

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

**TUESDAY, APRIL 26, 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, April 26, 2011.

Mayor Bunker called the meeting to order at 6:01 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, Town Attorney Tom Kack, Police Chief Pat Huntsman, Police Commander Mark Garcia, Development Services Director Pat Clingman, Associate Planner David Nicolella, TITLE Dan Trout, Code Enforcement Officer Mike Bovée, GIS/CAD Technician Jan Mazy, Town Engineer/Public Works Director Ron Grittmann, Utilities Supervisor Chris Bartels, Utilities Clerk Sally Self, Parks and Trails Superintendent Bob Worthen, Recreation Coordinator Shannon Gansz, Recreation Specialist Dean Smith, Administrative Clerk Hilda Little, and Town Clerk Jami Lewis (recorder).

Councilmember Baker gave the invocation and Mayor Bunker led the pledge of allegiance.

2) Introductions, Presentations and Proclamations

- 2a)** Proclamation declaring May 1-7, 2011 as “**Youth Week**,” sponsored by Chino Valley Elks Lodge #2842.

Mayor Bunker read the proclamation and presented it to Ann Benton who spoke about the Club’s Flag Day Ceremony on June 11 in Memory Park.

- 2b)** Presentation by Lora Lee Nye, Prescott Valley Council Member, regarding the **Arizona Centennial** and Chino Valley participation.

Ms. Nye spoke about local events associated with the Arizona Centennial, including the Living Legacy in Prescott Valley’s Mountain Valley Park on April 29 and Statehood Day Celebration on February 14, 2012; and she encouraged the Town to participate in and promote them, as well as help obtain sponsors.

- 2c) Presentation of **Arbor Day** poster contest winners by Recreation Coordinator Shannon Gansz.

Ms. Gansz presented the Arbor Day poster contest winning posters. Vice-Mayor Romley commended Ms. Gansz for hosting one of the best Arbor Day events he had attended.

3) **Call to the Public**

Chris Bartels, Town Utilities Supervisor, read a letter signed by several employees supporting Town Manager Mike Scannell's efforts to deal with the budget shortfall.

Susan Tobey, Chair of Chino First, spoke about citizens exercising their right to vote and a tour of the KOA site on April 27.

Beverly Ervin, resident and Citizens Academy graduate, spoke about the excellency of the Academy, and the need to find a way to protect the Town's rural lifestyle by promoting agri-tourism, small town values, neighborliness, politeness, and respect.

Toni Graybill, resident, spoke about supporting the Town Manager, citizens voting to protect the Town's rural lifestyle and their rights, the KOA not being sustainable, and the Planning and Zoning Commission and Council having all land use issues resolved before approving them.

4) **Mayor/Council/Manager Report**

Mayor Bunker reported on a Water Conservation Workshop on April 30 and another tumbleweed burning work day on May 7.

Councilmember Baker responded to a comment made at the recent candidates forum that the Council did not listen to the people: just because he did not agree to certain opinions did not mean he did not listen to them.

Consent Agenda

- 5) Consideration and possible action to approve February 22, 2011 Regular Meeting minutes.

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

Action Items

- 6) Consideration and possible action to approve the **Financial Report** for eight months ending February 28, 2011 for fiscal year 2010/2011.

Town Manager Michael Scannell reported that General Fund revenues were exceeding expenses, and state-shared revenues and local sales taxes were tracking along as projected. He and Councilmember Tenney commended staff for keeping the budget under control.

Vice-Mayor Romley MOVED, seconded by Councilmember Baker, to approve the Financial Report for eight months ending February 28, 2011 for fiscal year 2010/2011. The motion PASSED unanimously 6-0.

Mayor Bunker requested and Council consented to moving item 7 behind item 13.

- 7) Consideration and possible action regarding the Water and Sewer Agreement between the Town of Chino Valley and JT Properties, LLC for the **Kampgrounds of America** (KOA) project, located at Road 3½ North between State Route 89 and Road 1 East. Fiscal impacts will be dependant upon the structure of the agreement when approved by Council and JT Properties.

