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

TUESDAY, APRIL 4, 2018
9:00 A.M.

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 Tuesday, April 4, 2018.

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

Absent: Councilmember Mike Best

Staff Present: Town Manager Cecilia Grittman; Economic Development Project Manager John Coomer; Finance Director Joe Duffy; Human Resources Director Laura Kyriakakis; Police Chief Chuck Wynn; Police Lieutenant Vince Schaan; Court Administrator Ronda Apolinar; Public Works Director/Town Engineer Frank Marbury; Development Services Director Jason Sanks; Community Services Director Scott Bruner; Customer Service Manager JoAnn Brookins; Code Compliance Officer David Jaime; Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Croft called the meeting to order at 9:06 a.m.

2) Review of 2016 Strategic Plan.

Mayor Croft stated that Town staff and Council had changed drastically since 2016. The 2016 plan was fairly comprehensive, but not easily usable as a working document. He preferred that Council establish goals and tighten up the action steps within the budget to meet those goals. As things were changing too quickly, they could not look out five to ten years, but should shorten the timeframes and use the document as a guideline.

Ms. Grittman then led Council and staff in reviews and status of:

- 2016 Strategic Plan;
- July 1998 Chino Valley Focused Future Strategic Plan for Economic Development; and
- 2018/2019 major capital budget items per department.

2016 STRATEGIC PLAN

Staff summarized the three "key result areas" (KRAs), their associated goals and action steps, and the goals' current status.

Key Result Area 1 - Fiscal Health

Goal 1 – Municipal Utilities – Self Sustaining

- Acquire strategic water companies: There was no change, but the Town's utilities were mostly in the black.
- Strategic extension of sewer system: This goal was met with the Center Street to Mollie Rae sewer project.

- Septage acceptance at sewer plant: This was no longer an immediate goal and would best be considered when the plant was to be expanded.
- Complete Center Street sewer expansion: See point 2 above.
- Funding for acquisition, interconnection, and expansion: This was ongoing.

Goal 2 – Implement Asset and Liability Tracking Systems

- Analysis of real estate: Finance had prepared a detailed analysis of the Town's inventory of properties and water, which will be updated annually. Something to consider was separating the water rights from certain Town-owned properties in Paulden and selling the real estate.
- Analysis of rolling stock: The above point 1 analysis included rolling stock.
- Analysis of development agreements: Public Works and Development Services were currently reviewing the agreements for outstanding water and land dedication commitments, and will forward water issues to Mark Holmes for analysis.

Goal 3 – Resolve Outstanding Legal Issues

- Bright Star Development Agreement and Water Rights: There may be some outstanding issues related to water obligations with Bright Star and Del Rio.
- Re-negotiate Concessionaire Agreement with Prescott Sportsmen's Club: Staff was waiting for the outside firm to perform lead abatement, then the agreement could move forward. The Club may be interested in buying the 40-acre range. Staff was unsure about what funding the Club had, but will continue to discuss it with them. Any property sale over $500,000 will require voter approval, and if the Town pursued it, the Town should have a plan for what it would do with the proceeds. Finance will review this option.
- Town Code compliant with A.R.S.: As no one was certain what this meant, it will be removed.
- Resolve issues with UDO: A new subcommittee was established and recently started meeting to review draft amendments to the code. Staff intended to do the rewrite all at once, unless something needed to be done sooner or changes came from the legislature.

(Councilmember Kelly arrived at 9:18 a.m.)

Key Result Area 2 – Sustainable Economic and Community Development

Goal 1 – Complete the CV Industrial and Commercial Development Plan

- Extend sewer and water to OHM Industrial Park (OHMIP): This goal was met.
- Initiate business attraction and retention efforts for OHM: This had been a bit premature in 2016, but still needed to be on the radar.
- Develop and implement retail recruitment and expansion strategy: The new economic development person will focus on the OHMIP, grocery store, commercial nodes, and assisting businesses looking for properties. This was up for Council discussion and the Economic Development Subcommittee will meet in two weeks to discuss focus areas.

Goal 2 – Develop comprehensive road / circulation plan

- Develop prioritized road repair program: Staff will continue to use the road condition map and will implement it when the time came.
- Implement previously adopted road construction standards: Staff and the UDO Subcommittee will review this as part of the UDO update process. It was also a good time to talk with CYMPO about updating the Town's small area transportation plan. As there were a dozen projects on major roadways, staff needed to know what dedications and improvements to require from developers.
- Consider alternative circulation for Road 2 North/Hwy 89 intersection: This was currently being

reviewed by a consultant.

