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

Tuesday, June 12, 2012
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, June 12, 2012.

Present: Mayor Chris Marley; Vice-Mayor Carl Tenney; Councilmember Mike Best; Councilmember Darryl Croft; Councilmember Dean Echols; Councilmember Linda Hatch; Councilmember Lon Turner

Staff Present: Interim Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Tom Kack; Police Commander Mark Garcia; Town Engineer/Public Works Director Ron Grittman; Utilities Supervisor Chris Bartels; Town Clerk Assistant Liz Hart (recorder)

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

Mayor Marley called the meeting to order at 6:06 p.m.

Vice-Mayor Tenney gave the invocation and Mayor Marley led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

There were none.

3) CALL TO THE PUBLIC

Norma 'Birdie' Bennett, Town business owner, spoke about: children living at 1410 Palo Verde and a continued lack of code enforcement; an incorporation stipulation that Town officials would not initiate a property tax without the public's vote; raising sales taxes forcing more businesses out of Town and Williamson Valley shoppers to go to Prescott; and putting sewer down the highway forcing more businesses out. She encouraged Council to differentiate between true needs and wants and to start truly being business friendly.

Ab Jackson, resident and CEO, Chino Valley Area Chamber of Commerce, eulogized former Mayor and Chamber member Jim Bunker, and reported on the Chamber's Casino Night fundraiser, monthly luncheon, Business of the Month Guidance Helicopter, and new board Chair, Tom Payne of Tom's Print Shop.

4) RESPONSE TO THE PUBLIC

Mayor Marley related that there was nothing to report.

5) CURRENT EVENT SUMMARIES AND REPORTS

a) Transit System Report for quarter ending March 31, 2012 by Transit Advisory Committee member Ed Steinback. (Robert Smith, Interim Town Manager)

Mr. Steinback reported that:

- Ridership increases were due to the mild winter and increases in the local route; the regional route maintained ridership statistics. Overall, ridership had increased 10%, riders were becoming more sophisticated in using the system, and the system had now met the ridership goals set down last year of two riders per hour.
- The Committee was continuing to evaluate pick up and drop off points to determine if service was adequate.
- Although expenses were bumped up by additional maintenance, overall expenses in all budget categories were under budget and the system was close to meeting revenue projections now.
- Future plans and goals included investigating some grant funding options, becoming budget neutral, unveiling sponsorship programs and advertising on the bus in the next few weeks, testing a ridership plan with the Aquatic Center, and working with medical centers and community clubs to increase ridership.
- Draft policies and procedures with regard to advertising will be brought to Council soon.
- Per ADOT, the Town was ahead of the curve regarding system performance analyses; it was on the cutting edge within the state and was being watched by other transportation systems.

Lon Turner commended the Committee, all volunteers, for all they had accomplished.

b) Status report by Town Clerk staff regarding HB 2826, Consolidated Elections. (Jami Lewis, Town Clerk)

Mayor Marley reported that this item will be postponed until the next meeting.

6) CONSENT AGENDA

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to accept Consent Agenda item 6a.

Vote: 7 - 0 PASSED - Unanimously

a) Consideration and possible action to approve Non-Disclosure and Exclusive Negotiation Agreement between the Town of Chino Valley and Chino Verde, LLC, with regard to water imporation from historically irrigated acres from the Big Chino sub-basin to the Prescott Active Management Area for a period of up to 24 months. (Bill Staudenmaier, Water Attorney)

7) ACTION ITEMS

a) Consideration and possible action to adopt Ordinance No. 12-758 establishing the Town of Chino Valley policy for installation of culverts for driveways within the Town corporate limits, and amending the Town Code Chapter 52 "Rubbish, Trash and the Like," by amending the chapter name, and adding Section 52.02 "Water and Earthen Material Flow" and Section 52.03 "Culverts." (Ron Grittman, Town Engineer)

Mr. Grittman reported that:

- The Town had an unwritten policy wherein roads division staff would pick up and install a culvert for citizens who had purchased one for their private driveways that traversed bar ditches and small drainage ways, as well as remove the old one at no charge. When this matter came under issue last Fall, staff drafted a written policy for Council to formally adopt.
- Upon review of the draft policy, the Town Attorney advised that the Town's actions constituted "gifting," which was not allowed per statute, and the Town must charge for such services.
- Ordinance 12-758 will establish the formal written policy with the policy changes noted above. The Ordinance also required private individuals to maintain their culverts in a satisfactory condition by removing rubbish, trash, weeds, and accumulated deleterious materials.

