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

TUESDAY, MAY 13, 2014
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 13, 2014.

Present:	Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Linda Hatch; Councilmember Pat McKee; Councilmember Lon Turner; Councilmember Don Wojcik
Staff Present:	Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Officer Mike Pereda; Town Engineer/Public Works Director Ron Grittman; Planner Ruth Mayday; Town Clerk Assistant Liz Hart (recorder)

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

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

Mayor Marley gave the invocation and led the Pledge of Allegiance.

(Councilmember Lon Turner arrived at 6:02 p.m.)

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Proclamation declaring May 23-25, 2014 as "Poppy Days," sponsored by the American Legion Auxiliary. (Mayor Marley)

Mayor Marley read the proclamation and presented it to a representative of the American Legion Auxiliary.

b) Proclamation declaring May 2014 as "Mental Health Month," sponsored by the West Yavapai Guidance Clinic Foundation. (Mayor Marley)

Mayor Marley read the proclamation and presented it to Susan Bell on behalf of the West Yavapai Guidance Clinic Foundation.

c) Presentation of certificates and pins to 2014 Spring Citizens Academy graduates. (Vice-Mayor Croft; Mayor Marley)

Vice-Mayor Croft spoke about the Academy, which was co-sponsored by the Town, and Ms. Schimikowsky recognized the participants.

d) Presentation by Tracie Schimikowsky, President/CEO, Chino Valley Area Chamber of Commerce, regarding the results of the Chamber's Water, Sewer, and Bond Survey. (Vice-Mayor Croft; Mayor Marley)

Ms. Schimikowsky reported that the Chamber had begun conducting opinion polls during its monthly luncheons. One topic pertained to the Town possibly placing a utility bond measure on the November ballot. The questions asked and responses were as follows:

Question	**Yes**	**No**
Should the Town expand sewer on Highway 89?	79.55%	0%
Should the Town buy the Prescott water system in Chino Valley?	97.73%	0%
Would you be willing to help pay for these services through a General Obligation Bond?	88.64%	0%

- Of the 44 respondents: 45% came from business owners with a combined total of 297 employees and 52% were from individuals; 63% were Chino Valley residents and 31% were not; and 18% had a storefront in the town.
- Comments in favor were that the town needed the bond and infrastructure expansion for economic sustainability, to increase property values, encourage business and reduce leakage, keep the town from becoming a 100% retirement community, and determine how to grow the town and give the citizens a vote on how to accomplish this.
- Other respondents asked for more education on the bond and suggested using Old Home Manor for warehousing and manufacturing.
- Concerns were expressed about indebtedness, misuse of bond monies, preserving small businesses, and property owners' choices regarding private wells and septics.
- The Chamber supported the bond measure and urged Council to place it before the voters.

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council concerning a subject 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.

No one from the public spoke.

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.

Mayor Marley had nothing to report.

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.

Councilmember Hatch reported on a recent Magistrate Evaluation Subcommittee meeting.

Vice-Mayor Croft spoke about Armed Forces Week.

Mayor Marley reported on current public body vacancies and a possible Council study session on May 15 to go over the tentative budget and the SR 89 Committee's report. He then read the Monthly Mayor's Report, which pertained to the SR 89 Committee's report.

a) Status report by Town Manager Robert Smith regarding Town accomplishments, and current or upcoming projects.

Mr. Smith reported on the recent Skate Park public hearing and SR 89 Committee report to be given during this meeting.

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 Darryl Croft, seconded by Councilmember Pat McKee to approve consent agenda items 6a, b c, d and e.

Vote: 7 - 0 PASSED

a) Consideration and possible action to approve the April 16, 2014 study session minutes. (Jami Lewis, Town Clerk)

b) Consideration and possible action to approve the April 17, 2014 study session minutes. (Jami Lewis, Town Clerk)

c) Consideration and possible action to approve the April 22, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)

d) Consideration and possible action to approve the April 29, 2014 study session minutes. (Jami Lewis, Town Clerk)

e) Consideration and possible action to approve the May 1, 2014 study session minutes. (Jami Lewis, Town Clerk)

7) 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.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to move items 8a and 8b before items 7a and 7b.