- Review and adopt off-site improvement policy for non-vehicular circulation: The Town owned the Peavine Trail from Road 4 North to Road 4 South and staff was coordinating with Prescott to connect the trail to Prescott's trail system this year. This will tie in with the future transportation study update and was important for new developments, which could create trail corridors to the Peavine. Community Services and Development Services will work together on this. Public Works had concept plans for the Peavine Loop Road and additional discussions were needed on that.

Key Result Area 3 –Community Engagement and Communication

Goal 1 – Improve availability of information from Town to citizens

- Continue to refine Communication Plan: Staff continued to follow the plan and was not sure it needed to be updated.
- Implement software as service (SAS) for planning and economic development: This was now included in the Town's Technology Plan. There were a handful of tools the Town could use and the economic development project manager will be exploring them.
- Departments to provide activity reports to Council on a quarterly basis: As Council now preferred brief reports on trends, this item could be deleted.

Goal 2 – Create unique relationships with external community partners

- Town staff and leadership will actively engage with staff and leadership in the Quad Cities area: Almost every department had external relationships. GPREP was being disbanded.
- Join statewide professional organizations relevant to the Town's mission: The Town belonged to various statewide organizations.
- Develop specific goals and a timeline for collective action in advancing the Town's Strategic Plan: This needed further discussion.
- Other: The town manager, mayor, and departments were doing more with community outreach. The best communication was just talking with people. Staff getting clear communication from Council also helped. All committees were being fairly active after a time of dormancy. The community had been very positive about the community Coffees; repeat issues brought up by citizens were roads, streets, and trash. The town manager also hosted a breakfast with a different group of employees each month, which was well attended, and the employees asked a lot of questions.

CHINO VALLEY FOCUSED FUTURE STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT

Town Manager Grittman handed out a copy of the 1998 Chino Valley Focused Future Strategic Plan for Economic Development, and pointed out on several pages that many of the issues in this document were the same as today and some issues therein could serve as further food for thought. Comments regarding those items were:

- Councilmember Mendoza stated that he did not want to continue the trend of kicking the can down the road; he wanted to resolve things, such as reduce the number of Conditional Use Permits, which were being used because the UDO was out of date.
- Public Works Director Marbury stated that CYMPO had plans for regional connectors.

2018/2019 MAJOR CAPITAL BUDGET ITEMS PER DEPARTMENT

Finance Director Duffy reviewed the major purchase requests and initiatives from each department. Due to the impacts of construction sales taxes, the Town may end the fiscal year with an extra half million

than what was budgeted. He did not project this surge to continue. Council will have to determine priorities for the disposition of these funds. The Capital Improvement Fund and reserves could be used to get the ballfield lights done.

3) Discussion and update of Strategic Plan.

Council and staff reviewed the strategic plan KRAs and goals and made suggestions for assigning goals for completion in either one year, two years, or two-plus years.

Key Result Area 1 - Fiscal Health
Goal 1 – Municipal Utilities – Self Sustaining

- Acquire strategic water companies: This was still a goal. The primary focus presently should be acquiring Prescott's system. Two other local private companies had recently approached the Town about selling their systems. If nothing moved forward with those, the Town should consider Willhoit to get water at that end of town. The Town had the capacity to borrow enough to purchase all of them. All would pay for themselves, except for Prescott, which would break even, but would be worth the investment. The Prescott system will also need an upgrade plan.
  - *Schedule item for FY 2018/19*
- Strategic extension of sewer system: Mollie Rae and Road 1 West were done, and Mountain View Mobile Home Park was nearly done. Areas of Town to consider were those with tighter densities, Roadrunner Trailer Park, and Wilhoit Water area. One option was to acquire Wilhoit Water using USDA funding, then later paving the area with CDBG grant funds. Utilities will drive economic development; for example, an emissions company recently inquired but walked away due to lack of utilities.
  - *Schedule for Economic Development Subcommittee to develop a list in FY 2018/19.*
  - *Schedule sewer plant expansion design for FY 2019/20.*
- Septage acceptance at sewer plant:
  - *Schedule item for FY 2019/20 under sewer plant expansion.*
- Complete Center Street sewer expansion:
  - *Delete item.*
- Funding for acquisition, interconnection, and expansion:
  - *Add as action step under point 1-acquisition.*

