

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

**TUESDAY, MAY 8, 2012
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, May 8, 2012.

Vice-Mayor Tenney called the meeting to order at 6:01 p.m.

Present: Vice-Mayor Carl Tenney; Councilmember Mike Best; Councilmember Darryl Croft;
Councilmember Dean Echols; Councilmember Linda Hatch; Councilmember Lon Turner

Absent: Mayor Chris Marley

Staff Present: Interim Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Tom Kack; Police Commander Mark Garcia; Magistrate John Walker; Town Engineer/Public Works Director Ron Gritman; Utilities Supervisor Chris Bartels; Town Clerk Assistant Liz Hart (recorder)

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

There were none.

3) CALL TO THE PUBLIC

Lee Dudley with the Chino Valley Morning Lions, asked for the Town's help with the Territorial Days event in September with regard to road closures and mowing, Memory Park use, park activities, portable bleachers use, and Town participation in the parade. He added that the Lions intended to provide traffic control.

Joe Iaccarino, resident, stated that he would be able to assist the Lions with the mowing.

4) RESPONSE TO THE PUBLIC

Vice-Mayor Tenney responded to items presented at the April 24, 2012 Call to the Public:

- New Town building codes and the need for a board of appeals: The Town's Board of Adjustment served in that function.
- May events, including SpringFest and Salute to Veterans: No response needed.
- New businesses in Town: No response needed.
- Service organizations sponsoring Town events: No response needed.

5) CURRENT EVENT SUMMARIES AND REPORTS

Councilmember Hatch reported that the Town was accepting applications for several of its committees, and citizens could contact the Clerk's office for more information.

- a) Presentation of Financial Status through 3rd quarter of Fiscal Year 2011/2012, ending March 31, 2012. (Bernie Wiegandt, Interim Finance Director)

Mr. Wiegandt presented the financial report. Key points were:

- At 75% of the fiscal year, Town revenues were at 70% of budget and expenditures were just less than 70%, resulting in net revenues of \$37,000.
- State shared revenues: Income taxes were even with the budget, sales taxes were \$61,000 above budget, and vehicle license taxes were \$22,000 below budget.
- Local revenues: Sales taxes were \$110,000 above budget, licenses and permits were \$94,000 above budget, and fines and forfeitures were \$40,000 under budget.

Vice-Mayor Tenney reported that the decreases in state shared revenues might be due to the Town's decreased census count. He commended the manager and staff for staying within the budget.

- b) Acknowledgement of Town Utility Division staff for cost savings with regard to a water line relocation. (Ron Gritman, Public Works Director)

Mr. Gritman acknowledged Utility staff David Jaime, Jim Shinost, Roger Strader, Joe Grassi, and Chris Bartels for saving the Town at least \$20,000, with regard to a current flood control project, by relocating approximately 300 feet of 12-inch pipeline; and at the end of the relocate, they worked from 11:00 p.m. to 2:00 a.m. to fix a popped valve, then started back at 5:30 the next morning to get it back online. He also reported that the Town's new shooting range was nearly completed, providing a \$250,000 facility that was constructed for below \$90,000 due to using in-house crews.

Councilmember Hatch commended Mr. Bartels for responding quickly to homeowners who were concerned about the digging during the utility relocation.

- c) Status report regarding House Bill 2826 with regard to consolidated elections. (Jami Lewis, Town Clerk)

Town Clerk Assistant Liz Hart recounted that a couple weeks ago, Council sent a letter to the Town's House representatives urging a "no" vote on HB 2826. However, the House passed the bill 32-28. The League then asked those governing bodies who opposed the bill to draft letters to the governor urging a veto. Because the League needed these letters by the end of last week, staff drafted a letter in Council's name and forwarded it to the League, with a copy to the Council and town manager. As of yesterday, Governor Brewer had not taken action on the bill.

Vice-Mayor Tenney recounted that this bill would require the Town to hold its elections on the same date as state elections in the fall of even-numbered years instead of the current spring of odd years, which might have a significant fiscal impact on the Town if the County no longer continued to contract with the Town for elections services; and town issues could be swallowed up by state and national issues.