Council may vote to hold an **executive session** pursuant to A.R.S. § 38-431.03(A)(3) and (A)(7) to obtain legal advice from its attorneys and to consider its position and instruct its attorneys, or other designated representatives, regarding negotiations for a proposed Water and Sewer Agreement between the Town and JT Properties, L.L.C., in connection with property development (the Kampgrounds of America).

(Council heard this item after item 13 but it is retained here for clarity.)

Acronym used in this item:

CFD (Community Facilities District)

Town Engineer Ron Gritman reported that:

- On July 22, 2010, Council approved a zone change for the subject property to allow development of a KOA. There were two main requirements included in this approval: extend Road 3½ North between SR 89 and Road 1 East, and develop a sewer agreement acceptable to the sole discretion of the Council.
- On March 23, 2011, eight months later, the developer submitted a draft Water and Sewer Agreement, which highlighted development of a force main and sewer lift station.
- In a letter dated January 24, 2011, as well as several meetings dating back to August 2010, staff had continued to express concerns regarding this type of sewer system due to the future costs that the Town would incur from the ongoing operation and maintenance of this type of system, summarized as follows:

Description	Annual Cost Estimates	10 Year Totals
Electrical costs for 20hp grinder pump	\$2,400	\$24,000
Personnel Costs @ 1 hour per day for site visit	\$8,400	\$84,000
Pump Replacement at Years 5 and 10	\$7,000 per year for a total of \$35,000 at year 5	\$9,000 per year for a total of \$45,000 at year 10
Maintenance costs including pump reconstruction, odor control, and generator maintenance	\$2,000	\$20,000
Total	\$19,800	\$173,000

- Lyon Engineering provided a construction cost estimate for the force main and lift station of \$381,615. Based on Lyon's construction estimates, the Town's cost estimates for a gravity sewer line was approximately \$295,250. Coupled with operation and maintenance, the cost of a force main and lift station was approximately \$554,615. Because the cost of a gravity sewer was cheaper than the alternative, staff recommended that gravity sewer be installed.
- If the developer were to cover the \$43,758 buy-in-fees cost, the project cost was estimated at \$339,008. If the developer were to cover these buy-in-fees as well as the \$104,000 for septic tank hookup and abandonment, the project cost was estimated at \$443,008.
- Per Council direction, these costs may be eligible for reimbursement. However, the proposed agreement significantly deviated from the typical method of utility reimbursement. While the Town's most recent reimbursement agreements with Walgreens, HomKor, and Chino Town Center (Days Inn) were all based on a reimbursement of a portion of the sales tax generated from the property, the draft agreement called for reimbursement of all offsite improvements through a CFD and all funds generated from others that connected to the water and sewer system.
- It was highly unlikely that the limited size of the project would support the creation costs of a CFD and the Town would sustain an estimated start-up cost of approximately \$100,000 to \$150,000, in addition to significant staff and attorney time. The agreement was silent as to responsibility of covering these costs.
- The agreement also called for waiving all buy-in-fees for the water and sewer system. Because of contractual obligations to Fann Contracting, if the waiver was granted, the Town would pay the buy-in-fees. Staff recommended that a more traditional reimbursement method be adopted.
- Staff recommended holding an executive session to further discuss negotiations with regard to this agreement.

Councilmember Baker asked Town Attorney Tom Kack if the new Councilmember-elect should be invited to participate in the executive session. Mr. Kack stated that it would not be appropriate unless it was necessary to include him.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to go into executive session after taking a brief recess. The motion PASSED unanimously 6-0 at 8:03 p.m. Mayor Bunker reconvened the meeting back into open session at 9:14 p.m.

Council took no action on item 7.

