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

TUESDAY, MAY 10, 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, May 10, 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, Management Assistant Cecilia Watts, Town Attorney Tom Kack, Finance Director Vera Smith, Police Chief Pat Huntsman, Development Services Director Pat Clingman, Town Engineer/Public Works Director Ron Grittman, Transit Coordinator Jason Kelly, and Town Clerk Jami Lewis (recorder).

Councilmember Hatch gave the invocation and Councilmember Baker led the pledge of allegiance.

2) Introductions, Presentations and Proclamations

2a) Proclamation declaring May 15-21, 2011 as "**Emergency Medical Services Week**," sponsored by Lifeline Ambulance Service.

Mayor Bunker read and presented the proclamation to representatives from Lifeline Ambulance Service.

2b) **Chamber Update** by Ab Jackson, Chief Executive Officer, Chino Valley Area Chamber of Commerce.

Mr. Jackson addressed questions raised at a recent special meeting related to: the Chamber's Mission, networking opportunities, and economic development. He also spoke about the upcoming Service Club Day and the May Business of the Month.

3) Call to the Public

Gail Allen, resident and real estate agent, spoke about the negative effects on property values as the result of the solar project development and read a letter from Mr. Gibbs, Yavapai County Deputy Assessor asked Council to reject the Planning and Zoning Commission's recommendation to go forward with this project. Councilmember Baker clarified that there were two different solar projects in the town: one located at Old Home Manor and one in the southeast part of town, between Road 4 South and Road 2 South. He hoped Council would consider the benefit of the project to citizens if this project went forward.

4) Mayor/Council/Manager Report

Mayor Bunker reported on the second round of tumbleweed burning and is the next Open Night with the Mayor.

Councilmember Baker encouraged Council to support the town manager on balancing the budget.

Councilmember Tenney spoke about the upcoming election on May 17.

Consent Agenda

No items designated.

Action Items

5) Consideration and possible action to approve the "**Final Master Plan**" by BMA Architects for the Town Complex, South Campus site, located at 202 N. State Route 89, and including an adjacent parcel owned by the Chino Valley Fire District, addressed as 238 N. State Route 89.

The staff report by Associate Planner David Nicolella and presentation by Peter Burgoise with BMA Architects ("BMA") stated that, on February 22, 2011, Council approved a Professional Services Agreement with BMA to create a Draft and Final Master Plan for the South Campus site. On April 12, 2011, Council discussed the Draft Master Plan and asked the architect to provide modifications to Draft Plan B with regard to the Fire District property, highway access, and drainage, as well as immediate solutions for parking and alternate access to Center Street.

Mr. Burgoise addressed short-term versus longer-term needs. Council favored Plan B was favored with a few modifications. Plan B phases included:

- *Phase 1:* Parking expansion will only be to 94 spaces.
- *Phases 2-3*: Add access from Center Street and move the highway access from north to south, in either order.
- *Phase 3:* Add deceleration lane, relocate APS line, and closing up the driveway to the fire station.
- *Phase 4*: Add new buildings, square footage to the current building, and additional parking. The final phase would involve keeping the Fire Department building or redoing it.
- *Stormwater runoff*: The west side would be available as a parking lot or green/stormwater management space.
- *Parking and access*: Center Street access and parking was the most important item for completion, as well as completing Phases 1 and 2 as soon as possible.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to approve the Final Master Plan by BMA Architects for the South Campus Site. The motion PASSED unanimously 6-0.

6) Consideration and possible action to adopt **Resolution No. 10-947** declaring the "Unified Development Ordinance – Amendments Dated May 10, 2011 Related to the **Medical Marijuana Act**" a public record, and adopt **Ordinance No. 10-742** to amend the Unified Development Ordinance (UDO) by adding provisions relating to medical marijuana.

Development Services Director Pat Clingman reported that:

- In November 2010, Arizona voters approved the Medical Marijuana Act ("Act"). As the State began to develop rules and procedures for complying with the new legislation, the Arizona League of Cities and Towns drafted a model ordinance with regard to placement of Medical Marijuana facilities for zoning purposes.
- On March 3, 2011, staff presented UDO revisions to the UDO drafted by Town Attorney Tom Kack to Council based upon the League's model ordinance. After discussing the proposed revisions, Council asked staff to: (i) Consider keeping all the distance requirements consistent

with the other entities in the region, (ii) consider adding provisions for caregivers and finding out how other entities were addressing the same; (iii) provide a zoning map depicting where these facilities would be permitted; and (iv) use language from the League's model ordinance as much as possible.

