

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

**TUESDAY, MARCH 27, 2018
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 27, 2018.

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

Staff Present: Town Manager Cecilia Grittman; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Human Resources Director Laura Kyriakakis; Public Works Director/Town Engineer Frank Marbury; Development Services Director Jason Sanks; Community Services Director Scott Bruner; Administrative Technician Kathy Frohock (videographer); Town Clerk Jami Lewis (recorder)

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

Mayor Croft called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a) PUBLIC NOTICE: The proposed amendment to the Hawksnest Planned Area Development, located behind Walgreens, to allow 48 single story senior housing units on five of the fifteen acres of multi-family zoning, will not be heard tonight, as the applicant withdrew the application as of March 14, 2018.

Mayor Croft read the public notice.

- b) Proclamation acknowledging March 29, 2018 as "National Vietnam War Veterans Day."

Mayor Croft recognized several Vietnam veterans present at the meeting and read the proclamation.

- c) Proclamation declaring April 3, 2018 as "National Service Recognition Day," sponsored by Arizona Serve of Prescott College.

Mayor Croft introduced Vista volunteers Maureen Owen, Sarah Haber, and Annie Reifsnyder, spoke about Arizona Serve and National Service, and read the proclamation. Sarah Haber spoke about AmeriCorps, Vista participants in Yavapai County and in Chino Valley, and the community volunteer program.

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.

Haryashka Knauer, county resident, requested that Council set down item 6a from the consent agenda so he could make a public service announcement. Town Attorney Phyllis Smiley advised that Council could do that, but they could not discuss the matter during Call to the Public.

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.

- a) Comments regarding possible construction being done at the Windmill House without a permit or site plan.

Mayor Croft reported that: (i) the comments also included lack of response to a records request and Development Services acknowledged that the speaker had asked for documents related to the Windmill House, but the Town Clerk reported that staff did not have a formal public record request; (ii) the only development activity on this project was a new rezone case recently presented at a Planning and Zoning Commission study session; (iii) no construction or utility line work was found to be occurring; and (iv) Tony Cordovana informed staff via voicemail that they were making some irrigation repairs at the Windmill House lake.

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 Croft reported on this week's Citizen's Academy session on education.

Councilmember Best reported on the most recent Central Yavapai Metropolitan Planning Organization meeting and the first meeting of the Town's 50th anniversary committee on April 11.

- b) Status report by Town Manager Cecilia Grittman and/or Town staff members regarding Town accomplishments, and current or upcoming projects.

Ms. Gritman reported on:

- The Council strategic planning session on April 4;
- Budget season activities; and
- Employee performance reviews.

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 Councilmember Corey Mendoza, seconded by Councilmember Jack Miller to pull item 6a separately.

Vote: 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Mike Best to approve consent agenda items, except item (a).

Vote: 7 - 0 PASSED - Unanimously

- a)** Consideration and possible action to waive the bidding requirements and approve a contract with Caterpillar, Inc. through Empire Machinery to purchase a Broce Broom with appurtenances using a cooperative purchase agreement with the City of Tucson, Arizona. (Frank Marbury, Public Works Director/Town Engineer)

Mr. Marbury reported that this bid was for a street sweeper that had been discussed at a previous meeting. He and Town Attorney Smiley explained that state statute provided for cooperative purchasing, which allowed public entities, such as the Town, to not have to go out to bid for items already publicly bid by other entities in the state, which saved money and time by not having to go through bid process. In this case, the City of Tucson went out to bid for several items, and Caterpillar came in as the lowest bidder on this item. It was unlikely that the Town would achieve any lower bid going out to bid itself.

Mayor Croft recessed the meeting at 6:26 p.m. and reconvened it at 6:31 p.m.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Mike Best to approve consent agenda (a).

Vote: 7 - 0 PASSED - Unanimously

- b)** Consideration and possible action to approve Agreement for Professional Consulting Services between the Town and Chino Valley and Mark Holmes, LLC for the purpose of providing professional water consultation. (Laura Kyriakakis, Human Resources Director)
- c)** Consideration and possible action to appoint Christeen Meadors to the position of Planning and Zoning Commissioner to fill a vacancy created by the resignation of Claude Baker for the three-year term ending January 31, 2019 and reappoint Welles Geary to the position of Planning and Zoning Commission Alternate for a one-year term ending January 31, 2019. (Council Appointments Subcommittee)

- d) Consideration and possible action to accept the February 27, 2018 regular meeting minutes. (Jami Lewis, Town Clerk)
- e) Consideration and possible action to accept the March 13, 2018 regular meeting minutes. (Jami Lewis, Town Clerk)