Mr. Smith added that it appeared that staff's past intentions were right, but the mechanism and delivery were wrong and the Town could not continue something that was not supported by law. However, staff could be creative to direct those needing financial assistance to a community organization or other group identified to help in those situations.

Council asked about providing guidelines for when a culvert was needed, not leaving it up to the discretion of the Town Engineer alone to require it, the Ordinance appearing to make homeowners responsible for maintenance of the bar ditches, and culverts being the only type of construction mentioned. Mr. Smith and Mr. Grittman stated that:

- The Unified Development Ordinance required culverts for new development; it was optional for private individuals.
- If a homeowner needed access to his/her property over a bar ditch, staff would recommend, never require, that the homeowner install a culvert or other construction to allow access to the property. If the homeowner chose not to do so, resulting in damage or blockage to the bar ditch or public right-of-way, then the homeowner would be required to remedy that.
- This Ordinance addressed culvert installation only, not bar ditches. However, the Town was responsible to create and maintain bar ditches, unless an individual changed them somehow.
- A homeowner could put in any type of construction desired, as long as it had the same effect as a culvert. He could only ask the bare minimum and it did not require a permit.

Public comment:

Joe Iaccarino, Vista Grande resident, felt that the Ordinance laid the burden of maintaining the drainage ditches on the citizens, with which he did not agree.

Rocky Miller, Vista Grande resident, believed that lack of maintenance on a bar ditch caused water diversion that was now damaging his and others' properties, and he did not believe it should be his responsibility to maintain the water flow. As Mr. Miller stated that he had not contacted the Town on this matter, Mayor Marley suggested that he speak with Mr. Grittman.

Jennifer Miller, Vista Grande resident, told Council that she had contacted public works regarding the problem, and they dug a pond in front of her property, which now pooled and had become a sanitary issue.

Mayor Marley advised that Mr. Grittman was aware of the Town's stormwater problems in the Vista Grande area and was working on a comprehensive flood plan for that area and the rest of town.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to adopt Ordinance No. 12-758 establishing the Town of Chino Valley policy for installation of culverts for driveways within the Town corporate limits, and amending the Town Code Chapter 52 "Rubbish, Trash and the Like," by amending the chapter name, and adding Section 52.02 "Water and Earthen Material Flow" and Section 52.03 "Culverts."

Council asked about expanding the language to include other types of construction. Town Attorney Tom Kack and Mr. Grittman suggested that the definition of "culvert" could be expanded to "culvert or other drainage infrastructure."

MOVED by Councilmember Linda Hatch, seconded by Councilmember Darryl Croft to amend the motion to amend Section 52.03 to change the wording in 52.03 to "culvert or other drainage infrastructure."

Vote: 7 - 0 PASSED - Unanimously

b) Consideration and possible action to adopt Resolution Number 12-991 to establish speed limits throughout Chino Valley per the recommendations of the Roads and Streets Committee. Funds for speed limit and stop signs to come from Highway User Revenue Fund, roads maintenance road signs line. (Ron Grittman, Town Engineer)

Town Engineer Ron Grittman reported that:

- From May to December 2010, the Engineering Division collected traffic data on the Town's major streets of Chino Valley. Traffic Counters collected data on traffic volume, peak hour traffic, vehicle speeds, and vehicle classification.
- Subsequently, staff presented their findings and recommendations to Council, who adopted a Resolution amending speed limits on the west side of town.
- While working on the study for the east side of town, staff discovered that Town Code Section 71.12 "Speed Limits" was out of compliance with A.R.S. § 28-701. On March 22, 2011, Council adopted Ordinance 11-744 to remedy that situation, and staff resumed work on the east side study.
- The raw data collected during the study was processed to compute the 85th percentile speed, the most frequently used method to set acceptable municipal speed limits (AASHTO Policy on Geometric Design of Highways and Streets, Chapter 2). Factors such as sight distance, intersection frequencies, and roadway geometry were taken into consideration, as well as driveways, hidden driveways, slopes, proximity to

schools, vehicles per day, and the like.

- The Roads and Streets Speed Limit Subcommittee examined the existing speeds and the 85th percentile, and drove each street throughout town to examine sight distance and drivability; then presented their recommendations to the Police Chief for review. Those who reviewed the data agreed that raising some speed limits and changing stop sign locations were logical and reasonable.
- The estimated cost of materials to change speed limit signs and add stop signs was approximately $60 per sign, post, and base, for a total estimated cost of $6,500; installation could be performed by town personnel.
- Engineering staff will continue to collect data for the community and work with the Roads and Streets Committee on other roadway related issues, such as changing Road 1 South and Road 1 West to a four-way stop.