- 8) Discussion and possible action relative to authorizing staff to expend funds in the amount not-to-exceed \$42,056.69 for needed repairs to the Chino Valley **Aquatic Center**, located at 1615 N. Road 1 East; and approve required budget transfer. Funding to come from Aquatic Center expenditure lines in the General Fund. As a budget transfer will be required to facilitate this expenditure, staff recommends a transfer from Non-Departmental Contingencies expenditure line to the Aquatic Center Department expenditure lines.

Recreation Specialist Dean Smith reported that:

- Upon direction from the Town Manager, he had completed the remaining discrepancies on the Aquatic Center's original punch list and had obtained an official Certificate of Occupancy ("Certificate") today, both of which should have been done five years ago before the pool opened. Since then, staff members had informed their superiors of this matter, but nothing was done.
- As a result of this project, he had used most of the Aquatic Center's budgeted funds. Approximately \$16,500 was now needed to address a labor shortage and \$15,000 for repairs over and above those required for the Certificate.
- The labor shortage occurred from when he was directed to sponsor the Haunted Swamp after it had been previously cut from the budget; and, as he had only four returning lifeguards from last year, there were not enough funds for training the new ones.
- The needed repairs were to recoat all roofing surfaces and repair two existing roof leaks, install water saving timing valves on all shower assemblies, replace the pool's thermal covers, and fabricate and install ventilation hoods for the acid injection room.
- These repairs would help maintain the integrity of this facility, resolve a safety issue, and provide savings throughout the year with the reduction in water usage, lower chemical usage, water and energy loss due to evaporation, pool cleanliness, and lower energy consumption. Staff proposed to do the shower repairs in-house by a staff member who was a master plumber.
- The original punch list had not addressed acid room ventilation and this matter arose after the original Certificate would have been completed. He believed the problem came from an error in the architectural design, and although there was a construction management firm over the project, they did not catch this error.
- He had also prepared options for levels of funding for these matters.

Development Services Director Pat Clingman then reported that:

- She was in charge of inspections at the time the pool was construction and her staff performed the first two inspections. After that, she was on leave due to an injury, and when she returned to work, she checked the facility and found that there were still some housekeeping items to be completed, but none of them were serious enough to keep the pool from being opened, even without the Certificate. Although she had forwarded a list of those items to her superiors and brought it to the attention of previous managers, they did nothing about it.
- She was not sure if the problem with the ventilation hoods was an architectural error, but they were installed per the drawings. Knowing what she knew now, she would have recommended venting each room outside individually.
- All other applicable agencies had also signed off in order to obtain the Certificate.

Town Manager Michael Scannell added that funding for this request would come from contingency funds, which existed for unanticipated expenditures. He also clarified that the subject Certificate dealt solely with the Aquatic Center, not the other structures on that campus.

Council Discussion: They had not known about this issue, found it disturbing that the Certificate had not been issued, and commended staff for fixing the problem. They generally felt that it was worth it to fund all the requested items to save costs over several years.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to authorize staff to expend funds in the amount of \$42,056.69 for needed repairs to the Chino Valley Aquatic Center and approve the associated budget transfer from Non-Departmental Contingencies to Aquatic Center. The motion PASSED unanimously 6-0.

- 9) *Continued from April 12, 2011:* Discussion and possible action regarding updated information and summary relative to the position of Civil Engineer. Funding levels are pursuant to Council direction with funds to come from Highway User Revenue Funds (HURF), Water and Sewer Enterprise Funds, and General Fund.

Acronyms used in this item:

- ADOT (Arizona Department of Transportation)
- CDBG (Community Development Block Grant)
- CIP (Capital Improvement Program)
- CYMPO (Central Yavapai Metropolitan Planning Organization)

Town Engineer Ron Grittmann reported that:

