

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

**TUESDAY, MARCH 25, 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, March 25, 2014.

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

Absent: Councilmember Pat McKee

Staff Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Phyllis

Present: Smiley; Finance Director Joe Duffy; Police Chief Chuck Wynn; Lieutenant Vince Schaan; Officer Jeff Pizzi; Town Engineer/Public Works Director Ron Gritman; Town Clerk Assistant Liz Hart; Town Clerk Jami Lewis (recorder)

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

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

Mayor Marley gave the invocation and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a)** Proclamation declaring April 2014 as "Fair Housing Month," sponsored by the Southwest Fair Housing Council. (Mayor Marley)

Mayor Marley read the proclamation.

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.

Ruth Santo with Community Legal Services spoke about services the organization provided and upcoming fair housing presentations in Yavapai County.

Annie Lane asked about possible Town plans to annex areas west of Reed Road.

Tracie Schimikowsky, President/CEO, Chino Valley Area Chamber of Commerce, spoke about an upcoming open house and ribbon cutting for West Yavapai Guidance Clinic's outpatient office.

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 had 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.

Councilmember Hatch reported on the deadline for citizens to submit evaluations on the Town Magistrate.

Vice-Mayor Croft reported on the status of the Chamber's Citizens Academy.

Mayor Marley reported on the inaugural Old Home Manor Recreation Committee meeting and read the Monthly Mayor's Report, which pertained to smart growth and economic development in town.

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

Mr. Smith reported on the status of:

- The EDA grant application.
- April 3 study session on infrastructure, utilities, finance, and bonding matters.
- Cable one conduit at Old Home Manor.
- Budget process.

- b)** Status report on the General Plan update with regards Council study session and public hearing. (Mayor Marley)

Mayor Marley reported that he had scheduled a study session on April 29, 2014 for Council to receive a comprehensive presentation of the draft General Plan before holding Council's formal public hearing.

- c) Presentation of preliminary revenue projections for the Fiscal Year 2014/2015 budget. (Joe Duffy, Finance Director)

Mr. Duffy reported that he had drafted a Revenue Manual that included revenues over the last 10 fiscal years and projections for the next 10 fiscal years; this will be continually updated during budget season. Projections for the current and next fiscal year included:

- State shared revenues will increase 5% overall.
- Sales tax will decrease 4% overall.
- Total General Fund revenues were 11% over last year.
- Total Highway User Revenues were flat.
- Water Fund revenues had decreased, but buy-in fees had increased.
- Sewer Fund revenues had steady growth.
- Total Capital Improvement revenues will follow sales tax trends, and any construction activity will help the fund. The Town had 11 housing starts in the first quarter.

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 6b.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve consent agenda items 6a and 6c.

Vote: 6 - 0 PASSED

- a) Consideration and possible action to approve the February 20, 2014 study session minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to approve the February 25, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)

Council discussed a possible amendment.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Linda Hatch to approve consent agenda item 6b.

Vote: 6 - 0 PASSED

- c) Consideration and possible action to approve the Utility Easement grant from the Town of Chino Valley to Arizona Public Service Company. (Chuck Wynn, Police Chief)

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.

8) ACTION ITEMS

- a) PUBLIC HEARING and consideration and possible action to adopt Ordinance No. 14-782 amending the Chino Valley Town Code Chapter 32 Finance and Revenue, Section 32-25 Tax Code, by repealing Section 32.25-477 Operating a Pipeline; amending Regulation 32.25-270.1 Proprietary Activities of Municipalities Are Not Considered Activities of a Governmental Entity, Subsection (b); and repealing Regulation 32.25-477.1 Operating a Pipeline; providing for repeal of conflicting ordinances; providing for severability; and establishing an effective date. (Joe Duffy, Finance Director)

Recommended Action:

- (i) Hold a Public Hearing on the proposed changes to the Chino Valley Tax Code.
(ii) Approve Ordinance No. 14-782, amending the Chino Valley Tax Code as presented.

