

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

**TUESDAY, MAY 8, 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, May 8, 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: Town Manager Cecilia Gritman; Town Attorney Andrew McGuire (electronically); Economic Development Project Manager John Coomer; Finance Director Joe Duffy; Human Resources Director Laura Kyriakakis; Police Lieutenant Vince Schaan; Public Works Director/Town Engineer Frank Marbury; Associate Planner Alex Lerma; Community Services Director Scott Bruner; Town Clerk Jami Lewis (recorder)

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

Mayor Croft called the meeting to order at 6:02 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Recognition of 2018 AARP Tax Aide volunteers. (Mayor Croft)

Donna Armstrong reported that AARP had provided this service in Chino Valley for over 15 years, the new location resulted in fewer clients, and more volunteers were needed. She provided statistics about volunteer hours, tax returns filed, and total refund dollars received.

Mayor Croft presented Certificates of Appreciation to Donna Armstrong, Marilyn Brundige, Diane Grayson, Karen Snyder, Linda McCoy, and Janelle Riedl.

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.

Linda Marley and Jan Adams with the Mountain Top Quilters Guild spoke about the guild, its June 1-2, 2018 quilt show, charity functions, and new youth program.

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.

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.

Councilmember Miller reported on a recent meeting of the Town's 50th anniversary committee and its upcoming June 6th meeting.

Vice-Mayor Turner reported on the upcoming 4th of July celebration and the need for more volunteers.

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

Ms. Grittmann reported on:

- There being nothing to report on agenda item 8a;
- The May 15 study session to discuss code compliance and water recharge credits;
- The May 10 volunteer reception to recognize the over 200 volunteers who had donated over 17,000 hours in the past year; and
- The recent Chino Grinder that had 400 riders and was now northern Arizona's premier gravel race.

Human Resources Director Kyriakakis spoke about her experience as a participant in the Chino Grinder.

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 Vice-Mayor Lon Turner, seconded by Councilmember Cloyce Kelly to accept the consent agenda as read.

Vote: 7 - 0 PASSED - Unanimously

- a)** Consideration and possible action to approve Financial Report for the nine months ending March 31, 2018. (Joe Duffy, Finance Director)

- b) Consideration and possible action to accept the April 24, 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 approve contributing \$_____ to Yavapai Regional Transit to support transporting children from the Paulden area to the Chino Valley Aquatics Center for the 2018 swim season. (Scott Bruner, Community Services Director)

Recommended Action: Approve contributing \$_____ to Yavapai Regional Transit to support transporting children from the Paulden area to the Chino Valley Aquatics Center for the 2018 swim season.

Mr. Bruner and Ron Romley, Chair of Yavapai Regional Transit (YRT) reported that:

- During the Paulden Plunge program last summer, YRT transported 400 children from Paulden to the Town's Aquatic Center, and YRT, working with a Paulden non-profit entity, paid the children's admission fees.
- Last year, the Town provided a \$1,500 stipend toward bus costs and expanded bus service. This year, YRT was asking for a \$1,700 stipend to defray the rising costs of fuel and maintenance.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Jack Miller to approve contributing \$1,700 to Yavapai Regional Transit to support transporting children from the Paulden area to the Chino Valley Aquatics Center for the 2018 swim season.

Vote: 7 - 0 PASSED - Unanimously

- b) Consideration and possible action to adopt Ordinance No. 18-846 rezoning Assessor's Parcel No. 306-04-019H, approximately 2 acres of real property generally located 960 feet south of the southeast corner of East Road 5 North and State Route 89 at 3795 N. State Route 89, from CL (Commercial Light) zoning district to CH (Commercial Heavy) zoning district. Owner/Applicant: Carolyn Thibault/ Robert Parsons. (Alex Lerma, Associate Planner)

Recommended Action: Adopt Ordinance No. 18-846 rezoning APN 306-04-019H, approximately 2 acres of real property addressed as 3795 N. State Route 89, from CL (Commercial Light) zoning district to CH (Commercial Heavy) zoning district.

Mr. Lerma presented on this item:

- *Proposal:* The applicant had been renting out space to a manufacturing company. When the company came in to renew its business license, a red flag came up that they were in the wrong zoning. The applicant was requesting the zone change so the property uses would be in conformance.
- *Current condition:* Surrounding properties were generally CH and the subject parcel had a history of CH uses.
- *Public participation:* At the neighborhood meeting on March 12, one attendee expressed concern about traffic the business would generate. Mr. Parsons clarified that his business

would not generate any traffic.