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:
 - (i) Hold a public hearing regarding the proposed changes to the Town's water and wastewater rates and water and wastewater connection fees and service charges;
 - (ii) Approve Resolution No. 18-1116, increasing the Town's water rates and water and wastewater buy-in fees incrementally over the next five years, effective July 1, 2018, and July 1 of each year thereafter through July 1, 2022; and
 - (iii) Approve Resolution No. 18-1118, decreasing the Town's wastewater fees, effective July 1, 2018. (Joe Duffy, Finance Director)

Recommended Action:

- (i) Hold a public hearing regarding the proposed changes to the Town's water rates and water and wastewater buy-in fees;
- (ii) Approve Resolution No. 18-1116, increasing the Town's water rates and water and wastewater buy-in fees incrementally over the next five years, effective July 1, 2018 and July 1 of each year thereafter through July 1, 2022; and
- (iii) Approve Resolution No. 18-1118, decreasing the Town's wastewater fees, effective July 1, 2018.

Mr. Duffy reported on:

- *Rate study:* Town officials did not take lightly the effect of utility rates on the citizens, yet the Town had a responsibility to run its utility system like a business and its costs had gone up.
- *Rate change history:* Council adopted utility rate increases in 2013, froze sewer rates in 2015, and modified the rate schedule with regard to multi-family developments in 2017. New rates adopted tonight would be effective on July 1.
- *Rate study review:* The rate study included statistics from the last five years regarding water and wastewater systems current financial condition and projections; water and wastewater buy in fees; number of connections, billing amounts, connections and bill increase percentage rates; net cash income or loss; operating income or loss; and water funds owing to the general fund (GF). It also included rate options for each utility and the outcomes of each option over the next five years; a comparison of rates in Yavapai County; buy in fees and their book values; and proposed buy in increases.
- *Options and recommendation:* Council needed to make sure it was not overpricing the market for building a home. Options for water fees included no increase, 3% increase, and 5% increase. Options for wastewater fees were no increase, 3% increase, and \$2.00 or 3% rate decrease. Staff recommended a 3% increase in monthly rates for both utilities; however, Council may desire to decrease wastewater rates, as the Town's wastewater rates

were the highest in Yavapai County. Staff also recommended increasing buy in fees at 3%.

- *Comparisons:* While the Town's wastewater rates were the highest in the county, it's water rates were nearly the lowest, and combined, they were in the middle. The Town's buy in fees were a little bit on the low end.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Cloyce Kelly to open the public hearing.

Vote: 7 - 0 PASSED - Unanimously

Donna Armstrong, resident, spoke about the fees supposing to go down and asked when citizens would get a break.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Cloyce Kelly to close the public hearing.

Vote: 7 - 0 PASSED - Unanimously

Council and staff discussed the following in more detail:

- *Comparisons:* There was no advantage or disadvantage to the Town's rates being in the middle of its neighbors.
- *Rate effects:* 3% increases would allow the water fund to pay back the GF and start accumulating cash for capital expenses.
- *Future steps:* At the end of the five years, staff will do another study and review. Acquiring additional water systems would help keep rates steady and could allow for a reduction in water rates, but Council needed to consider encouraging conservation to reduce the environmental impacts.

Councilmember Lane suggested that Council consider the 5% increase in water rates to offset a possible decrease in the wastewater rate. Town Attorney Smiley advised that Council could not vote on anything higher than 3% without re-advertising the hearing.

Several councilmembers stated that they preferred the 3% increase in water rates and a reduction in wastewater rates.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Cloyce Kelly to approve Resolution No. 18-1116, increasing the Town's water rates and water and wastewater buy-in fees incrementally over the next five years, effective July 1, 2018 and July 1 of each year thereafter through July 1, 2022 at the 3% that is recommended.

Vote: 6 - 1 PASSED

NAY: Councilmember Annie Lane

Council asked if they could reduce wastewater rates now and re-evaluate it each year rather than voting on it for five years. Mr. Duffy stated that while a full rate study was not needed every year, staff should review the rate study each year and pass on whatever savings it can to the community.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Jack Miller to approve Resolution No. 18-1118, decreasing the Town's wastewater fees, effective July 1, 2018 by 3%.