Mr. Duffy reported that:

- The Town's current Tax Code imposed a tax on the gross income from the business activity of operating a pipeline within the town. This code section was part of the "Green Sheets" section of the municipal tax code.
- As the League of Arizona Cities and Towns ("League") had been working with municipalities to eliminate many of the Green Sheet sections of the tax code, on November 12, 2013, the Town entered into an Intergovernmental Agreement with the City of Prescott providing for an alternate method of payment for operating a pipeline within the town and agreeing to eliminate the transaction privilege tax from the business activity of operating a pipeline within the town.
- The proposed changes were reviewed by the town attorney, Unified Audit Committee, and the League. Per requirements, staff posted a notice on the Town's website for 60 days and published a Notice of a Public Hearing.

Mayor Marley opened the public hearing. As no one from the public spoke, Mayor Marley closed the public hearing.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Ordinance No. 14-782, amending the Chino Valley Tax Code as presented.

Vote: 6 - 0 PASSED

- b) Consideration and possible action to approve Resolution No. 14-1027, accepting funds from the Arizona Department of Housing for the Town of Chino Valley's four-year rotational Community Development Block Grant funding, and authorizing the Mayor to sign said application upon completion by NACOG and Town staff. (Cecilia Watts, General Services Director)

Recommended Action: Approve Resolution No. 14-1027, accepting funds from the Arizona Department of Housing for the Town of Chino Valley's four-year rotational Community Development Block Grant funding, and authorizing the Mayor to sign said application upon completion by NACOG and Town staff.

Ms. Watts reported that:

- The Town received Community Development Block Grant (CDGB) funding every four years from the U.S. Department of Housing through the Arizona Department of Housing (DOH). Staff anticipated that approximately \$264,220 will be allocated to Chino Valley in FY 2014/2015.
- During two public hearings held on November 12, 2013 and January 14, 2014, the Public Works Department submitted a funding proposal for an asphalt paving project in the Chino Meadows V neighborhood. Staff estimated that 128 homes, serving approximately

301 persons, would benefit.

- A 2010 income survey of the Chino Meadows neighborhood indicated that over 65% of the neighborhood qualified as low to moderate income. Since this project will occur in the same neighborhood, staff will be able to use the 2010 survey for the CDBG project.
- DOH required that Council pass a resolution endorsing the project and granting authorization to the Mayor to sign the application upon completion.
- In addition, the Northern Arizona Council of Governments (NACOG) charged each grant recipient in its region an administrative fee. One of the services they offered for the fee, regardless of how much work they administered, was to prepare the application. They will be working with staff to prepare the program budget and application for submission to DOH.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve Resolution No. 14-1027, accepting funds from the Arizona Department of Housing for the Town of Chino Valley's four-year rotational Community Development Block Grant funding, and authorizing the Mayor to sign said application upon completion by NACOG and Town staff.

Vote: 6 - 0 PASSED

- c) Consideration and possible action to forward presentation of two skate park concepts at a public meeting, date to be determined. (Ron Gritman, Public Works Director/Town Engineer)

Recommended Action: Forward the two skate park concepts for presentation at a public meeting.

Mr. Gritman reported that:

- In December 2013, the Town contracted with California Skate Parks (CSP) to develop construction plans for a skate park at the Community Center. CSP developed two concepts comparable in cost and level of difficulty. Staff was requesting that Council endorse and forward them for public comment.
- A public meeting was planned for late April with appropriate stakeholders to obtain comments on the proposed concepts. Stakeholders will include the Recreation Foundation, potential skate park users, AYSO, Chino Valley Little League, and other groups interested in the project.
- He anticipated that the design will be done by fiscal year end, then community participation for funding will be sought.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Linda Hatch to forward the skate park concepts to a public meeting.