Goal 2 – Implement Asset and Liability Tracking Systems

- Analysis of real estate: This was done. Staff needed to further analyze the Paulden water rights as to what could be sold or not. The Town had two commercial wells at OHM that could be used, but would need an engineered system. There was a lot of development to go in the area between OHM and the Bright Star storage tank.
  - *Add analysis of Paulden water rights as action step.*
  - *Add review of more robust inventory system for water and sewer as action step.*
  - *Add review of possible sale of property in Highlands Ranch originally set aside for a well as action step.*
  - *Schedule activation of existing wells for FY 2018/19.*
  - *Schedule drilling a new well for FY 2019/20.*
  - *Add getting a recommendation for wells from the Water and Utilities Subcommittee as an action step.*
- Analysis of rolling stock: Staff will update this annually.
  - *Delete item.*
- Analysis of development agreements:
  - *Schedule for FY 2018/19.*

Goal 3 – Resolve Outstanding Legal Issues

- Bright Star Development Agreement and Water Rights: Language in the agreement pertaining to first right of refusal was ambiguous. The subdivision was going to need rezoning to make the remaining lots more marketable.
    - *Add as action step under Goal 2 to have Mark Holmes and attorney review the documents, then negotiate with the developer.*
- Re-negotiate Concessionaire Agreement with Prescott Sportsmen's Club:
    - *Schedule lead abatement for FY 2018/19.*
    - *Schedule review of possible sale of property for FY 2018/19.*
- Town Code compliant with A.R.S.:
    - *Schedule Town Code codification for FY 2019/20.*
- Resolve issues with UDO:
    - *Retain item.*

Key Result Area 2 – Sustainable Economic and Community Development

Goal 1 – Complete the CV Industrial and Commercial Development Plan

- Extend sewer and water to OHM Industrial Park (OHMIP):
    - *Delete item.*
- Initiate business attraction and retention efforts for OHM:
    - *Change item to develop OHM strategic business development plan.*
    - *Add discussion regarding leasing v. selling OHM land.*
- Develop and implement retail recruitment and expansion strategy:
    - *Change item to develop and implement business development strategic plan and economic development strategic plan.*

Goal 2 – Develop comprehensive road / circulation plan

- Develop prioritized road repair program:
- Implement previously adopted road construction standards:
- Consider alternative circulation for Road 2 North/Hwy 89 intersection:
- Review and adopt off-site improvement policy for non-vehicular circulation:
    - *Replace points 1-4 with developing a transportation strategic plan.*
    - *Add maintenance plan as an action step.*
    - *Add develop funding strategy as an action step.*

Key Result Area 3 –Community Engagement and Communication

Goal 1 – Improve availability of information from Town to citizens

- Continue to refine Communication Plan:
- Implement software as service (SAS) for planning and economic development:
- Departments to provide activity reports to Council on a quarterly basis:

Goal 2 – Create unique relationships with external community partners

- Town staff and leadership will actively engage with staff and leadership in the Quad Cities area: Almost every department had external relationships. GPREP was being disbanded.
- Join statewide professional organizations relevant to the Town's mission: The Town belonged to various statewide organizations.
- Develop specific goals and a timeline for collective action in advancing the Town's Strategic Plan: This needs further discussion.

- Other: The town manager, mayor, and departments were doing more with community outreach. The best communication was just talking with people. All committees were being fairly active after a time of dormancy. Getting clear communication from Council also helped. The community had been very positive about the community Coffees; common issues were roads, streets, and trash. The town manager also hosted a breakfast with a different group of employees each month, which was well attended, and the employees asked a lot of questions.
    - *Delete KRA 3 in its entirety.*

Other items to discuss and schedule for FY 2018/19:

- Economic Development Subcommittee to discuss what to do with blighted areas.
- Public Works complex plan.
- Municipal campus master plan.
- Town's 50th anniversary celebration planning.

Other items to discuss and schedule for FY 2019/20:

- After UDO update, as part of economic development plan, review design concepts beyond the General Plan.
- Community Services to review recreation uses at OHM.

Items to be scheduled after FY 2019/20:

- Wastewater treatment plant expansion.
- Water storage tank.
- OHMIP.
- Ballfield lighting.
- 40 acres of land north of Community Center.
- Court security.
- Police building space and moving operations to highway.
- Infrastructure master plan.

Council and staff discussed the following in more detail:

- *Ballfield lighting:* Cost estimates were close to $300,000 for one light. Upgrading the lights would allow for tournaments and overflow for the high school and college. Infrastructure should already be in place. LED lights and one light pole was already in the budget. APS might be able to help with setting poles.
- *40 acres north of the Community Center:* The property was being sold for $2 million, and had water rights and a big well. This was something to consider, as development of this property would result in the Town losing parking and the ability to expand the park. As of yesterday, the property owner was meeting with developers about a possible joint venture.
- *Court security:* The Court had three years to implement this. A bailiff position and security cameras were currently part of the budget.