6) **CONSENT AGENDA**

Council set down items 6b, 6c, and 6d.

- a) Consideration and possible action to approve the April 10, 2012 Regular Meeting minutes. (Jami Lewis, Town Clerk)

MOVED by Councilmember Linda Hatch, seconded by Councilmember Dean Echols to approve the April 10, 2012 Regular Meeting minutes.

Vote: 6 - 0 PASSED - Unanimously

- b) Consideration and possible action to approve April 12, 2012 Study Session minutes. (Jami Lewis, Town Clerk)

Councilmember Hatch requested that the minutes be amended by amending the statement that councilmembers should consult with the mayor or manager before contacting the town attorney, by adding that they were not required to do so, and to add a statement that some members of the council still preferred a full agenda packet.

MOVED by Councilmember Linda Hatch, seconded by Councilmember Mike Best to approve the April 12, 2012 Study Session minutes with the above-mentioned amendments.

Vote: 6 - 0 PASSED - Unanimously

- c) Consideration and possible action to accept Dedication of Public Drainage Way from Daniel R. and Marie Ann Gallegos for roadway and drainage improvements for a portion of Assessor's Parcel No. 306-18-0115T located at Road 2 North and the Santa Cruz Wash, subject to final approval of the Dedication document by the Town Attorney. (Ron Gritman, Town Engineer)

Councilmember Hatch stated that a citizen asked to address this item. Vice-Mayor Tenney asked Mr. Gritman to first give an overview.

Mr. Gritman reported that the Town was installing a 10 barrel, 10x10 foot box culvert over the Santa Cruz Wash at Road 2 North as part of a flood control project to create a structure that could pass a 100-year storm event underneath it. The Gallegos' property ran across the wash, and a portion of it fell inside this project, thus necessitating the dedication of 0.67 acres.

Joe Iaccarino, resident, stated that he had been told that the Town was not responsible for maintaining drainage ways and asked if the Town was going to neglect maintenance on this structure as well as other drainage ways in Town.

Town Attorney Tom Kack advised that the drainage ways in this item related to FEMA mapped flood plains and a huge flood diversion project, which had no relation to the general drainage ways throughout town that Mr. Iaccarino referenced.

MOVED by Councilmember Linda Hatch, seconded by Councilmember Darryl Croft to accept Dedication of Public Drainage Way from Daniel R. and Marie Ann Gallegos for roadway and drainage improvements for a portion of Assessor's Parcel No. 306-18-0115T, subject to final approval of the Dedication document by the Town Attorney.

Vote: 6 - 0 PASSED - Unanimously

- d) Consideration and possible action to adopt Resolution No. 12-990, appointing John Walker as Lien Enforcement Hearing Officer pursuant to Town Code Section 51.290. (Ron Gritman, Town Engineer)

Mr. Gritman reported that:

- With the recent increase in foreclosures, the transference of ownership from the original property owner to the lenders had put the Town in a difficult position with regard to collecting past due utility fees.
- This Resolution will allow the Town to begin applying liens to properties that were in excess of 90 days in arrears. The initial amount of the lien will be the entire amount of the arrearage, including any outstanding balances on the buy-in-fees as well as the monthly fees.
- The Utilities Lien Hearing Officer will be the final arbiter to assure that the Town followed its own procedures.

Councilmember Hatch related that the original Ordinance provided for the Town to pay an outside hearing officer an hourly wage and she asked where the funding would come from if the magistrate did not do it and if this responsibility was included in the compensation and classification study for the magistrate job description. Mr. Gritman reported that staff originally considered hiring outside for this, but Judge Walker agreed to do it, so these duties will be funded through his salary; and these duties were not included in the wage study.

Vice-Mayor Tenney pointed out that this item related solely to appointing the officer, and compensation matters would be handled later.

Town Attorney Tom Kack recommended amending the last 'whereas' in the resolution to indicate that the designated official shall not be part of or in the chain of command of the Finance Department or the Utility Division of the Town.