Vote: 6 - 0 PASSED

- d) Consideration and possible action to approve the Intergovernmental Agreement between the Arizona Department of Transportation and the Town of Chino Valley for the construction of a roundabout at the intersection of State Route 89 and Perkinsville Road. Funds in the amount of \$300,000 to come from Highway User Revenue Funds. (Ron Gritman, Public Works Director/Town Engineer)

Recommended Action: Approve the Intergovernmental Agreement between the Arizona Department of Transportation and the Town of Chino Valley for the construction of a roundabout at the intersection of SR 89 and Perkinsville Road.

Mr. Grittmann reported that:

- Over the past several years, the Arizona Department of Transportation (ADOT) had been designing a roundabout for the intersection of State Route 89 and Perkinsville Road to enhance the intersection and reduce traffic issues at Road 1 East.
- ADOT resolved to do a roundabout when a traffic signal was deemed inappropriate due to the intersection's proximity to Road 3 North. In order to minimize the right-of-way impacts to existing businesses, the roundabout was designed as an ellipse. The construction plans were currently 95% complete.
- The Intergovernmental Agreement (IGA) called for the Town to contribute \$300,000 and the Central Yavapai Metropolitan Planning Organization to contribute \$190,000 toward the project. Current construction cost estimates for the roundabout were \$1.8 million. The Town's contribution will come from Highway User Revenue Funds in Fiscal Year 2014/2015 prior to September 1, 2014.
- Construction was intended to begin shortly after the Road 4 North project began construction, as ADOT believed that some economies of scale could be realized if the Road 4 North contractor was able to move from one project directly into the other.

Town Attorney Smiley advised that the word "city" should be amended to "town" in para. 7 of the IGA.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve the Intergovernmental Agreement between the Arizona Department of Transportation and the Town of Chino Valley for the construction of a roundabout at the intersection of SR 89 and Perkinsville Road, with the corrective action.

Vote: 6 - 0 PASSED

- e) Consideration and possible action to approve contracts for trucking services with Corbin, Inc. as the primary hauler and Fann Contracting as a secondary hauler, in accordance with the summary of bids. Funds to come from Public Works for road projects or other departments that may need trucking services. (Ron Grittmann, Public Works Director/Town Engineer)

Recommended Action: Approve contracts for trucking services with Corbin, Inc. as the primary hauler and Fann Contracting as a secondary hauler, in accordance with the summary of bids.

Mr. Grittmann reported that on March 11, 2014, Council approved a bid award for trucking services to Corbin, Inc. as the primary hauler and Fann Contracting as a secondary hauler. Town Attorney Smiley clarified that although the two contracts for these services were ready for signature on March 11, she refused to sign them as the agenda item title did not specify their approval.

Ms. Smiley also asked Council about a matter of procedure with regard to such boilerplate contracts. She requested that councilmembers let her know via email which option(s) they preferred: the full contract in the agenda packet, a printed copy in the Council's reading file, or electronic version sent via email and/or placed on the web.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve contracts for trucking services with Corbin, Inc. as the primary hauler and Fann Contracting as a secondary hauler, in accordance with the summary of bids.

Vote: 6 - 0 PASSED

- f) Consideration and possible action to award bid and approve contract with Cactus Transport, Inc. for supply of oil and a distributor truck for the 2014 Chip Seal Program, in accordance with the summary of bid. Funds to come from Highway User Revenue Funds. (Ron Grittmann, Public Works Director/Town Engineer)

Recommended Action: Award bid and approve contract with Cactus Transport, Inc. for supply of oil and a distributor truck for the 2014 Chip Seal Program

Mr. Grittmann reported that:

- The 2013 chip seal program had been developed using Yavapai County bids for both oil supply and distributor truck from two different vendors. However, after the project was done, the chips did not adhere to the supplied oil on Road 1 North, Road 1 East, and Road 3 North.
- Arizona Petroleum Industry professionals visited the sites and found that the oil used was not at a sufficient temperature and the distributor truck was placing the oil too far ahead of the chip spreader.
- Staff believed that the best remedy to these issues for the 2014 chip seal program was to: (i) bid for a different oil; (ii) require that the oil provider provide their own distributor truck; (iii) revise the current construction practices to no longer allow single chip seals; (iv) require that the minimum chip seal surface be a double chip; and (v) place a fog seal over the final surface. This will allow for better control over the oil's application so the chip seal material will bind properly.
- Staff proposed one more chip seal program this fiscal year to re-surface Road 3 South east of Road 1 East and Granada Estates in May/June 2014. This work will be within the budget limits that Council approved on September 10, 2013.
- At the bid opening on March 6, 2014, staff received bids from Cactus Transport and Sunland, with Cactus as the low bidder. Fann Contracting submitted a bid for the distributor and was being considered nonresponsive due to lack of a bid for oil. If there was extra money upon the project's completion, staff will repair one of 2013 roads and finish others in the next fiscal year. This bid could be renewed up to five years.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to award bid and approve contract with Cactus Transport, Inc. for supply of oil and a distributor truck for the 2014 Chip Seal Program.

Vote: 6 - 0 PASSED

- g) Consideration and possible action to appoint applicants to fill vacancies on various public bodies. (Jami Lewis, Town Clerk)

Recommended Action: Appoint applicants to the Board of Adjustment, Industrial Development Authority, Parks and Recreation Advisory Board, and Senior Center Advisory Board as recommended by the Council Appointments Subcommittee.

Mrs. Lewis reported that Council's Appointments Subcommittee met on March 11, 2014 to review applications for several public bodies. They were recommending that Council appoint the following persons, which will eliminate vacancies in these public bodies.

- Board of Adjustment: Appoint Beverly Duffy to term ending July 31, 2015 and Gary Warren to term ending July 31, 2016;
- Industrial Development Authority: Appoint Beverly Duffy to term ending June 30, 2019;
- Parks and Recreation Advisory Board: Appoint George Cooper to term ending June 30, 2014 and Donna Armstrong to term ending June 30, 2015;
- Senior Center Advisory Board: Appoint Kathy Farber to term ending June 30, 2014.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to appoint applicants to the Board of Adjustment, Industrial Development Authority, Parks and Recreation Advisory Board, and Senior Center Advisory Board as recommended by the Council Appointments Subcommittee.

Vote: 6 - 0 PASSED

- h)** Consideration and possible action to direct staff to place the Town of Chino Valley on WIFA's competitive funding list. (Robert Smith, Town Manager)

Recommended Action: Direct staff to place the Town of Chino Valley on WIFA's competitive funding list.

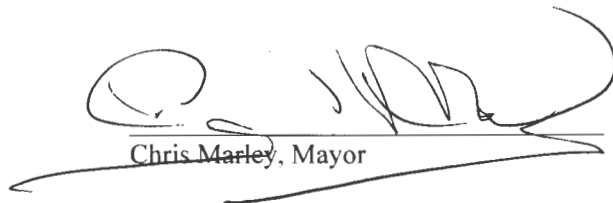
Mr. Smith reported that:

- At some point in the future, Council may determine to access bond monies to finance certain infrastructure enhancements or acquisitions, or settlement of legal agreements related to the same.
- Should Council wish to access funds from the Water Infrastructure Finance Authority (WIFA) for such purposes, and should the public approve a bond measure, the Town must first request to be placed on WIFA's competitive funding list. Placement on the list does not commit the Town to borrowing funds from WIFA, but does ensure that should the Town choose to do so, the opportunity and funding would be present when needed.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to direct staff to place the Town of Chino Valley on WIFA's competitive funding list.

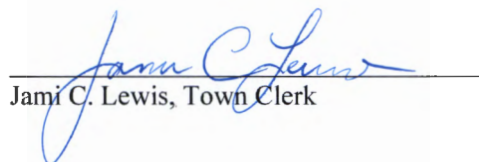
Vote: 6 - 0 PASSED

9) ADJOURNMENT



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 25th day of March, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of April, 2014.



Jami C. Lewis, Town Clerk