completed by 2015. Council discussed directing the update in-house versus outsourcing, community involvement, new elements that should be considered in the update, Growing Smarter scorecard considerations, and a new land use map concept.
- On January 25, 2011, Council directed staff to complete a Contract for Services between the Town and Dava & Associates, Inc. ("Dava") to update the Town's General Plan and develop an Economic Development Strategy for the Town, with funding to span several fiscal years.
- Dava's proposed Scope of Services included updating four general plan elements—economic development, land use/growth, circulation and water resources, at an estimated cost of \$120,000.00, spread out over three fiscal years: \$30,000 in FY 2010/2011; \$72,000 in FY 2011/2012; and \$18,000 in FY 2012/2013.
- As there was an apparent debate among the Town's citizens between bringing in business and a variety of housing versus remaining a bedroom community, Dava proposed several ways to bring the citizens together through public hearings, gatherings, workshops, and review panels to create an arena for public input and participation.
- Dava would lead this project on a bare-bones basis, with the aid of Town Planning and Public Works staff, and state and local organizations. Another cost saving method was the anticipated participation of APS staff specialists to assist in meetings and research/data for the preparation of the Economic Development Strategy element.

Regional entities would also be requested to offer assistance on economic development strategies.

Council asked if the membership of the economic development committee would be the same as the overall steering committee. Mr. Nicolella stated that it was his understanding that both committees would consist of the same membership.

Council discussed the item. While they agreed that a plan was necessary and Dava was qualified to lead it, some expressed concern about approving the agreement in light of serious budget developments since the item was first discussed in January, and the contract's lack of provisions for replacing committee members and conflicts of interest. Some also stated that they could not support the committee concept, preferring that the two committees were separate and would have different members.

Public comment was as follows:

Candy Blakeslee, resident, believed that although the current general plan was broken and needed to be fixed, due to the budget issues, Council should address the budget first and then revisit this item.

Jim Klein, resident, suggested that Council wait on this item until after the new Council was seated.

Vice-Mayor Romley MOVED, seconded by Councilmember Hatch, to continue item 10 indefinitely. The motion PASSED unanimously 7-0.

- 11) Move to approve the process that Council will appoint the General Plan/Economic Development Strategy Committee to develop an Economic Development Strategy for the Town of Chino Valley. If process is approved, Council will perform a drawing as outlined.

Vice-Mayor Romley MOVED, seconded by Councilmember Baker, to table item 11 indefinitely. The motion PASSED unanimously 7-0.

- 12) Accept User Fee Study Proposal and related Work Plan from Heinfeld, Meech & Co., P.C., to perform an User Fee Study for an amount not to exceed \$13,500 plus expenses, and authorize the Town Manager to complete subsequent engagement letter. Funds to come from Non-departmental User Fee Study expenditure line in the General Fund.

Acronyms used in this item:

FY (Fiscal Year)

Town Manager Michael Scannell and Finance Director Vera Smith reported that:

- In the past, Town staff had performed in-house fee studies by comparing the Town's charges with those of its neighbors. However, those studies only considered direct costs, not those which were incurred indirectly.
- Due to budget challenges facing the Town in the General Fund for FY 2011/2012, staff believed that a comprehensive user fee study was necessary to assess both direct and

indirect program costs, obtain a thorough understanding of the Town's cost of delivering services, and determine user fees needed to achieve an appropriate level of cost recovery.

- As Council was the ultimate arbiter of setting such fees, the data from the study would help them understand the true cost of doing business, the Town's expense structure and fee relationships, and determine where to set fees based on the percentage of cost recovery desired for each service.

Council asked about the completion timeframe and if they could include the study's findings in the FY 2011/2012 budget. Ms. Smith stated that although she hoped to have the study results by the end of June, she did not believe there would be sufficient time to include it in the budget; however, Council could use the information provided to make adjustments after the final budget was approved.

Public comment was as follows:

Mark Holt, resident, suggested including a cap on the expenses included in the agreement. Ms. Smith stated that she anticipated \$1,500 in expenses and Council could change the recommended motion to include a total cap not to exceed \$15,000.

Gloria Ernst, resident, asked about the expenses included and expressed concern about hiring outside firms when there were many people in the community who could do this and might be willing to do it for free. Ms. Smith related that the \$13,500 was at a reduced rate and the expenses, which were generally related to travel, were delineated in the Scope of Services. Mayor Bunker added that as Council was accountable for how they spent public funds, they needed to hire professionally qualified persons to justify spending the money.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to accept User Fee Study Proposal and related Work Plan from Heinfeld, Meech & Co., P.C., to perform a User Fee Study for an amount not to exceed \$13,500 plus a cap of 1,500 in expenses, and authorize the Town Manager to complete subsequent engagement letter. The motion PASSED unanimously 7-0.

13) Approve January 6, 2011 Study Session **minutes**. (Absent: Councilmember Baker)

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to approve the January 6, 2011 Study Session minutes. The motion PASSED 6-0 with 1 abstention by Councilmember Baker.

14) Discussion of anticipated FY 2011/2012 General Fund Budget Shortfall, and possible action to be determined by Town Council.

Acronyms used in this item:

FY (Fiscal Year)

GF (General Fund)

Town Manager Michael Scannell and Finance Director Vera Smith reported that:

- Per the recently released 2010 Census figures, the Town's population decreased by 1,508 from the 2005 population figure of 12,325, while the total state population increased by 157,512. These two factors combined will result in significantly lower state shared revenues for the Town for the next five years.
- Prior to the Census figures, staff had anticipated a budget shortfall of \$253,000. Due to \$322,000 in losses from the Census figures, additional cuts by the state, and anticipated expenditure increases, staff now anticipated a FY 2011/2012 general fund budget shortfall of \$773,477. In addition, the Town was facing a decrease in Highway User Revenue Fund revenues of \$148,000 based on the governor's proposal, with the legislature possibly approving further cuts.
- The general fund shortfall would have been worse by \$889,417 if not for the anticipated subsidy of \$529,417 from 1% sales tax revenues to the general fund and staff allocating \$360,000 in carryforward dollars.
- Staff was recommending that Council focus its scheduled April 7 budget study session on discussing budget balancing strategies. There were three ways to close the gap: increase revs, decrease expenditures, or a combination of the two. As staff did not believe the Town could pick up much additional revenue and staff had no more 'bandaids,' it would need to decrease expenditures.
- Staff was going to meet with Town employees to inform them of the magnitude of the challenge ahead, take their comments, and prepare their best thoughts for Council's consideration. They encouraged Council candidates, citizens, and staff to attend the study session to hear the various options for bridging the gap.

Mayor Bunker added that both revenue losses and population decreases were also due to loss of construction-related activity and workers. He recommended not taking any action, and Councilmembers studying these matters and beginning the process to rank Town services by importance. He also encouraged citizens to shop locally to increase revenues.

Councilmember Baker added that whatever solutions Council founded, there would be unhappy people.

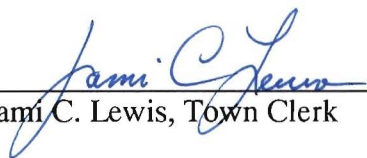
15) Adjournment.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to adjourn the meeting. The motion PASSED unanimously 7-0 at 8:06 p.m.



Chris Marley, Mayor

ATTEST:

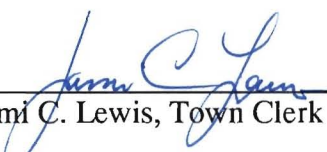


Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 22nd day of March, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 13th day of September, 2011.



Jami C. Lewis, Town Clerk