Vote: 7 - 0 PASSED

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to go into executive session to discuss items 7a and b at 6:48 p.m.

Vote: 7 - 0 PASSED

Mayor Marley reconvened the regular meeting at 8:22 p.m.

a) Pursuant to A.R.S. § 38-481.03(A)(1) for discussion or consideration of employment, assignment, salaries, or disciplining of Town Manager Robert Smith. (Mayor and Council)

Mayor Marley reported that Council directed staff to prepare a document listing goals for the town manager.

b) 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 Prescott Sportsmen's Club, Inc. related to management services for the Chino Valley Shooting Range that is the subject of negotiations. (Mayor Marley)

Mayor Marley reported that Council took no action on this item.

8) ACTION ITEMS

a) PUBLIC HEARING and consideration and possible action to adopt Resolution No. 14-1033, adopting the Chino Valley General Plan 2014; containing introductory community information, public participation process, demographic data, Community Vision, Goals and Strategies, and Elements on Land Use, Circulation/Transportation, Open Space/Recreation, Water Resources/ Environment, Cost of Development, and Economic Development; and Postscript: Considerations for Creating a Sense of Place in Chino Valley for consistent and flexible design/development features for new commercial construction in areas of greatest Town image identification. (Dava Hoffman, Planning Consultant)

Recommended Action:
(i) Hold a Public Hearing on the proposed Chino Valley General Plan 2014.
(ii) Adopt Resolution No. 14-1033, adopting the Chino Valley General Plan 2014 as presented.

(This item was heard after item 6e but is retained here for clarity.)

Consultant Dava Hoffmann reported that:

- In compliance with Arizona statutes requiring the review, revision or adoption of a new General Plan every ten years, Council approved a Resolution Community Participation Plan and appointed a General Plan Committee (GPC) in February 2012. The GPC held regular public meetings through December 2013, in addition to conducting public workshops and briefings with the Planning and Zoning Commission ("Commission") and Council. The draft General Plan 2014 ("draft Plan") was made available to the public, the Commission, Council, and Town officials in mid-December 2013.

- The draft Plan was officially distributed to state, regional and local agencies on January 6, 2014 to commence the 60-day review and comment period. Comments received were reviewed at the Commission's public hearing on April 1, 2014. The Commission recommended approval of the draft Plan with revisions.
- Council held a study session on April 29, 2014 to review the recommended draft Plan with revisions. At the study session, Council requested additional revisions, which were included in the draft Plan for tonight's public hearing and possible adoption.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to hold the public hearing on the proposed Chino Valley General Plan for 2014.

Vote: 7 - 0 PASSED

A citizen asked where she could receive copies of the General Plan. Ms. Hoffman related that the review draft was on the town website and the final version would be uploaded in the next 30 days.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to close the public hearing on the proposed Chino Valley General Plan for 2014.

Vote: 7 - 0 PASSED

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Linda Hatch to adopt Resolution No. 14-1033, adopting the Chino Valley General Plan 2014 as presented.

Vote: 7 - 0 PASSED

b) (i) Presentation of the SR 89 Utility Project Citizen Committee's final report and recommendation by Committee Chair Gary Warren.
(ii) Consideration, discussion, and possible action with regard to the SR 89 Utility Project Citizen Committee's final report and recommendation. (Mayor and Council)

<u>Recommended Action:</u> Direct staff to schedule a study session for further review and discussion, or prepare a resolution to place a bond measure on the November 4 ballot, or other direction to staff or the Committee as determined by Council.

The staff report by Town Clerk Lewis stated that:

- On April 8, 2014, Council directed the SR 89 Utility Project Citizen Committee to provide Council with a recommendation on a proposal for the Town to issue a general obligation (G.O.) bond for water and sewer infrastructure improvements, subject to approval by the Chino Valley voters.
- The committee met several times from April 17, 2014 through May 8, 2014 and was presenting its final report and recommendation tonight.
- Council may discuss their next steps,which may include directing staff to schedule a study session for further review and discussion, directing staff to prepare a resolution for Council approval to place a bond measure on the November 4 ballot, or other direction to staff or the committee. As a study session was already scheduled for May 15 to review the tentative budget, the Mayor and Vice-Mayor had suggested that this topic be added to that agenda.

