

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

**WEDNESDAY, MAY 10, 2017
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Wednesday, May 10, 2017.

Present: Mayor Darryl Croft; Vice-Mayor Mike Best; Councilmember Annie Lane; Councilmember Corey Mendoza; Councilmember Jack Miller; Councilmember Lon Turner

Staff Present: Town Manager Cecilia Grittmann; Finance Director Joe Duffy; Human Resources Director Laura Kyriakakis; Police Chief Chuck Wynn; Police Lieutenant Vince Schaan; Civilian Operations Supervisor Laurie Whisenand; Magistrate Catherine Kelley; Interim Public Works Director/Town Engineer Richard Straub; Library Director Scott Bruner; Senior Services Administrator Cyndi Thomas; Matt Santos (videographer); Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Croft called the meeting to order at 6:00 p.m.

2) Presentation and discussion regarding the fiscal year 2017/2018 preliminary budget. (Joe Duffy, Finance Director)

Mr. Duffy reported that the budget was balanced, staff proposed to use carryover funds to get some things done, and this meeting was for Council to direct staff regarding priorities. He then reviewed total expenditure summaries by department. Council and staff discussed the following in more detail.

Police

- *PSPRS*: While the State addressed this issue by changing from pension plans to 401K plans, the Town was underfunded by \$1.1 million. One remediation option was to set aside a little each year to pay it down. He would recommend that now, but the legislature just passed SB2485, which used a new formula that might reduce the Town's liability. He needed to see the effects of the bill first.
- *Wages*: The Town was lagging the market in base pay, which was affecting the Town's ability to retain staff. Staff recommended pay adjustments to reach fair market value.
- *Employee retention*: Ms. Kyriakakis spoke about the cost to recruit and train. Staff had been discussing better ways to recruit and retain officers, such as keeping wages up-to-date or shift differentials, which might be considered next year. Chief Wynn spoke about a gap between long-term and new employees; his unwillingness to reduce standards and incur greater liability; and his intention to reduce shifts from 12 to 10 hours in the fall.
- *Police vehicles*: Mr. Duffy proposed to issue an RFP for lease purchase of six police vehicles. There was sufficient funding in the capital asset fund to purchase one or two vehicles with cash this fiscal year. Lt. Schaan described the problems with certain existing vehicles and how they would select the new models; and stated that eight new vehicles would bring the fleet current. Mr. Duffy reviewed the annual payment amount for such purchase, and a way to pay the new lease-purchase off early and keep up with the

replacement schedule on a cash basis. Chief Wynn suggested banking any proceeds from selling the old cars for the next purchase.

Council preferred that staff present a recommendation for purchasing eight police vehicles.

Human Resources

- *Salary increases:* Staff recommended providing a 1% COLA to all employees, as well as 0%-2% merit increases based on performance, for an approximately \$215,000 increase in salaries. Governments tended toward merit increases, rather than bonuses.
- *Longevity pay:* This was an option once an employee reached the top of the pay scale, as merit increases stopped upon reaching it. Chief Wynn preferred that such pay be granted per performance.

Non-departmental

- *Legal fees:* These had increased significantly and staff recommended that it be addressed.
- *Chamber of Commerce funding:* Staff budgeted \$40,000, but the Chamber will most likely ask for more.

Council preferred that:

- The issue with legal services be addressed soon.
- The Town fund only Chamber functions that benefited the whole Town, and that the Chamber present a cost benefit analysis.

HURF. The group discussed highway maintenance. Staff reported that the Town could maintain weeds, but ADOT performed highway maintenance.

Sewer Enterprise

- Office space was needed at the wastewater treatment plant.
- Staff had applied for a septage receiving grant. It was not accepted, as it was not “green” enough. Staff hoped to try again.

Capital Improvement/Debt Contingency. Staff included a place holder for potential sewer extension to Roadrunner Center.

Equipment requests

- Staff’s “wish list” items will be in the budget, but money would not be spent until staff justified the need and Council approved it.
- Staff was working on disposing of some old equipment, military-style equipment, and several roads pieces through auction.
- A chip seal machine was not on the list.

Mr. Duffy stated that he will refine the numbers and present them to Council.

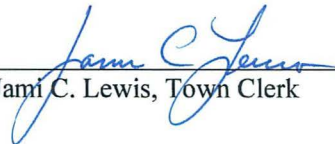
3) ADJOURNMENT

MOVED by Councilmember Jack Miller, seconded by Vice-Mayor Mike Best to adjourn the meeting at 7:23 p.m.

Vote: 6 - 0 PASSED - Unanimously


Darryl L. Croft, Mayor

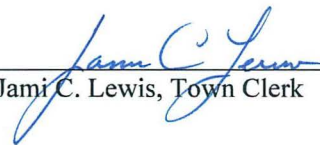
ATTEST:


Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 10th day of May, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 23rd day of May, 2017.


Jami C. Lewis, Town Clerk