

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

**TUESDAY, MAY 21, 2019
5:00 P.M.**

The Town Council of the Town of Chino Valley met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, May 21, 2019.

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

Staff Present: Town Manager Cecilia Grittman; Finance Director Joe Duffy; Police Chief Chuck Wynn; Human Resources Director Laura Kyriakakis; Community Services Director Scott Bruner; Development Services Director Joshua Cook; Planner Alex Lerma; Administrative Technician Kathy Frohock (videographer)

1) CALL TO ORDER; ROLL CALL

Mayor Croft called the meeting to order at 5:00 p.m.

2) Presentation and discussion regarding the Preliminary Budget for the Fiscal Year Ending June 30, 2020. (Joe Duffy, Finance Director)

Finance Director Duffy presented a budget overview:

- The Town was budgeting \$28,976,800 for FY 2019/2020 and rolling over \$573,000 in the general fund. The previous year's budget was \$24,500,000 with an estimated \$19 million spent for the year. Revenues were always exceeding expenditures because staff was underestimating revenues and over estimating expenditures. There was an emergency fund buffer in case of a natural disaster.
- The reserve requirement for the general fund was just over \$2.2 million and the Town had \$6,992,000, which left money to do large capital projects. Staff was recommending moving \$1.5 million to the capital improvement fund for the Council to develop a list of potential projects. If the money was not transferred from the general fund to the capital improvement fund, it could not be used for the projects, but if the money was transferred, it did not have to be used. It was a placeholder for the funds possible use. The Council would have a study session in July to determine the specific projects.
- Project considerations were: development of four to five lots at Old Home Manor and putting up a spec building, or water and sewer line extensions for upcoming developments. Staff had discussed the possibility of providing a subdivision utility upgrade and charging the subdivision an annual utility assessment fee.
- The budget reflected CBDG and EPA grant matching funds for drainage projects.
- HURF fund had been used for road work during the current fiscal year so the fund balance was down by \$96,000. Addition of the annual State contribution of \$400,000 to the fund would allow necessary road equipment to be purchased while staying within the required policy fund balance limits.
- The water operation enterprise fund was flat for the year. The funds were available if a water system was available for purchase. This enterprise fund total was based on the value of the

total assets minus any liabilities. The total for water and sewer funds did not reflect a cash balance as other funds did. The sewer and water fund had paid the general fund back for monies owed.

- Staff recommended one part-time Animal Control position at the Police Department to become full time. Funds will also be budgeted for a part-time police officer, if needed.
- The general fund departments did not have any major budget changes except for a 1% cost of living increase and up to a 3% employee merit increase. Health costs increased by 8%. The Town saved money on workers' comp insurance by going with a group pool.
- Mr. Duffy provided an overview of department equipment and electronic budget requests for the general fund, as well as department maintenance needs.
- Staff increased contingency funds because expenditures had gone up and staff was also recommending transferring money to the PSPRS to buy down the remaining liability.

Public Works Director Marbury reviewed budget requests for facilities, fleet, and engineering:

- Facilities projects: big expenses for roof repair and parking lot maintenance. Overall, it would be a long-term project to include all 20 town facilities, starting with the Community Center. Future annual budgets should include replacement of a facility roof. Parking lot replacements should begin where there is heavy public traffic first. The budget also included continued cleanup at Old Home Manor, beginning the process of replacing HVAC units, starting with the Library, moving around offices and replacing flooring and Town signage. The Memory Park restrooms money had rolled over to begin construction in the fall.
- Fleet: Replace the mechanic service truck with a proper service truck.
- Engineering: Move the Water Resources Consultant from the Town Manager's office to the Engineering budget and \$25,000 to hire an engineering firm to update the Maricopa Government Specifications and detail custom modifications for the Town. The last update the Town had was 1992 and future updates will be minor modifications completed in-house.
- Road maintenance equipment: Replace and purchase the water truck, a pothole patcher, and radar traffic counters. Mr. Marbury reviewed the pothole patching process, material, and equipment requirements.
- Road 1 North signal: \$80,000 had been budgeted in contingency fund. It was an ADOT project, but any budget overruns would be put on the Town.
- Old Home Manor (OHM) Water Masterplan: \$250,000 had been budgeted for the master plan, which would include water use, distribution, recharge, and water rights.
- Roads: Jerome Junction road work for the OHM business park; CBDG matching funds for the Chino Five subdivision; a Town north end Welcome to Chino Valley sign, and if the road ballot measure did not pass, funds for Road 1 North from the highway to Road 1 East in the capital project budget to widen, level and overlay the road.
- Fill station: \$50,000 for a new station to either replace the existing one or add on to the existing one. If the Town expanded water and sewer service to the west, staff recommended moving a new fill station to the west. A fill station could also be placed by OHM.
- Water system acquisitions: A place holder with \$2 million was included.
- Annual \$75,000 sewer line cleanse: Every three years, a sewer line cleaning rotation will be provided.
- New sewer plant building.
- Mr. Marbury provided an overview of necessary Public Works budget maintenance and equipment requirements.