- *Recommendation:* The Planning and Zoning Commission and staff recommended approval.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Jack Miller to adopt Ordinance No. 18-846 rezoning APN 306-04-019H, approximately 2 acres of real estate addressed as 3795 N. State Route 89, from CL (Commercial Light) zoning district to CH (Commercial Heavy) zoning district.

Vote: 7 - 0 PASSED - Unanimously

- c) Consideration and possible action to adopt Ordinance No. 18-847 rezoning Assessor's Parcel No. 306-31-005C, approximately 5 acres of real property generally located west of the southwest corner of West Road 1 South and South Road 1 West at 584 South Road 1 West, from AR-5 (Agricultural Residential – 5 Acre Minimum) zoning district to SR-1 (Single Family Residential – 1 Acre Minimum) zoning district. Owner: North Blue, LLC/Applicant: Chad Nanke. (Alex Lerma, Associate Planner)

Recommended Action: Adopt Ordinance No. 18-847 rezoning APN 306-31-005C, addressed as 584 South Road 1 West, from AR-5 (Agricultural Residential – 5 Acre Minimum) zoning district to SR-1 (Single Family Residential – 1 Acre Minimum) zoning district.

Mr. Lerma presented on this item:

- *Proposal:* The applicant desired to split the property into two one-acre lots and one three-acre lot with a 50-foot easement through the middle. He also intended to deed restrict for site built only.
- *Current condition:* The subject property abutted Harmony Acres, Mollie Rae Estates and Angus Acres, and the surrounding properties supported the requested zoning. The General Plan land use designation was Medium Density Residential.
- *Public participation:* Three property owners attended the March 12 neighborhood meeting. All supported the proposal, but one expressed concern about his property having to connect to water and sewer if the applicant did.
- *Recommendation:* The Planning and Zoning Commission recommended approval.

Council asked about the easement should the three-acre parcel be split later. Mr. Lerma stated that would be addressed at the staff level upon such split, and the easement would need to be extended. Council asked about road surfacing. Applicant Chad Nanke related that two houses were to be built. If the three-acre parcel was split, the easement would continue to the end; it would be hard packed and the new property owners would be responsible for surfacing the road.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Mike Best to adopt Ordinance No. 18-847 rezoning APN 306-31-005C, addressed as 584 South Road 1 West, from AR-5 (Agricultural Residential – 5 Acre Minimum) zoning district to SR-1 (Single Family Residential – 1 Acre Minimum) zoning district.

Vote: 7 - 0 PASSED - Unanimously

- d) Consideration and possible action to approve a Conditional Use Permit (C18-001) for Assessor's Parcel No. 306-01-001, approximately 120 acres of real property located northwest of North Jasper Trail at 4820 East Perkinsville Road to allow a hot mix asphalt plant in the I (Industrial) zoning district. Owner/Applicant: James Fletcher. (Alex Lerma, Associate Planner)

Recommended Action: Approve a Conditional Use Permit (C18-001) for APN 306-01-001 to allow a hot mix/ asphalt plant in the I (Industrial) zoning district on property located northwest of North Jasper Trail at 4820 East Perkinsville Road subject to the conditions as presented and discussed.

Mr. Lerma presented on this item:

- *Proposal:* The CUP would allow for a hot mix asphalt operation.
- *Current condition:* The subject property, which abutted the Haystack subdivision in the northeast part of the Town, was currently being used for mining hard rock. The property was currently fenced.
- *Public participation:* Although state law required the Town to notify neighboring property owners within 300 feet, staff extended the notification to 600 feet. Only one person, not from Haystack, attended the neighborhood meeting. One property owner expressed concern about emissions and there was no public comment during the Planning and Zoning Commission public hearing. Per the State, the subdivision was located southeast of the subject property and the wind generally blew in a northeast direction toward state land.
- *Recommendation:* The Commission and staff recommended approval. The Commission recommended conditions pertaining to conformance to the site plan, compliance with applicable regulations, and permits obtained prior to startup; and the Town will not issue the CUP until then.

