

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

**THURSDAY, APRIL 7, 2011
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, April 7, 2011.

Mayor Bunker called the meeting to order at 6:09 p.m.

Council Present: Mayor Jim Bunker, Vice-Mayor Ron Romley, and Councilmembers Joel Baker, Dean Echols, Linda Hatch, and Carl Tenney.

Council Absent: Councilmember Gloria Moore.

Staff Present: Town Manager Michael Scannell, Management Assistant Cecilia Watts, I.T. Technician Spencer Guest, Access Channel Technician Steve Hollingsworth, Finance Director Vera Smith, Accounting Clerk Shannon Bowe, Magistrate John Walker, Police Chief Pat Huntsman, Police Commanders Mark Garcia and Chuck Wynn, Sergeant Vince Schaan, Officers Randy Chapman and Todd Hyslip, Dispatch Supervisor Laurie Whisenand, Dispatcher Amanda LaRue, Senior Building Inspector Dan Trout, Plans Examiner Jim Shinost, Code Enforcement Officer Mike Bovee, GIS/CAD Technician Jan Mazy, Administrative Clerk Mary Brasher, Town Engineer/Public Works Director Ron Grittman, Executive Assistant Sherri Turner, Administrative Clerk Christy Russell, Public Works Supervisor Kenny Tribolet, Public Works Inspector Kurt Morrill, Heavy Equipment Operators Mark Isza and Bill Butts, Medium Equipment Operator Paul Smith, Laborer Brandon de la Huerta, Vehicle Maintenance Supervisor Rick De La Huerta, Utilities Supervisor Chris Bartels, Utilities Technician Joe Grassi, Utilities Clerk Sally Self, Building Maintenance Laborer Chuck Turner, Transit Coordinator Jason Kelly, Recreation Coordinator Shannon Gansz, Aquatics Supervisor Dean Smith, Parks and Trails Superintendent Bob Worthen, Senior Center Supervisor Cyndi Thomas, Youth Librarian Darlene Westcott, Administrative Clerk Hilda Little, and Town Clerk Jami Lewis (recorder).

- 2) Presentation by staff and discussion regarding the status of the fiscal year 2010/2011 budget and planning for the fiscal year 2011/2012 **budget**.

Acronyms used in this item:

ASRS (Arizona State Retirement System)
FY (Fiscal Year)
GF (General Fund)
PSRS (Public Safety Retirement System)

Finance Director Vera Smith, Management Assistant Cecilia Watts, and Town Manager Michael Scannell presented the following budget information:

- Comparing all actual revenues from FY 2004/2005 through FY 2009/2010, budgeted revenues for FY 2010/2011, and those projected for FY 2011/2012, demonstrated that some revenues began declining in FY 2004/2005 followed by all the rest being in decline by FY 2008/2009.
- The anticipated GF revenue shortfall for FY 2011/2012 before and after the Census figures was:

	Before Census	After Census
Anticipated GF budget shortfall:	\$360,000	\$360,000
Anticipated GF revenue decreases	\$234,956	\$557,512
Anticipated expenditure increases	\$136,892	\$136,892
Subtotal	\$731,848	\$1,054,404
Carry Forward utilization		(\$360,000)
Adjusted anticipated FY 2011/2012 GF budget shortfall		\$694,404

- The FY 2011/2012 1% sales tax revenue total proposed allocations to the GF equaled \$1,121,834. Allocating more 1% tax into the GF would require Council to amend the current allocation resolution.
- Anticipated increases in the Town's ASRS contributions were 0.295%, while its contribution to PSRS was decreasing by 0.090%. The Town's contribution for employee health insurance was anticipated to increase 9.1%.
- If the Town were to add vision coverage, the Town's estimated cost would be \$11,625 for employees only to \$15,500 for family coverage. If the Town were to add short term disability, the Town's estimated cost would be \$4,844 for the modified version and \$17,437 for the enhanced version.