- On April 12, 2011, he informed Council that due to the loss of the Town's civil engineer, some of the Town's CIP projects might lose their funding, most specifically the CDBG and shooting range projects. Council then requested that he and the Town Manager discuss his workload priorities.
- His workload included oversight of all Public Works divisions, Engineering, CIP, and Water Resources functions, including participation in CYMPO, the Technical Committee for the County Water Advisory Council, the Technical Committee for the Upper Verde Water Coalition, and both the Technical and Executive Committees for the Northern Arizona Municipal Water Users Association. In addition, he expended a significant amount of time on litigation and enforcing current contracts and development agreements.
- On April 19, he met with the Town Manager and they concluded that: the current workload represented the minimum level of effort required given the current staffing levels, here was no one else on staff capable of dealing with the complex water issues, and participation with CYMPO had brought significant opportunities to the Town, such as funding for sign replacements and accelerating Town and local ADOT improvements.
- If Council should choose to make the capital projects a high priority, it would require either funding an outside engineering firm or filling the civil engineer position in some form.
- In a memorandum dated March 3, 2011, he projected that approximately 2,085 hours were required to administer the current capital projects. The standard hourly rate for such engineering services was \$120 per hour. Assuming that the current economy would result in a more favorable hourly rate of \$90, the cost to complete these projects was \$188,975.
- The current full time salary range for the civil engineer position was \$69,100 - \$97,636 without the 10% salary reduction. Should Council choose to fill a less than full time civil engineer position, progress could be maintained at a modest level on the CIP while respecting the budget limitations.

- Also, at the April 12 meeting, management staff has proposed an operational analysis of the Development Services Department. He now proposed that said analysis be expanded to include the Engineering Department for possible recommendations.

Council Discussion: Generally, Council believed it was important to complete the current CIP projects and they agreed with adding the Engineering Department to the Development Services assessment.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to obtain an operational analysis of the Development Services Department and, as a potential resource to assist Council's decision, expand it to include the Engineering Department and bring back possible recommendation to Council.

- 10) Consideration and possible action to approve construction contract with **Sky Engineering** Inc. in an amount not to exceed \$170,564.74, for the solar energy generation station and installation of donated solar panels, located at the Town of Chino Valley Wastewater Treatment Plant, Old Home Manor, 2190 Rodeo Drive. Funds to come from EECBG (solar panels project) expenditure line item in the Capital Improvement Fund with reimbursement back to the Town from two Department of Commerce Energy Grants and from the Maintenance expenditure line item in the Sewer Enterprise Fund.

Acronym used in this item:

APS (Arizona Public Service)

Town Engineer Ron Grittmann reported that:

- It cost the Town \$7,500 in electrical costs to run its wastewater treatment plant. Over the last two years, the Town had been awarded two Department of Commerce Energy Grants of \$91,307.24 and \$93,700 for the installation of solar panels at the wastewater treatment plant to offset those electrical costs.
- Logos Solar was contracted to design the project for approximately \$6,500. Those funds and an administrative fee of \$13,500 will be reimbursed to the Town from grant funds. Staff anticipated this would leave \$165,007.24 to fund the project.
- The Town had also developed a long term relationship with TUV Rheinland PTL, LLC, a photovoltaic testing company, which relationship will allow for a perpetual annual donation of approximately 20KW worth of solar panels.
- As with all grants, there were some daunting restrictions placed on the use of the grant monies, the most significant of which was that all components purchased with these funds and all labor used to install the appurtenances must be qualified as "American Made" and paid as Davis Bacon wages.
- As many of the donated panels from TUV were not sufficiently labeled to qualify as "American Made," the Department of Commerce made the determination, after the grant's award, that no donated panels would qualify under the grant and therefore could not be installed using these funds. This resulted in the Town having to redesign the project to use the donated panels after the grant project was complete.