Council, staff and applicant discussed the following:

- *Compliance with regulations:* Permits and compliance were required from ADEQ, ADWR, MSHA (Mine Safety and Health Administration), and ADOT, which addressed air quality, keeping the waterways free of contaminants, and the like. The plant will be placed away from the wash and berms will be created.
- *Roadway:* Jasper Trail, a dust-controlled dirt road and private easement that branched off Haystack Lane, led directly to the site. Council hoped Mr. Fletcher would help maintain Perkinsville Road. Public Works Director Marbury stated that he would consult with legal counsel about that. Mr. Fletcher told Council he would like to help with it.
- *Truck traffic:* No traffic impact study was needed. The number of trucks will vary depending upon the project, ranging from none to six to eight every two hours.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Jack Miller to approve a Conditional Use Permit (C18-001) for APN 306-01-001 to allow a hot mix/asphalt plant in the I (Industrial) zoning district on property located northwest of North Jasper Trail at 4820 East Perkinsville Road subject to the conditions as presented and discussed.

Vote: 7 - 0 PASSED - Unanimously

- e) Consideration and possible action to approve Amendment #2 to the EPS Group agreement providing master planning services for Old Home Manor industrial park in an amount not to exceed \$21,200. (John Coomer, Economic Development Project Manager)

Recommended Action: Approve EPS Group Agreement Amendment #2 in an amount not to exceed \$21,200.

Mr. Coomer reported that:

- The Economic Development Subcommittee (EDS) reviewed this amendment and was recommending approval. Originally, \$30,000 was budgeted, but Development Services Director Jason Sanks reviewed the scope and was able to reduce the costs by being able to do some functions in-house.
- The concept plans and scope were determined by the subcommittee and will address what the property will look like, the scope of the traffic study, and a number of follow-up items, including reports to Council. The intent was to keep the overall plan flexible for whoever might come in, but be more than adequate to develop the Old Home Manor master plan.

Councilmember Lane, EDS member, added that the subcommittee opted to bring the item to Council due to the dollar amount, not because it was required.

Councilmember Mendoza, EDS member, stated this should be the final expense to create a good introduction for anyone wanting to locate here.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Annie Lane to approve EPS Group Agreement Amendment #2 in an amount not to exceed \$21,200.

Vote: 7 - 0 PASSED - Unanimously

- f) Discussion and possible action regarding the accountability contract between the Town and Chino Valley Area Chamber of Commerce. (Cecilia Grittmann, Town Manager)

Recommended Action: Possible direction to staff.

Ms. Grittmann reported that she and Mr. Coomer met with the Chamber board president. Mr. Coomer will review the agreement's elements, take Council input, and bring the item back in two weeks for a vote.

Mr. Coomer recognized several Chamber board members, volunteers, and incoming Director Lorette Brashear. He reviewed the main points of the draft agreement:

- The Chamber proposed the same elements as last year, except to: (i) Focus on fewer Chamber-specific events and more on cooperating with other community events; (ii) Change the Town's level of sponsorship from "platinum" to "lead sponsor"; and (iii) Focus on working with existing businesses, while Town economic development staff will seek new ones.
- They desired to apply to continue the Vista community volunteer program for a second year, as well as provide an ongoing commitment to support Town economic development, events, and routine dialog with community members.
- Staff recommended maintaining the same level of support at \$55,000; the Town matching a tourism grant if it is awarded; and splitting the cost of the volunteer program, at an

additional cost of \$5,000, if it is approved next year.

Council asked who created the scope. Mr. Coomer related that he drafted it, then consulted with the Chamber board and town manager.

Mayor Croft recessed the meeting at 7:01 p.m. and reconvened it at 7:10 p.m.

- g) Presentation, discussion, and possible action regarding the Preliminary Budget for the Fiscal Year Ending June 30, 2019. (Joe Duffy, Finance Director)

Recommended Action: Possible direction to staff.