- On April 5, 2011, the Planning and Zoning Commission held a public hearing on the proposed amendments to the UDO. They voted 4-0 to forward the amendments to Council with a recommendation for approval.
- Staff drafted the subject Resolution 11-958 and Ordinance 11-745 with the amendments proposed by the Commission.
- Subsequently, staff attended another training session at which the concept of operating solely under the state's regulations was offered. Staff discussed this option with Mr. Kack and their findings were as follows:
  - Commercial Light (CL) zoning, which already provided for establishments such as pharmacy, apothecary shop, medical laboratories and so forth, would include medical marijuana dispensaries and infusion facilities. Commercial Heavy (CH) zoning, which currently allowed everything in CL, as well as wholesale establishments, warehouses, and ag commodities, would include the aforementioned, as well as cultivation, which was classified as an ag commodity. In short, the Town's UDO provisions already included the State requirements for cultivation, infusion, and dispensing of the product.
  - Typically, marijuana was not grown in greenhouses or outdoors, but in warehouses or enclosed buildings, as proper cultivation required control of temperature, humidity, and CO2 castoff.
  - Mr. Kack's main concern was that marijuana faculties have access to paved roads, which he thought should only apply to a cultivation facility that was in a residential area and would really only apply to AR-5 zoning (which required 10 acres for a greenhouse) or AR-36 (for which there was no property actually zoned at present.). This requirement would already be met in the CL and CH zoning districts.
  - Staff spoke with the police department and other area zoning administrators and found that Prescott, Dewey-Humboldt, and Yavapai County opted to not adopt any specific regulations; only Prescott Valley added a different layer.
- In addressing Council's concerns expressed on March 3, Council's preferred 500 foot distance requirement was consistent with the State's; and the State's regulations regarding caregivers appeared to be sufficient. Staff's recommendation was to not adopt the Resolution or Ordinance and follow the current UDO requirements.
- Should Council elect to adopt the subject ordinance and resolution, the Town Clerk recommended that for clarity sake and in keeping with the current structure of the UDO, the specific regulations for medical marijuana facilities under each zoning district be moved to a separate section under General Regulations.

Staff and Council discussed the following topics:

- *Cultivation*: Cultivation of marijuana could not occur within 25 miles of a dispensary and would be required to be in commercial zoning per the UDO. There was a 100-plant grow limitation, but federal rules governing the cultivation of the number of plants could vary between administrations.
- *Infusion/grow facilities*: Infusion and grow facilities could only be located in CH zoning.
- *Dispensaries*: While required to be 500 feet from schools, there was no regulation for distance from churches. CL zoning only had the provision for dispensaries.
- *Location of grow, infusion and dispensaries*: Under CH zoning, growing, infusion and dispensary facilities could be housed in one location. A minimum lot size of one acre was required if the parcel was not served by water or sewer under the UDO.

- *CUP*: While the current UDO would not require a CUP, the proposed ordinance would.
- *Timeframes*: Dispensaries were to be awarded by the State in August.

Council expressed concern about:

- Conflicts with this law and federal law.
- Having trouble enacting zoning regulations after a dispensary has opened in Town if not done now.
- The effects of potential abuse and additional strain on law enforcement.
- The potential for a rule involving churches to be challenged.

Council suggested that staff prepare a packet for the public with rules and regulations.

Town Attorney Flack reported that the definition of "church" in the UDO could be amended as necessary to require a medical marijuana facility of any kind to be located at least 500 feet from it.

Councilmember Hatch MOVED, seconded by Councilmember Tenney, to making no amendment to the UDO at this time, option 2, and to bring back to meeting the amendment to the UDO which adds the language under CL and CH zoning that a medical marijuana facility of any kind must be located at least 500 feet from any church at the next meeting after the Commission. The motion passed 5-0, with one abstention by Councilmember Baker.

***6.1)** DISCUSSION REGARDING FISCAL YEAR 2011/2012 **BUDGET**.

Finance Director Vera Smith Finance Director reported that:

- Proposed expenditure reductions were separated into three possible tiers and she recommended that Council approve all three tiers.
- *Tier 1 reductions:* Contract with Yavapai County for police dispatch services; eliminate the vacant Community Services Director position; reduce an officer position to part time; reduced pension costs associated with an officer entering the DROP program; and one half-year savings due to vacant Police Chief position. These reductions would bring the shortfall down to $382,000.
- *Tier 2 reductions:* Reduce the funding provided to the Chamber of Commerce; Human Resources/Town Manager/Administrative Department changes. These reductions would bring the shortfall down to $242,000.
- *Tier 3 reductions:* Include some carryforward; and reduce department programs and services from $100,000-$150,000 to bridge the gaps in the budget and bring the shortfall to zero.
- If Council opted for departmental reductions, department heads might need to cut more positions to meet the budget. She recommended that department heads come back to the June 16 study session with the new Council to discuss department reductions and report their findings to Council.
- Staff recommended holding a study session on June 16, wherein staff will present their department reductions to receive Council's input. As the final budget needed to be adopted no later than August 9 per state requirements, Staff will need to present the proposed budget on June 28.