- In addition, many of the donated panels were not consistent in their electrical output. As a result of this inconsistency and to provide the maximum flexibility for future donations, three different types of solar domains will be constructed using grant funds. The first will consist of the enphase micro-inverter, which converts the electrical current to a uniform output directly at the solar panel. The second will consist of a “central inverter” that requires all solar panels to have a consistent output. The third domain will consist of a “central inverter” that is capable of dealing with varying electrical outputs from the solar panels within the domain. The central inverter for the third domain required a waiver from the Department of Energy’s “American Made” requirement, which was issued on March 31, 2011.
- To assure that all appurtenances installed under the grant would qualify as “American Made,” electrical systems and components, along with the racks used to install the solar panels, were all newly purchased and oversized for the number of solar panels purchased under this portion of the grant. Solar panels to be purchased under the grant will also be new and qualify as “American Made.” Once this phase of the contract was complete and in place, the requirements of the grant will be satisfied and this phase of the project will be closed. However, the racks themselves will not be fully populated with solar panels.
- A line item within the bid for the subject contract labeled “Alternative Bid Item” was for the price of labor that the contractor will charge the Town sewer funds to install the remaining 200-250 donated solar panels.
- The following three bids were received for this project: (i) Sky Engineering, Inc.—\$149,048.80 base, \$5,557.90 alternative; (ii) Arizona Energy Masters—\$155,760 base, \$3,240 alternative; and (iii) Solar Electric Systems and Products, Inc.—\$169,084.20 base, no alternative bid.
- This project will install \$165,007.24 worth of photovoltaic solar panels and an electrical backbone system that will allow for maximum expansion. The project award amount of \$165,007.24 for the grant phase of the project exceeded the bid amount of \$149,048.80 by \$15,958.44. These remaining funds will be used to purchase additional new solar panels beyond those cited in the bid documents that qualify as “American Made.”
- The Town will be able to obtain a credit from this project if it bid with APS. The key was APS’s threshold on system size. Although the size was currently under the “commercial output” designation, the Town will ask for the commercial designation as the system will reach that size in the future.
- The Department of Commerce also favored the Town’s plan and had expressed interest in the Town’s innovative approach to the project and its use of the funds.

Councilmember Hatch pointed out that the additional \$5,000 expenditure would come back to the Town in savings and thanked Mr. Gritman for his creativity in dealing with the many changes to the project since its beginning.

Councilmember Hatch MOVED, seconded by Councilmember Tenney, to approve the construction contract for the Chino Valley Photovoltaic System to Sky Engineering in an amount not to exceed \$170,564.74 with reimbursement from Department of Commerce Grants in the amount of \$165,007.24 and remaining \$5,557.50 to come from the Sewer Enterprise Fund. The motion PASSED unanimously 6-0.

- 11) Consideration and possible action to approve bid from **Granillo's Mobile Home Service**, for an amount not to exceed \$19,075.00, to inspect approximately 300 homes in the Chino Meadows 2 Subdivision and repair certain sewer line connections, if needed. Funds to come from Sewer Enterprise Fund, professional services and miscellaneous maintenance lines.

Associate Planner David Nicolella reported that:

- Late last year, the Town became aware that some of the sewer line connections in the Chino Meadows Subdivision may not have been installed according to industry standards. The Town subsequently engaged the services of a professional to inspect a representative sample of the homes, who found that of eighteen homes chosen at random, 66% were in compliance and 33% were not.
- The inspections revealed that the two primary reasons for the non-compliant sewer lines were broken or missing straps and sewer lines set at either reverse or improper grades. Staff determined that the sewer lines for these homes had been installed by a contractor who was later dismissed.
- Staff attempted to obtain three written bids per Town Code Section 32.05; however, Granillo's Mobile Home Service ("Granillo's") was the only vendor to submit a bid.
- Under this contract, Granillo's will inspect about 300 homes in the Chino Meadows 2 Subdivision and, if necessary, repair any broken or missing straps and reset any sewer lines to their proper grades. Per the random sample inspections, approximately 100 of 300 sewer lines were expected to need some repair. Staff also recommended adding a condition that the project be completed in six months or less.
- In order to help expedite the inspection and repair process, the Town will provide Granillo's with a staff member from the Utilities Division who will assist in gaining access to the properties.