7) **ACTION ITEMS**

- a) Legislative update by House Representative Karen Fann and discussion with regard to preparations for next year's legislative session. (Mayor Marley)

(This item was heard after item 4 but is retained here for clarity.)

Vice-Mayor Tenney introduced Karen Fann, Arizona Legislative Representative and former Chino Valley Mayor, and announced that she had just been named as Legislator of the Year.

Rep. Fann told Council that if they had any suggestions for the next legislature session, she could come to a study session to discuss them. She then reported on various topics from the recently completed legislative session.

Budget

- Final Budget: Between extra unexpected revenues, an improved economy, and conservative spending, the State ended up with \$900 million more than expected. Now the legislature was looking ahead to the next two to three years.
- Funding for contingency and paybacks: With the three-year one cent sales tax, most of which went to schools, was expiring in one year, leaving a potential \$900 million shortfall, and costs of possible implementation of the national health care program beginning next year, the legislature recognized the need to prepare for those, putting \$450 million into a rainy day fund. The budget was also paying back \$150 million in debt caused by spending more than was taken in over the past few years.
- Funding increases: These included \$150 million for statewide education, including a portion to universities, the University of Arizona medical program, and a K-3 reading program, due to findings that the state's students were lacking in reading skills; \$100 million for health and welfare programs; \$75 million over the next two years for additional public safety programs; \$42 million to rural communities for transportation infrastructure use; and tax incentives for small business to stimulate the state's economy.
- Funding for municipalities: They eliminated the assessment on municipalities tied to the Department of Water Resources water revolving fund and added funding to help municipalities upgrade their 9-1-1 emergency response systems.

Committees. She participated on the Energy and Natural Resources, Environment, and Transportation Committees. She was originally the vice-chair on transportation and most likely will chair it next year.

Bills Sponsored

- HB 2356: Related to synthetic drugs known as bath salts.
- HB 2357: Related to real estate review hours, initiated by Yavapai County realtors.
- HB 2359: Ensured continued operation of the Remuda Ranch, a facility for women with eating disorders.
- HB 2360: Specifically drafted for the Schultz fire are, but will help other flood control districts.
- HB 2518: Helped the Town of Williams directly, and others indirectly, to leverage certain funds to develop an entertainment district or theme park.
- HB 2184: Helped fire districts seriously affected by the economy, including the Chino Valley Fire District.
- HB 2363: Along with SB 1236, used a \$1 million donation to establish a study committee to research prior water rights and conduct a pilot program to determine the feasibility of using water harvesting to mitigate water waste. Once they had the data in a couple years, they could then make long-range plans.
- HB 2362: Protected state parks revenue funds (enhancement funds), which were generated by the parks and swept by the legislature last year.
- HB 2358/2491: Added enforcement to already existing laws regarding toll roads and opened up the ability to leverage federal dollars for new infrastructure, as well as funded upkeep for the portion of I-15 that went through Arizona.
- HB 2519: Reformed several matters related to unemployment.
- HB 2368: Related to pre-employment drug testing and unemployment benefits, and established guidelines designed to eliminate bogus claims.

Local/Municipal Issues

- She voted against a bill related to public roads in HOA subdivisions, as she did not believe the State had a right to dictate blanket rules for all subdivision roads.
- HB 2826: Consolidated elections passed, although she voted "no" and tried to get it to fail, as she believed it was not good for most rural communities. She hoped the governor would veto it.
- Redistricting lines: The federal government just approved the state's new legislative district lines. Starting next year, LD-1 would lose the Verde Valley and gain a part of the former LD-4 and a portion of Maricopa County.
- Future of the one cent sales tax: The education community was trying to get an initiative together to extend the one cent sales tax for another three years. Another initiative, sponsored by the Arizona Contractors Association, in conjunction with the Education Association, was proposing that one-half to go to the schools and one-half toward state infrastructure, and was also seconding as a jobs bill.

She added that HB 2519 and 2368 were why the Chamber of Commerce named her Legislator of the Year, and that she also just found out she was being given an award from the "First Annual Arizona Chapter of Solid Waste Association."

Vice-Mayor Tenney thanked Rep. Fann for her efforts with the legislature.