Vote: 7 - 0 PASSED - Unanimously

- b) Consideration and possible action to approve Resolution No. 18-1119, authorizing the acquisition of real property by the Town for Road 1 East right-of-way from Road 3 South to Picacho Boulevard and authorizing and directing the Mayor, Town Manager, and Town Attorney to acquire title to such property on behalf of the Town by donation, eminent domain, or purchase. (Phyllis Smiley, Town Attorney)

Recommended Action: Approve Resolution No. 18-1119, authorizing the acquisition of real property by the Town for Road 1 East right-of-way from Road 3 South to Picacho Boulevard and authorizing and directing the Mayor, Town Manager, and Town Attorney to acquire title to such property on behalf of the Town by donation, eminent domain, or purchase.

Ms. Smiley reported that this item pertained to the ongoing project that was required to be completed per an intergovernmental agreement with ADOT for the roundabout at Kalinich Road. The Town had acquired most of the properties needed, but this one was found to not be owned by the Town as originally thought. As the owners of record were most likely no longer around, the Town was going through the statutory process to attempt the contact the owners for donation, purchase, or if all else failed, condemnation. Statute required the Town to offer to purchase the property at fair market value.

Town Manager Gritman added that the Town already owned the right-of-way to either side of this ¼ mile strip.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Jack Miller to approve Resolution No. 18-1119, authorizing the acquisition of real property by the Town for Road 1 East right-of-way from Road 3 South to Picacho Boulevard and authorizing and directing the Mayor, Town Manager, and Town Attorney to acquire title to such property on behalf of the Town by donation, eminent domain, or purchase.

Vote: 7 - 0 PASSED - Unanimously

- c) Presentation and discussion regarding the draft Zoning Administrator Interpretation related to UDO Section 4.22 Paving Requirements for vehicle parking, maneuvering, and storage areas. (Jason Sanks, Development Services Director)

Mr. Sanks reported that:

- Since he came on board in June, he had received many inquiries related to contractor storage yards, RV storage, commercial and industrial buildings that had commercial storage areas, and heavy equipment and truck storage.
- As the UDO sections conflicted with regard to required surfaces for such uses, he desired to provide consistent guidance for businesses. As these types of issues were usually handled by the Town Engineer, but the UDO placed it under his purview, he and Town Engineer Marbury drafted the subject interpretation, which provided that: (i) the driveway approach to such businesses, as well as customer and employee parking, and the drive aisles to those parking spaces, needed to be paved; and the storage areas would permit decomposed granite (DG), unless the area included a loading dock, or additional access to the building, as long as dust was controlled and trucks could get in and out without

tracking mud on public streets.

- This interpretation will act as a patch until the Council could adopt the new UDO next spring.

Council asked about asphalt base (AB) instead of DG. Mr. Marbury related that the code referred to DG rather than AB as a dust-free surface. If research showed that AB was as good as DG, that may be okay in the future, but for now the Town should stick with DG, or AB under DG. Councilmember Mendoza and Vice-Mayor Turner informed Mr. Marbury that locally, most of the mined DG was not decomposed. Mr. Marbury stated that staff could look at possible additives to see how that would apply to the code.

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.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Jack Miller to go into executive session at 7:19 p.m.

Vote: 7 - 0 PASSED - Unanimously

- 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 a contract with the City of Prescott related to the Town purchasing a portion of its water distribution system that is the subject of negotiations. (Cecilia Gritman, Town Manager)

9) ACTION ITEMS RESUMED

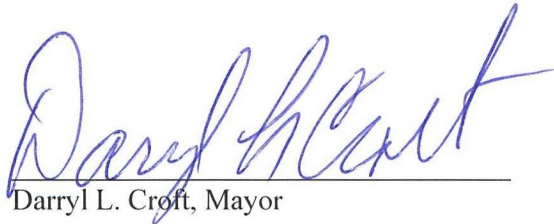
After the Executive Session, Council will reconvene the Regular Meeting.

Mayor Croft reconvened the regular meeting at 7:55 p.m. and reported that Council spoke with its attorney, gave him direction, and took no further action.

10) ADJOURNMENT

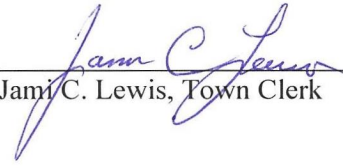
MOVED by Councilmember Jack Miller, seconded by Councilmember Mike Best to adjourn the meeting at 7:55 p.m.

Vote: 7 - 0 PASSED - Unanimously



Darryl L. Croft, Mayor

ATTEST:

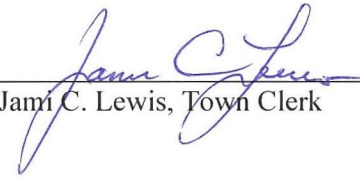


Jami C. Lewis, Town Clerk

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 27th day of March, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 24th day of April, 2018.



Jami C. Lewis, Town Clerk