Gary Warren, SR 89 Committee Chair reported that:

- One year ago, the SR 89 Committee reviewed a similar infrastructure project and bond measure. The committee's recommendations then were to take a G.O. bond to the voters (7-0 vote), for a total bonding amount of $9.5 million (6-1 vote), for a project area starting at

Road 3 North and going as far south as possible.

- This year, the committee, with four new members, reviewed a revised project with a greatly reduced project area.
- The committee's recommendation on the revised project was to: (i) take a G.O. bond to the voters (7-0 vote); (ii) include purchase of the Fann wastewater plant and City of Prescott water distribution system within the town limits for a total bonding amount of $13.5 million (7-0 vote); (iii) identify the project area from Road 3 North to Road 2 North (6-1 vote)--one committee member preferred the project area to be in the Road 1 South area; and (iv) have Council determine the connection costs for each property owner to ensure fairness (7-0 vote).
- Regarding connection costs, staff anticipated that the amortization fee would be $100 per month. The committee discussed the pros and cons of waiving the fees, but Council would be the final arbiter.

Mayor Marley opened the item up for public comment. No one spoke.

Council comments:

- Council should allow the citizens to decide their own destiny by placing the item on the ballot.
- The Call of Election resolution should include connection fee language.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to direct staff to prepare a resolution to place a G.O. bond measure on the November 4, 2014 ballot and set a study session to discuss the wording of the resolution for 6:00 p.m. on May 15, 2014.

Vote: 7 - 0 PASSED

Town Attorney Smiley advised that it might not be legal to include connection fees in the bond amount, the bond attorneys should write the language for the ballot, and May 15 may be too soon to request bond counsel presence.

c) Consideration and possible action to adopt Resolution No. 14-1034, adopting Housing Rehabilitation Guidelines in accordance with the requirements set forth in the Notice of Funding Announcement (NOFA) for the Owner Occupied Housing Rehabilitation Program. (Ruth Mayday, Planner)

Recommended Action: Adopt Resolution No. 14-1034, adopting Housing Rehabilitation Guidelines in accordance with the requirements set forth in the NOFA.

(This item was heard after item 7b but is retained here for clarity.)

Ms. Mayday reported that:

- On February 14, 2014, the Arizona Department of Housing (ADOH) released a Notice of Funding Announcement (NOFA) to fund Owner Occupied Housing Rehabilitation (HR) Program. This program was funded in part by HUD HOME funds awarded to ADOH for distribution to non-entitlement communities throughout Arizona on a competitive basis.
- The purpose of the HR Program was to address the health and safety issues for low to moderate income households that were physically or financially unable to repair or rehabilitate their homes on their own. In order to qualify, an applicant must be the owner of record of the property benefiting from the rehabilitation services, and they must meet specific income requirements. In addition, a certain percentage of households at each income level, as well as specific priority populations, must be served.

- One of the requirements to apply was for the governing body to approve the Housing Rehabilitation Guidelines (HRGs) prior to application. The HRGs constituted the framework for managing the program, should the Town be awarded funding. By adopting the HRGs and approving application for funding, the Town will be further meeting its obligation to promote the health, safety, and general welfare of the community, as defined in the Unified Development Ordinance, by ensuring that properties meet minimum property maintenance and building codes.
- The program provided funding for administration of the program in an amount not to exceed ten percent (10%) of the rehabilitation funds awarded. For the FY 2013/2014 funding cycle, the maximum funds available was $250,000 plus the additional 10% of $25,000, for a total award of $275,000. Should staff be successful in its application, the Mayor will need to sign a letter reserving the funds, and the contract with ADOH will be brought to Council for approval.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to adopt Resolution No. 14-1034, adopting Housing Rehabilitation Guidelines in accordance with the requirements set forth in the NOFA.