Council discussion:

- They did not object to including some funds for the interim police chief position.
- They needed to understand the consequences of proposed cuts.
- Council preferred to use $142,000 in carryforward and ask departments to reduce expenditures by $100,000.

***6.2)** *CONTINUED FROM MAY 5, 2011:* CONSIDERATION AND POSSIBLE ACCEPTANCE OF THE "**PARKS AND RECREATION DEPARTMENT ORGANIZATIONAL ASSESSMENT**" REPORT PREPARED BY PW CONSULTING SERVICES, LLC (PAUL WENBERT), DATED APRIL 6, 2011, AND AUTHORIZE THE TOWN MANAGER TO IMPLEMENT THE RECOMMENDATIONS MADE IN THE REPORT. THIS ITEM REPRESENTS A POSITIVE IMPACT TO THE TOWN'S FISCAL BOTTOM LINE.

Town Manager Michael Scannell reported that on January 25, 2011, the Town engaged Paul Wenbert of PW Consulting Services, LLC to perform an organizational assessment of the Parks and Recreation Department. Mr. Wenbert's findings were that the department's current structure could not be sustained and his report included various recommendations.

Council and staff discussed the following items:

- *Special events funding:* Mr. Scannell explained that the objective of the report was to assess the department's structure, not to review revenue offsets. However, in other municipalities, many community events were sponsored by the community, not the government. If the community believed such events were important, and the town could not afford to do them, then the community should step up. Recreation Coordinator Shannon Gansz added that one year ago, the Parks and Recreation department had five to six staff members; now she was the only one. The Lions Club had taken over most of the 4th of July event, and a local church took over the Easter event.
- *Recreational Programming:* Mr. Scannell believed that the department's funds would be better utilized to develop recreational programming with the school district for latch key kids
- *Eliminating the Parks and Trails Supervisor position and moving Parks and Trails under Public Works:* Parks and Trails staff will be moved under Facilities Maintenance to consolidate all maintenance functions under one administrator and allow for cross-training. Personnel who were subject to a reduction-in-force were given an opportunity to apply for open positions within a six-month timeframe.

Councilmember Baker left the meeting at 8:07 p.m. and returned at 8:12 p.m.

Council discussion:

- Town councilmembers expressed support for the plan and doing what was necessary to make the budget work.
- One stated that parks and recreation were quality of life issues and if an organization wanted to host an event, the Town should let them.

Public Comment:

Lon Turner, resident and Recreational Foundation member, spoke about the fact that it costs these organizations money, and, yes, they still do it as a public service.

Councilmember Tenney MOVED, seconded by Councilmember Hatch, to approve the changes recommended by Mr. Wenbert of PW Consulting Services, LLC in his organizational assessment of the Parks and Recreation Department, dated April 6, 2011 and authorize the Town Manager to implement such changes. The motion PASSED 4-0, with Councilmember Echols and Vice-Mayor Romley voting "no."

Mayor Bunker called for a break at 8:34 p.m. and called the meeting back to order at 8:49 p.m.

***6.3)** *CONTINUED FROM MAY 5, 2011:* CONSIDERATION AND POSSIBLE APPROVAL OF THE REORGANIZATION OF THE **ADMINISTRATIVE OFFICES** WHICH ENTAILS RE-CLASSIFYING TWO

POSITIONS, RESTRUCTURING TWO POSITIONS, AND DEVELOPING A NEW ORGANIZATIONAL CHART. THIS PROPOSAL OFFERS A REDUCTION WITH RESPECT TO THE FISCAL IMPACT. IT IS PROPOSED THIS REORGANIZATION SHOULD SAVE THE TOWN APPROXIMATELY $52,000 IN SALARIES AND BENEFITS.