Mr. Duffy presented the preliminary budget. Key points were:

- *Total overall proposed budget* was \$24,525,200, a 6% increase over last year.
- *Fund balance:* Staff intended to spend some of this fund in the next year, resulting in higher expenses than revenues, by using construction revenues for some one-time projects. Staff will not spend these funds unless the money was in the bank.
- *Proposed General Fund expenses:* Paying down the PSPRS liability; up to three elections; compensation and classification study; police officer body cameras; additional funding for fireworks; new parks maintenance position; Memory Park restrooms; reducing Highway User Revenue Fund (HURF) overhead; Town's 50th celebration; ADWR water application study; document management project; Peavine Trail state lane easement. After this year, the general fund will no longer charge HURF for overhead.
- *Proposed HURF expenses:* Dump truck purchase; road materials; chip seal projects; and SR 89 maintenance. This fund will have a \$200,000 increase over last year.
- *Proposed Capital improvements:* Memory Park expansion; OHM master plan; and new lights for ballfield.
- *Proposed Water and sewer expenses:* New building; water well upgrade; maintenance on sewer lines; and drying bed construction.
- *Proposed Other fund expenses:* Bailiff position and security fencing from the Court Improvement Fund; and CDGB grant for Chino Meadows Unit 5 paving project.
- *Interfund transfers* will be made from General Fund to HURF, from Capital Improvement to General Fund for police and aquatics; and from Capital Improvement to debt service. This will be the first year no transfers will be needed from General Fund to support the Water system.

Mr. Duffy noted that a budget study session was scheduled for May 16 if Council desired a more detailed review. Council stated that they did not.

Council asked about the dump truck purchase. Mr. Duffy stated that if staff could not acquire one, there were funds for another piece of equipment.

Human Resources Director Kyriakakis presented on human resources budget items:

- *Full Time Equivalent (FTE) changes:* There were currently 95.5 FTEs. Staff recommended adding one to Parks, and possibly including some assistance for Code Compliance. Staff recommended a 1% cost-of-living adjustment, which will not apply to temporary positions due to Prop 2016, and merit increases between 0-3% based upon performance. She also reviewed salary changes from 2014 through 2018.
- *Benefit plan premium changes:* Medical premiums were increasing 3.03%-3.95%, but as

the Town proposed to increase its monthly insurance credit to employees, the premium increase would be neutral for employees. Staff recommended a \$3.00 per month increase to the HSA contribution.

- *Other Plan changes:* Increase in deductibles; new out-of-network option for the Basic Plus Plan; 100% coverage in-network for wellness benefits; new teledoc benefits; new EAP administer; and new voluntary life insurance provider.

Council and staff discussed the following in more detail:

- *Merit raises:* Merit increases were calculated from a formula based on performance evaluations. While staff strove to provide honest and fair evaluations without inflated values, Human Resources tweaked the process each year to match the employees' needs. The evaluations are completed in March, which gives staff time to determine how much can be budgeted for increases.
- *Town benefits compared to its neighbors:* Employee retention was a big thing these days. Every year, staff reviewed the League's annual survey and performed its own informal study. With regard to benefits, the Yavapai Combined Trust broker performed an annual study in the area and state. The Town had a generous program that was fairly priced and the Trust allowed members to manage risk.

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.

Mayor Croft recounted that staff had nothing to report under item 8a.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Cloyce Kelly to go into executive session.

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 Grittman, Town Manager)
- b) An executive session pursuant to A.R.S. & 38-431.03(A)(1) for discussion or consideration of employment, assignment, appointment, or salary of Town Manager, Cecilia Grittman. (Mayor and Council)

9) ACTION ITEMS RESUMED

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

Mayor Croft reconvened the regular meeting at 7:42 p.m.

- a) Consideration and possible action to approve the Town Manager's Employment Agreement. (Cecilia Grittman, Town Manager)

Recommended Action: Approve the Town Manager's Employment Agreement.

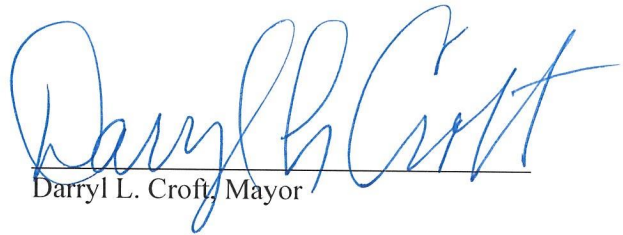
MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Jack Miller to approve the Town Manager's Employment Agreement.

Vote: 7 - 0 PASSED - Unanimously

10) ADJOURNMENT

MOVED by Mayor Darryl Croft, seconded by Councilmember Jack Miller to adjourn the meeting at 7:44 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 8th day of May, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 22nd day of May, 2018.



Jami C. Lewis, Town Clerk