Council asked staff to:

- Develop action plans for each goal and action step and bring back to Council.
- Present a report on status of development.

- Inform Ms. Grittman of any other items for the strategic plan.

Mayor Croft recessed the meeting at 11:21 a.m. reconvened it at 11:25 a.m.

4) Discussion regarding code compliance matters and possible additional funding.

Ms. Grittman reported that Councilmember Mendoza and Vice-Mayor Turner desired that the Council discuss and provide direction and focus for the code compliance division. Council and staff discussed concerns about:

Citizens' code violations:

- Property owners utilizing properties as storage without proper permitting.
- Using properties for wrong purpose, such as 30 vehicles parked on a parcel.
- People selling items on weekends without a permit.
- Property maintenance violations.
- Lack of proper access to properties.

Code deficiencies:

- Lack of standard for weed and tumbleweed abatement.
- Definition of nuisance.
- Needing legal and prosecutorial guidance with regard to vacant housing and violations, as well as code compliance in general.
- Conflicts between Town Code and UDO and abatement regulations coming from three sources.
- Issues with flag signs and needing legal interpretation regarding food trucks.

Process/policy deficiencies:

- Needing to decide where "rural" starts and ends.
- Lack of resources to be proactive.
- Departments directing all Town complaints to Code Compliance.
- People not participating in cleanup days.
- Lack of incentives for compliance.

Council and staff discussed concerns and offered suggestions.

Council priorities:
Council's main concerns were health and welfare, as well as the Town being attractive for businesses for economic development purposes. Raw garbage was a health hazard, whereas weed control could be a hazard or just ugly. They did not want to be like Prescott Valley, but also did not want the Town to look like a dump.

UDO amendments:

- *Concerns:* Staff has scheduled an item for Council action in May to move the property maintenance section of the UDO to the Town Code. If Council desired to edit the content, that will need citizen review and could be done subsequently. The current UDO rewrite could create legal non-conforming issues and the Town may have to waive rights under the old code.
- *Suggestions:* Define and address the differences between "health hazard" and "unsightly" in the code rewrite.

Compliance issues:

- *Concerns:* Current complaints were 80% residential and 20% commercial. Staff sends citizens a violation letter, but if they ignore the letter, nothing happens. If they get a citation, they go to court. Staff would prefer that the Town not have to pay to clean up properties and needed stronger incentives for people to comply. Staff also needed guidance with regard tumbleweeds. Citizens did not participate in clean up days for various reasons: lack of caring and issues with health, money, and transportation.
- *Suggestions:* Mr. Sanks will provide compliance statistics to Council. Streamlining and accelerating the process, and increasing fines, could improve compliance. Ms. Grittman asked Customer Services to provide some recommendations for incentives from citizens. Regarding tumbleweeds, the Town cannot cause neighbors to fix the problem, and the department should be able to explain that this is just part of living in a rural area. Staff was considering other options to dump days, such as placing dumpsters on certain streets, a 50-50 program or vouchers.

Process issues:

- *Concerns:* Roles and responsibilities needed to be defined as the Town seemed to use Code Compliance for every complaint. Divisions should take care of their own items.
- *Suggestions:* Complaints could come through Customer Services, then be distributed to the appropriate department for response.

Resources/Funding:

- *Concerns:* Dump days were not fixing the problem throughout the year. The code compliance officer had little time to address commercial property violations, such as outside sales along SR 89. They also needed someone who could work Fridays and Saturdays. Grandfathered businesses could not be forced to change.
- *Suggestions:* Customer Service could use the business licensing process to assess problems and perform an inventory to reconcile business licenses with zoning. Staff should do the inventory, community outreach, then address the worst violations first. The division had $30,000 for cleanups; rather than do two cleanup days, do one and use vouchers or a 50-50 program for the rest of the year. As far as staffing, options were to hire a temporary employee for a year or temporary part-time help, but the Town will need to find a person with the required knowledge and skills.

Mr. Marbury asked about the Town establishing its own solid waste division. Ms. Grittman stated that was off the table.

Ms. Grittman instructed Customer Services staff to bring this item back for Council discussion along with some recommendations in May and staff will need legal advice. Mr. Sanks added that whatever changes the Town made, there needed to be a public campaign.

5) ADJOURNMENT

MOVED by Councilmember Jack Miller, seconded by Councilmember Annie Lane to adjourn the meeting at 12:15 p.m.

Vote: 6 - 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 Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 4th day of April, 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