Recommendations to adjust the balance:

- The Town must reduce expenditures, increase revenues, or a combination of the two. Long term structural changes were necessary as there were no more temporary or short term fixes, and future years would most likely bring further revenue reductions.
- Staff already factored in \$360,000 in carry forward dollars.
- Options previously recommended were: consolidate and reorganize Administration, Town Manager, and Human Resources Departments; eliminate vacant Community Services Director position; leave Police Chief position vacant for one-half year after the current Police Chief retired; and implement Community Services assessment recommendations, excluding Senior Center. These would bring the shortfall down to \$448,292.
- Other possible options included, but were not necessarily limited to: (i) implement other departmental consolidations and generally flatten the organizational structure, hold certain positions vacant, eliminate certain positions, and authorize assessment and audit of Development Services, followed by all Town departments and divisions; (ii) explore contracting out certain services, such as Police Dispatch and Animal Control, sales tax audits, and a comprehensive fee study; and (iii) reduce funding to certain services, such

as transferring the Town's present responsibilities for the delivery of Senior Center programs to a not-for-profit organization, and re-evaluate the Town's funding agreement with the Chamber of Commerce.

- Council needed to consider the most effective way to still deliver core services, and determine what they considered as "core." Council also needed to have a frank conversation with the community about what they wanted, as there was no way to foster economic development without infrastructure in commercial areas, and the Town needed to pursue this and decide where it wanted to go in order to be prepared for when the economy recovered.
- Staff did not recommend taking anything else away from employees, who had endured very difficult times and had no wage or cost of living increases in four years, while having take-home decreases due to increases in health insurance and retirement.
- Staff suggested setting a work session on April 21 to frame this issue and obtain Council guidance, with staff providing updates every couple weeks throughout the budget process.

Council asked if budget reductions could be done without affecting the employees. Mr. Scannell stated that the needed reductions would require some position reductions or cuts and the employees understood this and were prepared for it.

Public comments:

Ab Jackson, CEO, Chino Valley Area Chamber of Commerce, pledged the Chamber's and business community's support through the rough time and urged the Town not to neglect the businesses and support an economic development plan, since the businesses were the Town's only revenue source.

Council discussed the matter and generally asked staff to develop scenarios that did not take any more away from the employees, a list of the reduction options, and options for using carry forward funds. They also asked for the employees to give input on ideas for service reductions in their own departments.

Mayor Bunker called for a break at 7:57 p.m. and called the meeting back to order at 8:14 p.m.

3) Presentation and discussion regarding Area **Drainage Master Plan** Study.

Town Engineer Ron Gritman reviewed the results of the recent Area Drainage Master Study.

- This project was funded from a \$200,000 grant from the Yavapai County Flood Control District, approved in August 2009. In December 2009, Council approved contracts with Civil Tec Engineering ("Civil Tec") and Lyon Engineering ("Lyon"), who agreed to approach the project as a team.
- Civil Tec was responsible to coordinate aerial photography and topographic mapping, review documentation, model the hydrology for various storm events up to the 100 year event, review potential regional stormwater recharge locations, and develop a report summarizing the findings.