Council asked about a connector road to Williamson Valley, how staff handled signage for flooding and ponding areas during storm events on holidays and weekends, and public concerns that the speed limit increases were designed as speed traps. Mr. Grittman stated that:

- Road 2 South was the most viable road to connect to Williamson Valley. The 2007 Small Area Transportation Plan identified it or Center Street as a connector; and the models said it would double the street's traffic volume, necessitating widening, intersection improvements, or the like.
- The Roads Division always had staff on call; they generally knew the areas that flooded, and they kept a trailer loaded with signage during the rainy season.
- The speed limits were not done arbitrarily, but as a result of a lot of research by committee members, and public works and police staff review.

Councilmember Hatch added that the $9,000 cost was to replace signs only, and a Central Yavapai Metropolitan Planning Organization grant would fund the sign posts.

Public comment:

Ron Romley, resident, related that he was the Roads and Streets Committee chair when they asked staff to conduct the survey. He believed the process was done very professionally and he supported the proposal.

Craig Brown, President, Williamson Valley Community Organization and candidate for District 4 county supervisor, told Council that he had researched the Road 2 South issue over the past four years and found that improving it would require a road or road maintenance district and the large land owners would not want to foot the bill. However, it could be designated as a county road, like Brenda or Nancy Roads.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to adopt Resolution No. 12-991 to establish speed limits throughout Chino Valley per the recommendations of the Roads and Streets Committee.

Vote: 7 - 0 PASSED - Unanimously

c) Consideration and possible action to approve a Professional Services Agreement with Economists.com, Inc. to perform a water and sewer utility rate study in an amount not to exceed $24,000, with $12,000 to come from the Water Enterprise Fund, water utilities professional services line and $12,000 to come from Sewer Enterprise Fund, sewer utilities professional services line. (Ron Grittman, Town Engineer)

Mr. Grittman reported that:

- The utilities accounts in the general fund were facing distinct challenges, with operations running off fund balance. The current sewer rate was $48.40 per month, with $21.00 of that going to Fann Environmental for operation and maintenance of the wastewater treatment plant ("plant").
- This study will analyze the current rate structure, how to bridge the utility accounts gap, determine the impacts of the Town assuming operation and maintenance of the existing 0.5 MGD plant, determine if the current $21.00 per equivalent dwelling unit paid to Fann will be sufficient to support a capital improvement program or other uses, the ability to generate revenue without a rate increase, the possibility of increasing the number of water users, and how to use bonding to expand the plant if the Town took it over.
- The Town had approximately 1,650 sewer customers and 590 water customers. Currently, the Town had the ability, for a small cost, to increase the number of water users.
- The conclusions from a final report will be presented to Council at a subsequent meeting and the rate model will be turned over to the Town so that future modifications can be run internally.

Interim Town Manager Robert Smith added that the consultant will also determine the number of users needed to reduce the rates.

Council asked about the consultant considering all options for operation, maintenance, and expansion of the plant. Mr. Grittman and Mr. Smith stated that all the possible options would be presented to Council, who will then determine a strategy.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve Professional Services Agreement with Economists.com, Inc. to perform a water and sewer utility rate study in an amount not to exceed $24,000.00.

Vote: 7 - 0 PASSED - Unanimously

d) Consideration and possible action to approve Change Order Number 1 to contract with Sky Engineering Inc. for installation of additional solar panels, both new and donated, and other appurtenances, for the solar energy generation station, in an amount not to exceed $55,007.06. Funds to come from Sewer Enterprise Fund, EECBG expenditures (solar panel project) line, with reimbursement to come from Department of Commerce Grants in the amount of $55,000.00; and remaining funds of $7.06 to come from Sewer Enterprise Fund miscellaneous maintenance line. (Ron Grittman, Town Engineer)

Acronym used in this item:
ARRA (American Recovery and Reinvestment Act of 2009)

Mr. Grittman reported that:

- Over the last two years, the Town had been awarded two Department of Commerce Energy Grants for the installation of solar panels at the wastewater treatment plant. The first grant was for $91,307.24 and the second grant was for $93,700.
- On April 4, 2012, the Town was notified that it had received an additional $55,000 for additional solar panels. This change order will modify the Town's existing contract with Sky Engineering, Inc., as all ARRA and Davis Bacon requirements had already been met under the original contract.

- With these additional funds, the Town will install approximately 66 solar edge panels, 50 Enphase panels, and 70 new ARRA compliant panels. The $5,000 match requirement will be accomplished through in-kind services for engineering and inspection.
- This was the last of the grant money for solar panel installations, with funding to come from the Governor's Department of Energy Office.