Council and Staff discussed the following:

- Council recommended moving \$2 million from the general fund to capital improvement

fund.

- The general fund could be used for whatever Council determined appropriate, but it would not be typically used for water or sewer projects. If a utility infrastructure project was a beneficial investment for the Town, the general funds could be used.
- The timeline for determining the projects and the budget.
- Reserve revenue should be considered a one-time related construction revenue for needed projects and not an annual maintenance budget for existing infrastructure.
- Drainage project funds will be rolled over but will be spent during the upcoming 2020 fiscal year. The funds could be used at Council's discretion.
- Reroofing could include any roofing the Council deemed necessary. Costs would be compared for different roofing products and staff will present Council with a recommendation.
- Staff discussed the pothole patcher equipment and material process, and other communities using the same equipment. Staff recommended getting a demo or renting the equipment before purchasing the equipment. Material availability was a concern for staff.
- The sewer building would include offices, restroom, testing laboratory, and large bay with two garage doors. The Front apron and physical connection of water and sewer to the plant would need to be done in the future and wasn't included in the budget request. The road maintenance building would be separate and a future year's budget request. They discussed types of building construction.

3) Presentation and discussion regarding the Shooting Range Proposal by Nielsen Training and Consulting. (Chuck Wynn, Police Chief)

Police Chief Chuck Wynn presented the following:

- After termination of the Prescott Sportsman's Club Shooting Range Agreement, the Town started to open the range on weekends only. Attendance averaged 35-40 people per weekend despite bad weather.
- Staff advertised a Request for Proposals for operation of the shooting range in February 2019. The Town received two submittals, and a selection committee selected Nielsen Training.
- Nielsen was currently setting up a non-profit organization to run the range. The proposed agreement provided: a ten-year term with a five-year renewal term; Council to approve the rates and operating hours; the Town to collect 5% of the gross receipts that would be paid quarterly and would be used exclusively for range improvements; and a quarterly report to be submitted to the Town detailing usage, fees and range activities.
- The Town could hire a third party to review financial books if it were deemed necessary. The Town had a checklist of items that needed to be completed before turning over operations of the range.
- Permanent improvements made to the 40-acre property needed to be maintained by the Town.

Nielsen Training Representative, Todd Nielsen, introduced himself and gave a brief history on the backgrounds of the key employees. He stated that:

- Their goal had been to have a training facility. This opportunity provided that and benefited the community.
- Goals included: Getting the range open quickly, including weekdays, and being open seven days a week; hours being flexible in the beginning due to the work they would be doing at the site; developing the site to include a junior range training opportunity; offering shooting subscriptions ranging from young users learning to use guns to competitive shooters.

- A company investor committed \$150,000 to moving dirt for the site and an additional \$20,000 into steel for the range.

Councilmembers expressed concern about hours, noise affecting the neighboring community, and the range not becoming just a profit-driven business, but remaining available for citizens wanting to shoot occasionally.

Mr. Nielsen related that:

- The range would be available to the public. The long term plan for the company was to have six 25 yard pads, the longest distance on the property at approximately 600 yards; a 100-yard bay area with 25 shooting lanes; a 50-yard bay area with 25 shooting lanes; four action bays, including a trap and skeet range; and a 10-yard bay set up specifically for junior shooters.
- Events would include competitions, retail establishment, food concessions, and a clubhouse.
- The organization was affiliated with the NRA and will offer NRA gun safety classes.
- There will not be any gun sales on the property.
- The Contract could go to Council in June.

4) Presentation and discussion regarding Unified Development Ordinance Section 4.21: Sign Regulation. (Alex Lerma, Town Planner)

Development Service Director Joshua Cook and Planner Alex Lerma presented sign code requirements specifically for temporary signs in the Town and the surrounding areas:

- The current sign code was adopted in 2017. Temporary permits dealt with signs that were posted on a limited basis not to exceed six months. Temporary signs were not to interfere with pedestrian or vehicle traffic, must be located six feet from the property lines, and were regulated upon square footage and zoning district.
- By law, municipalities could not regulate the language of the signs, but could regulate the size of the signs, where they were located, and how many and how long the signs could be onsite.
- Goodyear had the strictest guidelines and temporary signs were only permitted for certain uses: construction signs were removed 10-days after receipt of certificate of occupancy; grand openings and special promotions were not to exceed 30 consecutive days; there was no time limit on portable signs, but they were restricted for times of the day.
- Flagstaff permitted temporary signs or banners on walls only for 30 days during a calendar year.
- Camp Verde was more lenient and specified that if a temporary sign was posted for less than 30 days, a permit was not required. There were no guidelines for how long a temporary sign could be onsite.
- Staff provided an overview of surrounding municipalities' code requirements for temporary signs that included what defined a temporary sign, how long they were issued, how they were regulated, and how they were enforced.
- Staff thought some portions of the sign code needed to be more clearly defined to meet the Council's goals and to assist code enforcement officers. Staff was at odds with the job of enforcing the current code, but had been instructed not to enforce the code.
- The Town's six-month time limit for temporary signs was one of the least restrictive codes that staff had encountered. Until it was redrafted and readopted, staff was responsible for enforcing the existing code. It was code enforcement staff's plan to immediately start enforcing the Town code.
- Staff recommended that a sign committee start redrafting the current sign code to benefit the

Town and the community more appropriately.

Council and Staff discussed the following:

- Sign code inconsistencies included permit requirement language that was unclear on meaning and total scope. Such vague and nebulous sections needed to be clarified and revised.
- One of the main duties of the development services director was to ensure the code was enforced as it was written and adopted, but the Council was concerned that enforcing the current code and then changing the code to allow what was not allowed previously would become an issue. Code could not be suspended until legal counsel was consulted.
- There were many sign complaints after this was adopted but enforcement officers were put on hold for many issues including property maintenance.
- Council thought there were more important issues than signage to deal with first.
- Not enforcing a code could cause legal problems and the Town could be challenged on code regulations if it were randomly enforced.
- There were several different ways the temporary sign code could be changed depending on what the Council desired for the Town.
- Temporary sign code changes would take approximately three months to rewrite.
- Council agreed that Staff should put together new language and then present it during a couple public hearings where the community could provide input.

5) Presentation and discussion regarding administration of the Chino Valley Cemetery. (Vice-Mayor Miller)

Vice-Mayor Miller spoke about the cemetery's history and a request by the Cemetery Committee:

- One acre was originally deeded to Chino Valley Irrigation District to keep the cemetery tax free. There had been no oversight of burial plots or funds to manage it. Irrigation District secretary Ellen Ginn kept recorded names of those buried onsite. After leaving the Irrigation District, Ms. Ginn began a Cemetery Committee to oversee the cemetery and establish rules. The cemetery was expanded in 1984 by adding 1/3 of an acre. The original cemetery was full except for some companion gravesite and there were some burials in the new graveyard.
- The new graveyard had 228 casket spaces and 332 cremation spaces. At the current rate of burial, the committee estimated there would be 15-20 years before the new section was full.
- The cemetery was used on a donation basis. The average annual donations totaled \$300-\$400 per year. The donation system was only attached to the original one-acre property not to the new 1/3 acre, so fees could be charged for that portion.
- The corporation was a 501(c)(3) non-profit organization and owned the property.
- There were no deeds for the plots because the plots were not sold, but it could be a future option. Burial sites were first-come-first-served with a few reserved spots next to a spouse. The committee had begun double stacking spouses to save room.
- Operating costs were minimal because most services were volunteer.
- The cemetery committee was in need of financial and labor help and was asking the Council to commit to some type of support to the cemetery to include either manpower or financial or eventually taking the cemetery over. The Town should also consider what to do in the future once the 1/3 acre was full.
- Consideration was needed to determine what constituted a Chino Valley resident for burial purposes.
- The Town would discuss with the attorney about the Town's legal capacity.

Council and Staff discussed the following:

- The Town needed to find out the legal boundaries before any commitment was made.
- Cremation vaults were expensive to purchase but paid for themselves as it filled.
- The Town owned the property across the road from the cemetery.
- The committee thought there might be a better opportunity for grants or other monies if the Town were involved. As a non-profit, they would be eligible for grants without the Town. The committee had only been a non-profit for approximately ten years.
- The Town could consider an annual donation similar to the Chamber of Commerce donation. The donation would allow the committee to develop an annual donation and permit them to hire out necessary maintenance work.
- The organization could consider annual fundraisers to help get money.
- The American Legion had an annual Memorial Day celebration at the cemetery. It was recommended that a request be placed with the Legion to donate to the cemetery.
- It was in the Town's benefit to support the ongoing historical value of the cemetery.

6) ADJOURNMENT

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Corey Mendoza to adjourn the meeting at 7:31 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

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 21st day of May, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 25th day of June, 2019.

Jami C. Lewis, Town Clerk