Town Manager Michael Scannell reported that:

- The vacancy in the position of the Human Resources Director, which became effective in March 2011, offered the Town an opportunity to review its organizational structure and propose a model which was more efficient, more reasonable for the services delivered, utilized the strengths of current staff, and offered a savings to the Town of over $52,000.
- During the Human Resources Director's leave, most of the duties associated with this position were fulfilled by the Human Resources Clerk ; therefore staff was requesting a reclassification of this position to Human Resources Analyst.
- The workload of the Manager's Office was significant and varied. He was requesting that a position titled General Services Director be created that would have management responsibility for the Human Resources Analyst, Recreation Manager, and various other administrative functions, as well as performing projects as directed by the Town Manager or Council. This request would reclassify the current Management Assistant in the Manager's Office to this position, as the current employee had been performing many of these duties and others that are well outside the parameters of her job description, and possessed the requisite education, training and experience for the position. This proposal also includes the deletion of the position of Management Assistant in the Manager's Office and that a part-time administrative clerk position be created.
- The final recommendation was to reduce the videographer services the Town received for Access Channel 13 to 15-20 hours per week and reducing filming and broadcasting activities to Council Meetings, Planning and Zoning Commission Meetings, and Chino Valley Unified School District meetings.

Council and staff discussed the following topics.

- *Concern about the Human Resources Analyst reporting to the general services director, who had a familial relationship with another department head*: Mr. Scannell reported that the Human Resources Analyst would report to the town manager in instances impacted by the familial relationship. Staff could draft protocol to incorporate into the Personnel Manual and they intended to initiate an ethics hotline for the employees.
- *Giving raises in the current environment of personnel cuts*: Mr. Scannell stated that the proposed salaries were developed by an expert in personnel systems and were based on the Town's current pay structure. A wage and class study was needed for all the employees in order to compensate them for the value they brought to the organization.

Council comments:

- Two favored the proposition, as the Town's small organization did not have the luxury of many layers and departments.
- One did not favor giving raises unless the Town could afford them as of July 1.

Councilmember Tenney MOVED, seconded by Councilmember Baker, to approve the reorganization of the administrative offices, which entails re-classifying two positions, restructuring two positions, and accepting the new organizational chart. The motion PASSED 4-0, with Councilmember Echols and Vice-Mayor Romley voting "no."

7) Consideration and possible action to authorize Town staff to expend funds in the amount of $2,000 for an **appraisal** of a portion of Assessor's Parcel No. 306-01-019F, located on the Northwest corner of Perkinsville Road and Santa Fe Trail, which is part of the Town's Old Home Manor property, for the purpose of a possible land exchange between the Town of Chino Valley and Chino Valley Fire District. Funds to come from Town Manager Professional Services expenditure line 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 Town Manager Professional Services expenditure line.

The staff report by Associate Planner David Nicolella and presentation by Town Manager Michael Scannell and Town Engineer Ron Grittman stated that:

- The Town Manager and Fire Chief John Ginn had discussed a land exchange between the Town for a portion of APN 306-01-019F located at Old Home Manor, and the Chino Valley Fire District for an approximately 0.5 acre parcel adjacent to the Town's South Campus, located at 238 N. State Route 89.
- The next step in the process was to have both properties appraised. The Town will fund the Old Home Manor appraisal while the Fire District will fund their parcel's appraisal.
- Such land exchange would be for property equal in value and if the Fire District needed more property, a cash transaction will be discussed.

Vice-Mayor Romley MOVED, seconded by Councilmember Hatch, to authorize Town staff to expend funds with the amendment to not exceed $2,000 for an appraisal of a portion of APN 306-01-019F for the purpose of a possible land exchange between the Town and Chino Valley Fire District. The motion PASSED unanimously 6-0.

8) Consideration and possible action to approve the Town's contribution toward employees' **health insurance rates** at $577 per month and its contribution rate toward family dependent coverage at 25%. Funds to come from various funds from each department's health benefits expenditure line.

General Services Director Cecilia Watts and Finance Director Vera Smith reported that:

- For at least the last 10 years, the Town had contributed an amount towards employee health care. The Town's health insurance rates will increase by 8.3% for fiscal year 2011/2012, while dental insurance rates will decrease by an average of 13.2%.
- The Town also contributed 25% of the cost of dependent care coverage for employees who elected family coverage. Staff recommended that the Town continue to cover 25% for family coverage, cover the same rate as before, and not change the Town's coverage.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to approve the Town's contribution toward employees' health insurance rates at $577 per month and its contribution rate toward family dependent coverage at 25%. The motion PASSED unanimously 6-0.

9) Consideration and possible action to approve March 3, 2011 Study Session **minutes**. (Absent: Councilmembers Baker and Moore)

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to approve the March 3, 2011 Study Session minutes. The motion PASSED 5-0, with 1 abstention by Councilmember Baker.

10) Adjournment.

Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to adjourn the meeting. The motion PASSED unanimously 6-0 at 9:27 p.m.

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 10th day of May, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of October 2015.

Jami C. Lewis, Town Clerk