Vice-Mayor Tenney recognized Councilmember Hatch, Mr. Grittman, and Mr. Smith for their efforts on this project.

MOVED by Councilmember Linda Hatch, seconded by Councilmember Darryl Croft to approve Change Order Number 1 to contract with Sky Engineering for the Chino Valley Photovoltaic System in an amount not to exceed $55,007.06.

Vote: 7 - 0 PASSED - Unanimously

e) Consideration and possible action to amend Chino Valley's Personnel Policy, Policy No. 600, removing Section III D, Pay Advances. (Cecilia Watts, General Services Director)

Ms. Watts reported that Personnel Policy No. 600, III D "Pay Advances" allowed employees to request a pay advance. Staff was recommending that the Council delete this policy, as very few employees utilized it, it placed a disproportionate burden on Finance staff, staff did not believe the public would support it, and no other local entities had such a policy. Staff informed employees of this proposal in May.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to delete Policy No. 600 Section III D, Pay Advances, from the Town's Personnel Policy, effective July 1, 2012.

Vote: 7 - 0 PASSED - Unanimously

f) Consideration, discussion and possible action regarding a request from the Central Arizona Partnership for the Town to contribute $1.00 per capita to help fund the proposed Greater Prescott Regional Economic Partnership. (Mayor Marley)

Acronyms used in this item:
CAP (Central Arizona Partnership)
GPREP (Greater Prescott Regional Economic Partnership)

Mayor Marley reported that:

- Council received a request from the CAP with regard to establishing a regional economic entity to enable the region to compete economically in drawing new business. The CAP Board was maintaining its commitment to establish the GPREP and a board subcommittee was diligently working to finalize a comprehensive business plan.
- CAP had achieved commitments from a number of large private sector establishments that endorsed this partnership, and was requesting that all participating entities contribute $1.00 per capita to help fund the new entity.
- Although this was important, the Town needed to account for every expenditure, and he suggested contributing $0.50 per capita.

Interim Town Manager Robert Smith added that in his experience with small municipalities and councils of governments, economic development could not be done without regional assistance. As the Town had no tools or resources of its own, this would hopefully empower staff to take a greater role in economic development.

Ab Jackson, CEO, Chino Valley Area Chamber of Commerce, related that he was on CAP's founding board three years ago and he helped establish GPREP. Prescott Valley was favorable to this proposal, but it was contingent upon participation by all the entities.

Several Councilmembers expressed support for the Town's involvement in regional economic cooperation, but wanted to know what the money would be used for. Mr. Jackson stated that it would go toward recruiting businesses and eventually hiring a director to work exclusively on recruitment. Currently, funds for GPREP were being used for collateral material and a web site. At this time, the group was mainly looking for commitment.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Dean Echols to set aside $5,000 in the budget to support regional economic development.

Vote: 7 - 0 PASSED - Unanimously

g) Consideration and possible approval to co-sponsor a resolution being recommended by the City of Prescott, at the request of House Representative Karen Fann, to forward to the League Resolutions Committee pertaining to fireworks sales regulations. (Jami Lewis, Town Clerk)

Ms. Lewis' staff report stated that staff had received a request from Joe Brehm, Assistant to the City Manager, City of Prescott, asking Council to consider co-sponsoring a resolution for consideration by the League Resolutions Committee. This resolution matched HB 2361, sponsored by Rep. Karen Fann during the previous legislative session, and it sought to give each municipality and county the ability to regulate the sale and use of consumer fireworks. Currently, municipalities could restrict the use of fireworks, but not their sale, and she intended to reintroduce the bill again next legislative session.

Councilmember Best related that the Public Safety Committee would discuss this in their next meeting.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Mike Best to approve the co-sponsorship of the resolution being recommended by the City of Prescott to the League Resolutions Committee, to give each municipality and county the ability to regulate the sale and use of consumer fireworks.

Vote: 7 - 0 PASSED - Unanimously

h) Annual reports by Council Committee Chairs and consideration and possible action to review and make changes to the Council Committees roster. (Vice-Mayor Tenney; Mayor Marley)

Mayor Marley reported that he had not convened the Mayor's Ad Hoc Alternative Energy or Water Stewardship Committees due to time constraints. However, he had convened the Mayor's Ad Hoc Flood Control Committee, which had met twice.

Vice-Mayor Tenney reported that the Finance Committee was very active and he wished to continue as Chair. Their next meeting on June 20 would be to go over the budget in detail. He had also been appointed by the governor to serve on the Prescott Active Management Area (AMA) Groundwater Users Advisory Committee, which was currently working on the AMA's 4th Management Plan and holding public hearings. In addition, he was part of the Upper Verde River Water Protection Coalition, working with other officials in west Yavapai County to deal with watershed restoration, rehabilitation, and other issues.