Council asked about possible recourse on the contractor and why the problems were not corrected. Mr. Nicolella and Town Engineer Ron Grittmann explained that:

- Fann Contracting was the general contractor who hired Precision as a sub-contractor to connect the yard lines. When Development Services staff found problems with the first area being hooked up, they requested that Fann fire Precision.
- Every one of Precision's installations were then re-inspected and approved by Fann and a previous Building Division employee. Until the problems were brought to the Town's attention later, staff thought that they had all been brought into conformance.
- The town attorney had deemed that the Town could not obtain recourse from the contractor, as the work was done in October 2008 and the two-year warranty period ended in October 2010.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to approve bid from Granillo's Mobile Home Service for an amount not to exceed \$19,075.00. The motion PASSED unanimously 6-0.

- 12) Consideration and possible action to award construction services bid for roadway repairs at the intersection of Reed Road and Road 3 North to **Grady's Quality Excavating, Inc.**

in an amount not to exceed \$33,190.30. Funds to come from Highway User Revenue Funds Chipsealing line.

Town Engineer Ron Gritman reported that:

- The intersection of Reed Road and Road 3 North was in significant disrepair. The current roadway for most of the intersection was a chipsealed surface over natural grade, while Reed Road south of Road 3 North was an asphalt surface placed by the County in 2001.
- As the intersection conveyed a significant volume of traffic, placing asphalt in lieu of chipseal would allow the intersection to withstand the traffic load. This project will create a three-inch asphalt surface on six inches of prepared aggregate base course for a distance of 150 feet south, east, and north of the intersection.
- The following three bids were received for this project: Grady's Quality Excavating at \$33,190.30; Asphalt Paving & Supply at \$36,990.00; and Fann Contracting at \$68,500.00.
- Staff also requested that Council waive the Town's procurement requirement for a sealed bid, as this project was extremely simple and the Town's sealed bidding process, which would require bonding, advertising, and an extensive time delay, was outdated for certain public works projects. The only possible risk to waiving the procurement requirements was relative to warranty, so the Town intended to require the contractor to provide a one year warranty.

Town Attorney Tom Kack added that he still needed to review a couple bonds associated with this project.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to waive the procurement procedures and award construction services bid for roadway repairs at the intersection of Reed Road and Road 3 North to Grady's Quality Excavating, Inc. in an amount not to exceed \$33,190.30, pending approval by the town attorney. The motion PASSED unanimously 6-0.

13) Consideration and possible action to accept the Town of Chino Valley Area Drainage Master Study as presented at the April 7, 2011 Council study session.

Town Engineer Ron Gritman reported that:

- In August 2009, Yavapai County funded the Town with \$200,000 to perform this study. In December 2009, the Town entered into contracts with Civil Tec Engineering and Lyon Engineering to develop it and the final project was presented to the Council in a study session on April 7, 2011.
- The study was broken into two components. Civil Tec performed the document review and the hydrology, while Lyon developed the impacts of the various storm events, made recommendations as to potential solutions, and developed project descriptions and conceptual cost estimates.
- The projects were rated and scored on the following criteria: estimated construction cost, number of homes/businesses helped/improved, right-of-way acquisition, recurring complaints, recurring Town maintenance, and recurring access problems.
- Each project with its attendant ranking was as follows:

Project Ranking	Total Score	Project Number	Cost	Description
1	54	2	\$1,107,075	Cemetery Draw at Juniper Drive
2	48	3	\$1,084,600	Chino Meadows Unit 5 at Peavine Trail
3	46	6	\$235,770	Road 2 South West of HWY. 89
4	37	5	\$381,350	Mariposa Manor Unit 2 South Boundary
5	35	4	\$268,250	Road 3 North at Town Hall
6	30	9	\$356,700	Road 2 South Crossing East of Road 1 East
7	29	7	\$2,480,225	Road 1 South from West of Road 1 East to Santa Cruz Wash
8	24	1	\$975,850	Perkinsville Road at Santa Cruz Wash
9	23	8	\$842,450	Center Street West of Road 1 East
10	16	10	\$1,451,000	Perkinsville Road East of Road 1 East