- Lyon was responsible to prepare hydraulic models of areas prone to sheetflow conditions, review the 2001 Chino Valley Flood Hazard Delineation Study, develop the depth that the 100 year storm will reach based on the hydrology developed by Civil Tec, develop conceptual solutions and estimated costs, and develop a report summarizing their findings.
- The study found that there were a lot of sheeting areas throughout the Town. Over the years, lot splits and wildcat subdivisions, which required no drainage planning, had contributed to the problem.
- As a result of the study, Lyon prepared a list of 10 conceptual stormwater projects that could reduce or alleviate the Town's worst flooding problems. The projects were rated using the following criteria: estimated construction costs, number of homes/businesses helped/improved, right-of-way acquisition, recurring complaints, recurring town maintenance, and recurring access problems.
- The 10 projects, in order of ranking, were:
 1. Cemetery Draw at Juniper Drive (\$1,107,075.00)
 2. Chino Meadows Unit 5 at Peavine Trail (\$1,084,600.00)
 3. Road 2 South west of SR 89 (\$235,770.00)
 4. Mariposa Manner (South of Road 3 North west of SR 89) Unit 2 South Boundary (\$381,350.00)
 5. Road 3 North at Town Hall (\$268,250.00)
 6. Road 2 South crossing east of Road 1 East (\$356,700.00)
 7. Road 1 South from west of Road 1 East to Santa Cruz Wash (\$2,480,225.00)
 8. Perkinsville Road at the Santa Cruz Wash (\$975,850.00)
 9. Center Street west of Road 1 East (\$842,450.00)
 10. Perkinsville Road east of Road 1 East (\$1,451,000.00)
- Projects currently funded were: Road 2 North widening at the Santa Cruz Wash, which was initially funded by roads impacts fees; and Chino Meadows Unit 5 at Peavine Trail, funded by a Community Development Block Grant.
- Staff recommended that: (i) Council adopt this Report on April 26, and (ii) staff incorporate this Report and these projects into the Engineering Standards and Capital Improvement Program so that developers will participate in regional solutions; (iii) the Town continue to seek funding for projects with Yavapai County, especially the more inexpensive projects such as project 5, Road 3 North at Town Hall; (iv) any project to be constructed be prioritized through the Council; and (v) the Town begin the discussion to determine the level of services that citizens were willing to support and how to fund the remaining projects.
- Staff intended to request an additional \$300,000 from the County immediately and to discuss options with them for funding the remainder of the projects.

Council asked about grant funding, the County funding project 8, differing levels of County funding, and FEMA funding. Mr. Gritman related that: (i) any federal funding would incur 30%-40% on archeology studies; (ii) he did not believe the County would fund project 8 at that amount; (iii) he was not aware of differing levels of County funding, but he could obtain the information; and (iv) FEMA only funded projects in their floodplains.

Public comment:

Paul and Cathy Aguina, residents, spoke about repeated flooding in the Road 1 South and Road 1 East area and asked about digging more ditches to alleviate flooding; funding sources for improvements, including property taxes; and the Town removing an irrigation ditch that was in the area. Mr. Aguina added that he would be willing to pay a property tax to get it fixed. Mr. Gritman stated that: (i) the Town could only solve regional problems, not spot fix, and digging such ditches would not help; (ii) funding could come from FEMA, the County, improvement districts or other self-taxing mechanisms, or development sales taxes, some of which would require citizen buy-in; and (iii) the Town did not maintain or remove irrigation ditches.

Lon Turner, resident, stated that he lived near Road 1 South and Road 1 East from 1975 to 1991, and it had always flooded like that, but the area was farm fields then. He also asked if Road 1 South and Road 2 South was in the FEMA floodplain and if the Town could get FEMA funds for the Vista Grande entrance. Mr. Gritman stated that it might be possible.

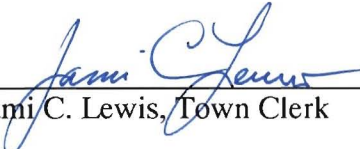
Council and staff pointed out that all recently approved subdivisions did not have flooding problems, as they had been engineered to handle stormwater. The Town had had flooding problems for years and it would cost millions to solve them. They also suggested that this Master Plan be part of the future General Plan.

4) Adjournment.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to adjourn the meeting. The motion PASSED unanimously 6-0 at 9:41 p.m.


 Chris Marley, Mayor

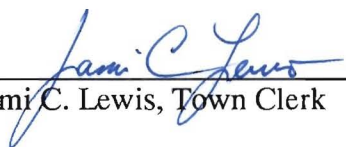
ATTEST:


 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 7th day of April, 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