Councilmember Hatch reported that that the Appointments Committee had met several times to review applications and she was willing to continue as Chair. She also noted that she had nothing new to report regarding the Magistrate Evaluation Committee.

Councilmember Best reported that the Public Safety Committee had held a couple meetings; their next meeting would be to discuss the animal control and noise abatement ordinances, and he desired to remain as Chair. He had also been the Town's representative on the League Resolutions Committee, and as he was the only non-mayor there last year, he requested that Mayor Marley take over that position. Mayor Marley accepted his request.

Councilmember Croft reported that the Transportation and Roads Committee had merged with the Roads and Street Committee, which met quarterly and had given a report to Council a few months ago. Its main issue was that there were a lot of roads needing improvement, but no money to do anything. He also desired to remain as Chair.

Councilmember Echols reported that the Economic Development Committee will be working with the new Interim Town Manager on the Economic Development item on tonight's agenda, and he desired to remain as Chair.

Councilmember Turner reported that not much was going on with the Water and Utilities Committee, except for the upcoming utility rate study, and he was willing to continue as Chair. Most of his activities were with the County Water Advisory Committee and Upper Verde River Water Protection Coalition, which had both offered a huge learning experience. The USGS study was nearly over and further discussions were anticipated.

i) Consideration and possible action to schedule a Council retreat to discuss strategic financial planning. (Mayor & Council)

Vice-Mayor Tenney reported that in light of the Town's future financial situation, Council had indicated a desire to hold a retreat to discuss strategic financial planning within the next 60 days or so. This retreat will most likely necessitate subsequent discussions in the following months.

Council discussion: They preferred to wait until the new finance director was on board and consented to hold this meeting on August 6 from 8:00 a.m. to 1:00 p.m.

j) Consideration and possible action to cancel or reschedule the August 28, 2012 regular meeting due to a conflict with the annual League Conference. (Jami Lewis, Town Clerk)

Council discussion: They preferred to cancel the meeting and schedule a special meeting on the 23rd if need be.

MOVED by Councilmember Darryl Croft, seconded by Councilmember Lon Turner to cancel the meeting and schedule a special meeting on the 23rd if need be.

Vote: 7 - 0 PASSED - Unanimously

k) Consideration and possible action to approve the May 8, 2012 Regular Meeting minutes. (Absent: Mayor Marley) (Jami Lewis, Town Clerk)

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to approve the May 8, 2012 Regular Meeting minutes.

Vote: 6 - 0 PASSED - Unanimously

8) EXECUTIVE SESSION

a) Council may vote to hold an executive session pursuant to A.R.S. § 38-431.03(A)(3) and (A)(4) for discussion or consultation for legal advice with its attorneys and/or to consider its position and instruct its attorneys regarding entering into a Settlement Agreement with Kevin Moran, in connection with Mr. Moran's administrative appeal of a formal grievance, filed pursuant to the Town of Chino Valley Personnel Manual Policy 805. (Sharon Sargent-Flack, Town Attorney)

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to hold an executive session at 8:39 p.m.

Vote: 7 - 0 PASSED - Unanimously

Mayor Marley reconvened the meeting back into open session at 8:53 p.m.

b) Consideration and possible action regarding entering into a Settlement Agreement with Kevin Moran, in connection with Mr. Moran's administrative appeal of a formal grievance, filed pursuant to the Town of Chino Valley Personnel Manual Policy 805.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to enter into a Settlement Agreement with Kevin Moran, in connection with Mr. Moran's administrative appeal of a formal grievance.

Vote: 7 - 0 PASSED - Unanimously

c) Council may vote to hold an executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with its attorneys and/or to consider its position and instruct its attorneys regarding entering into a professional services agreement with Robert Smith, for the provision of municipal management services. (Mayor Marley; Vice-Mayor Carl Tenney)

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to hold an executive session at 8:54 p.m.

Vote: 7 - 0 PASSED - Unanimously

Mayor Marley reconvened the meeting into open session at 9:51 p.m. and asked Mr. Smith if he could meet with the committee tomorrow. Mr. Smith replied affirmatively.

9) ADJOURNMENT

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to adjourn the meeting at 9:51 p.m.

Vote: 7 - 0 PASSED - Unanimously

~~Chris Marley,~~ Mayor

ATTEST:

Jami C. Lewis, Town Clerk

<u>CERTIFICATION:</u>

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 12th day of June, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 14th day of August , 2012.

Jami C. Lewis, Town Clerk