Vote: 7 - 0 PASSED

d) Consideration and possible action to adopt Resolution No. 14-1032, authorizing Ruth Mayday, Planner, to apply for funding through the Arizona Department of Housing (ADOH) for an Owner Occupied Housing Rehabilitation Program (Housing Rehab), and take all actions necessary to fulfill the terms and requirements of the program. (Ruth Mayday, Planner)

Recommended Action: Adopt Resolution No. 14-1032, authorizing Ruth Mayday, Planner, to apply for funding through the Arizona Department of Housing (ADOH) for a Housing Rehab Program, and take all actions necessary to fulfill the terms and requirements of the program.

Ms. Mayday reported that:

- This item represented the final resolution required by NOFA and the application packet to demonstrate to ADOH that Council supported the program outlined in item 8c.
- In accordance with the HOME program requirements of the Cranston-Gonzalez Act, this program was available to persons who owned and occupied their dwelling unit and met the 80% below Area Median Income (AMI) requirement as defined by HUD. Priority was given to those households with the greatest need and those that comprised special populations as defined by ADOH. The deadline for submission was June 16, 2014.
- If successful, the Town will be awarded funds to reimburse both the cost of actual repairs and the costs for administering the program. There is no cash match requirement for this program. Staff recommended adopting the resolution and authorizing staff to take all actions necessary to fulfill the terms and requirements of the program.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to adopt Resolution No. 14-1032, authorizing Ruth Mayday, Planner, to apply for funding through the Arizona Department of Housing (ADOH) for a Housing Rehab Program, and take all actions necessary to fulfill the terms and requirements of the program.

Vote: 7 - 0 PASSED

e) Consideration and possible action to approve the agreement for professional consulting services with Lyon Engineering, for the 2014 Adjacent Ways Project, in an amount not to exceed $47,695.00. Funds to come from Chino Valley School District Adjacent Ways Grant and will be accounted for in the Grant Fund with no Town match. (Ron Grittman, Public Works Director/Town Engineer)

Recommended Action: Approve the agreement for professional consulting services with Lyon Engineering, for the 2014 Adjacent Ways Project, in an amount not to exceed $47,695.00.

Mr. Grittman reported that:

- The current operation of student drop-off at Del Rio and Heritage Schools caused traffic to back up and gridlock along Road 1 West and Road 2 North. The agreement proposed to hire Lyon Engineering to develop engineering, and construction plans, based on adjacent ways funds available for improvements to Road 1 West and Road 2 North as well as onsite improvements that will better address traffic flow at these facilities. Separation of bus and passenger traffic, along with traffic flow, will be examined.
- Once the final improvements were agreed upon by both the School District and the Town, the project will be bid and awarded through the Town for construction based on availability of funding.
- The School District generated approximately $100,000.00 per year for adjacent ways projects. Staff will only expend funds for this project that were exactly equal to the funds received from the District, which had asked the Town to expend $30,000 in the current fiscal year and the remaining $17,000 after July 1.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve the agreement for professional consulting services with Lyon Engineering, for the 2014 Adjacent Ways Project, in an amount not to exceed $47,695.00.

Vote: 7 - 0 PASSED

f) Consideration and possible action to authorize staff to place on hold various vehicles and pieces of equipment anticipated to be purchased in fiscal year 2014/2015, in order to reserve 2014 prices and acquire the equipment before anticipated price increases. (Joe Duffy, Finance Director)

Recommended Action: Authorize staff to reserve four Ford Police Interceptors, one Ford 550, one John Deere 544K front end loader, and one 410K backhoe.