- b) Consideration and possible action to purchase a 2007 Ford F550 4x4 Bucket Lift Truck from Utility Fleet Sales. Funds to be transferred from the remaining funds from the Greater Arizona Development Authority debt defeasance located in the Debt Service Fund and disbursed from Miscellaneous Capital Projects line in the Capital Improvement Fund. (Ron Gritman, Town Engineer)

Acronym used in this item:

GADA (Greater Arizona Development Authority)

Mr. Gritman reported that:

- The Town had \$235,000 in excess funds upon closing of escrow from the December 2010 GADA loan defeasance. As these funds could not be returned to GADA, the previous finance director and town manager had determined that the funds were to be committed to purchasing capital equipment and vehicles. The subject purchase was part of a series of purchases he presented in January 2012 to the Council Finance Committee.
- The bucket truck could be used for placing banners across the highway, repairs and maintenance on parking lot light fixtures, and for any tasks needing elevation, such as Christmas decorations. Currently, the Town must rent or rely on donated equipment to perform these tasks.
- As this was a used piece of equipment, it could be purchased directly per the Town's procurement code. The delivered price of \$42,580.40, along with the Town's self assessment of Arizona Use Tax of \$2,810.31, provided for a total expenditure of \$45,390.71, which was slightly above the estimated cost of \$45,000.

MOVED by Councilmember Linda Hatch, seconded by Councilmember Darryl Croft to approve purchase of 2007 Ford F550 4x4 Bucket Lift Truck from Utility Fleet Sales and budget transfer.

Vote: 6 - 0 PASSED - Unanimously

- c) Consideration and possible action to approve health and dental rates and employer contributions for Fiscal Year 2012/2013. (Cecilia Watts, General Services Director)

Ms. Watts reported that:

- The Town offered both medical and dental benefits to its employees through the Yavapai Combined Trust and she served as the Town's representative on the Trust's board.
- On April 12, 2012, the board voted for a 2.5% increase in medical and dental rates for fiscal year 2012/2013. The Trust was fortunate to only have a small increase, and based on its maturity and experience rating, it had been able to build up reserves to keep increases down.
- Approximately 66 of the Town's full-time employees participated in the medical and/or dental program; of these, 35 participated with family coverage. For the last 10 years, the Town had fully covered the employee portion of health and dental premiums, which was currently \$577 per month. The proposed amount for next year was \$591. The Town also contributed 25% of the cost of dependent care coverage for employees who elected family coverage.
- Staff was asking Council to approve paying the employee portion and 25% for dependent care.

MOVED by Councilmember Linda Hatch, seconded by Councilmember Darryl Croft to approve the Town's payment of \$591 per month per employee toward employee health care and dental care insurance rates, and maintain the Town's contribution rate toward family dependent coverage at 25%.

Vote: 6 - 0 PASSED - Unanimously

- d) Consideration and possible action to approve the April 19, 2012 Study Session minutes. (Absent: Vice-Mayor Tenney and Councilmember Turner) (Jami Lewis, Town Clerk)

MOVED by Councilmember Linda Hatch, seconded by Councilmember Lon Turner to approve the April 19, 2012 Study Session minutes. Vice-Mayor Tenney and Councilmember Turner abstained.

Vote: 4 - 0 PASSED - Unanimously

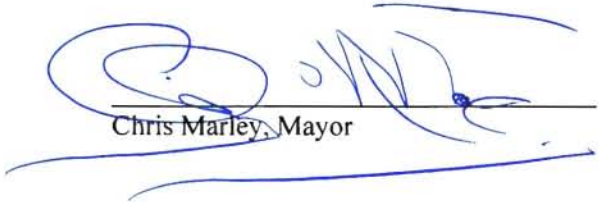
8) **EXECUTIVE SESSION**

Council held no executive sessions.

9) **ADJOURNMENT**

MOVED by Councilmember Linda Hatch, seconded by Councilmember Mike Best to adjourn the meeting at 7:22 p.m.

Vote: 6 - 0 PASSED - Unanimously



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 8th day of May, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12th day of June, 2012.



Jami C. Lewis, Town Clerk