- The most likely funding source for these projects was the Yavapai County Flood Control District. Based on conversations with Yavapai County staff, it was highly unlikely that they would fund a multi-million dollar project with no participation from the Town. Therefore, staff recommended that the following four projects be funded at this time:

Top Funded Recommendation.	Total Score	Project Number	Description
5	35	4	Road 3 North at Town Hall
3	46	6	Road 2 South West of HWY. 89
2	48	3	Chino Meadows Unit 5 at Peavine Trail
7	29	7	Road 1 South from West of Road 1 East to Santa Cruz Wash (2 components only)

- Staff also received notice today that it did not qualify for any County funding for fiscal year 2012, but County officials had indicated a desire to work with the Town on a five-year plan to address these projects during the next fiscal year.

Council asked about using impact fees for project 7 if the road needed to be widened, and if adopting this study would require new regulations for builders and developers. Mr. Gritman stated that it might be possible to use roads impact fees for project 7; and the study will be beneficial for all projects, whether lot splits or subdivisions. Current regulations will require homeowners to build 12" above the elevations cited in the study, and subdivision developers could be required to use the study as background for the water volumes that their subdivisions will need to convey.

Gloria Ernst, Road 1 South resident, suggested that the Town also apply for federal funding for the projects. She also asked if the Town could dig some additional ditches on Road 1 South to alleviate flooding problems. Mr. Gritman related that the flooding problems in the area she referred to were developed through wildcat lot splits over which the Town had no control. The Town did own some ditches in the area, but they were not built to convey the amount of water that came through there, and adding more ditches or other haphazard improvements would not alleviate the problem and would also incur liability. In addition, the three drainages that ran through that area were north-south, while the ditches ran east-west.

Councilmember Hatch suggested that Council obtain input from the County before identifying priorities.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to accept the Town of Chino Valley Area Drainage Master Study as presented at the April 7, 2011 Council study session and that the project priorities be determined at a later date. The motion PASSED unanimously 6-0.

- 14a)** Council may vote to hold an **Executive Session** pursuant to A.R.S. §38-431.03(A)(3) and (4) for discussion and consultation for legal advice with Town Attorney regarding provisions for the investigation of Notice of Charge dated April 8, 2011 from the U.S. Equal Opportunity Commission and appointment of a person to act as Town Manager regarding Town Manager level supervision of the Development Services Department and consider its position and instructing the Town Attorney regarding investigation of such pending charge and possible litigation and possible settlement discussions regarding such pending charge.

(Council heard this item after item 7 but it is retained here for clarity.)

Vice-Mayor Romley MOVED, seconded by Councilmember Hatch, to go into executive session. The motion PASSED unanimously 6-0 at 9:15 p.m. Mayor Bunker reconvened the meeting into open session at 10:03 p.m.

- 14b)** Possible action regarding **appointment** of person as Acting Town Manager to act as Town Manager regarding manager level supervision of the Development Services Department pending completion of investigation under the notice of charge.

Vice-Mayor Romley MOVED, seconded by Councilmember Hatch, that Council finds that the Town Manager is disabled from supervision of the Development Services Department for a period in excess of 30 days because the complaint/notice at issue included allegations regarding the town manager, who is, thus, unwilling and, due to his ethical concerns, unable to supervise the department pending investigation of the notice of charge; therefore Council hereby moves that Dava Hoffman be appointed as Acting Town Manager with regards to town manager level supervision of the Development Services Department pending investigation of the notice of charge and to pay her an hourly rate of \$150 per hour. The motion PASSED unanimously 6-0.

15) Adjournment.

Vice-Mayor Romley MOVED, seconded by Councilmember Baker, to adjourn the meeting. The motion PASSED unanimously 6-0 at 10:04 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 26th 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 December, 2011.

Jami C. Lewis, Town Clerk