Mr. Duffy reported that:

- Over the last few fiscal years, as a result of the economic downturn, the Town had not been able to replace capital equipment on a regular basis, resulting in a significant backlog, especially in the police department.
- In the FY 2015 budget, staff included a scheduled replacement and financing plan to address this issue and identified individual pieces of equipment, up to a value of $765,000, that should be acquired.
- Fleet and Public Works staff researched and found used equipment with low miles, all through state contract or other cooperative purchasing agreements in accordance with the Town Procurement Policy. Dealers were currently honoring the existing 2014 public bids from existing inventory and were willing to hold the equipment until they could be purchased at the beginning of next fiscal year. As dealers anticipated cost increases in the 2015 public bidding process, staff recommended reserving the equipment, and subject to obtaining adequate financing terms, purchasing the equipment in July 2014. The Town was under no obligation to complete the purchases and current quotes for the equipment were $129,000 less than budgeted estimates.
- Staff recommended financing the equipment through lease-purchase, a broadly used method

of acquiring assets, and anticipated entering into a five-year lease purchase agreement. The Town received a preliminary quote with an interest rate of 2.54% for a 60-month term; staff used a 3% interest rate in its budget estimates. Typically, at the end of the leasing period, the Town will accept ownership at no additional cost. Staff will bring each individual purchase to Council for approval.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to authorize staff to reserve four Ford Police Interceptors, one Ford 550, one John Deere 544K front end loader, and one 410K backhoe.

Vote: 7 - 0 PASSED

g) Consideration, discussion, and possible action regarding review of the Road 4 South extension project expenditures. (Councilmember McKee; Councilmember Hatch)

Recommended Action: Direction to staff.

Councilmember McKee reported that she requested this item for the following reasons:

- One of her campaign promises was to guard fiscal responsibilities. After staff's presentation on the Road 4 South project on April 22, 2014, she was asked questions about how the project was done so inexpensively. She believed certain costs associated with the project were not included or were understated in the presentation, such as the purchase price of the land, additional compensation to Mr. James, and additional machinery costs. She believed that staff should report all costs connected with this or any project to the citizens because they deserved to know how their money was being spent.
- The project had been divided into two parts to avoid state financial restrictions, whereas, typically when doing two projects, one would be finished before starting another, or if both were being done at same time, they would be considered one project and all figures should be included.
- She reviewed purchase orders associated with the project and found that purchases of approximately $28,781 were not included or were incorrect in the presentation, and figures for salaries were based on an average, not a total, which allowed for skewing the numbers up or down. She believed there was a discrepancy of $169,794.
- She questioned if an audit should be done to determine if the Town saved any money by doing the project inhouse.

Councilmember McKee passed out several handouts with her findings stating that she only received this information yesterday.

A report provided by Town Engineer Grittman in the packet stated that:

- The costs summarized to Council on April 24 only focused on construction costs and did not include right-of-way acquisition costs. The Town's procurement procedures did not allow staff to expend large sums of money without Council approval and this item had been discussed at several meetings in 2013-2014.
- On September 24 and October 17, 2013 executive sessions were held to discuss the matter.
- On September 24, 2013, Council approved an expenditure not to exceed $55,000.00 to purchase 8.569 acres of land from Deep Well Ranches for the Road 4 South right-of-way. On October 17, 2013, Council approved a Letter of Intent for purchase of the land from Deep Well Ranches in the amount of $219,062.44.
- On December 10, 2013, Council approved the proposed settlement agreement regarding the Cortez litigation, which financial costs were summarized on March 11, 2014 under the manager's report.

Council comments:

- Councilmembers should take such issues to the town manager to discuss before bringing them to Council.
- While Council and staff had discussed the project in detail over several meetings and the whole Council approved the project, they did so possibly without all the applicable figures.
- The figures staff presented on April 24 for Phase 1 did not add up correctly; Council missed the discrepancy and should have had those numbers in advance. As Council did not have the information in the handouts prior to tonight's meeting, it was premature to discuss the matter.
- The item should be put on a future agenda with appropriate responses and information from staff provided ahead of time to clear the record.

Town Manager Smith stated that the April 24 presentation materials were not provided in the packet as they were given during a Response to the Public item, not a Council-requested discussion or action item. Staff did not typically provide Responses to the Public ahead of time, but they would if Council so requested.

Mayor Marley offered to sponsor the item on a future agenda.

9) ADJOURNMENT

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to adjourn the meeting at 8:47 p.m.

Vote: 7 - 0 PASSED

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 13th day of May, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 22nd day of July, 2014.

Jami C. Lewis, Town Clerk