Town of Chino Valley

MEETING NOTICE
TOWN COUNCIL

REGULAR MEETING
TUESDAY, JUNE 12, 2018
6:00 P.M.

Council Chambers
202 N. State Route 89
Chino Valley, Arizona

A majority of the Councilmembers may attend a private invocation in the Council Conference Room immediately prior to the Council meeting. No Town business will be discussed.

AGENDA

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE; ROLL CALL

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

3. CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council 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.

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.

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.

a. Status reports by Mayor and Council regarding current events.

b. Status report by Town Manager Cecilia Grittman and/or Town staff members regarding Town accomplishments, and current or upcoming projects.

c. Introduction of new police officers and the Town's newly-promoted Police Lieutenant, Randy Chapman. (Chuck Wynn, Police Chief)

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.

a. Consideration and possible action to award a construction contract to Asphalt Paving and Supply, Inc. in an amount not to exceed $143,257.00 for the construction of three low water crossings on Gheral Brownlow Drive and East Road 4-1/2 South as part of the Road 1 East extension. (Frank Marbury, Public Works Director/Town Engineer)

b. Consideration and possible action to rescind the contract renewal with TNT Towing, previously approved on May 22, 2018. (Chuck Wynn, Police Chief)

c. Consideration and possible action to review and approve Arizona Municipal Risk Retention Pool Fourth Amended and Restated Membership Agreement. (Laura Kyriakakis, Human Resources Director)

d. Consideration and possible action to approve the Intergovernmental Agreement for Election Services between the Yavapai County Board of Supervisors, Yavapai County Recorder, and the Town of Chino Valley for utilizing County election services, effective July 18, 2018 and remaining in effect until terminated. (Jami Lewis, Town Clerk)

e. Consideration and possible action to accept the May 15, 2018 special meeting minutes. (Jami Lewis, Town Clerk)

f. Consideration and possible action to accept the May 15, 2018 study session minutes. (Jami Lewis, Town Clerk)

g. Consideration and possible action to accept the May 22, 2018 regular meeting minutes. (Jami Lewis, Town Clerk)

7. ACTION ITEMS

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

a. Consideration and possible action to adopt Conditional Use Permit (CUP18-004) for approximately 1.38 acres of real property located approximately .25 mile north of the northwest corner of Center Street and State Route 89 intersection at 246 North State Route 89, to allow a food truck court in the CL (Commercial Light) zoning district. (Alex Lerma, Associate Planner)

Recommended Action: Postpone this item until July 24, 2018 per staff's request.

b. Consideration and possible action to adopt a Conditional Use Permit (CUP18-003) for approximately 4.55 acres of real property located approximately 1,000 feet south of the southwest corner of East Road 2 North and North Road 1 East at 784 North Road 1 East. Approval of the Conditional Use Permit will allow the applicant to continue the operation and maintenance of a well drilling business consisting of storage of vehicles, machinery and supplies in the AR-5 zoning district. (Alex Lerma, Associate Planner)

Recommended Action: Approve a Conditional Use Permit for APN 306-23-007B to allow the continuation of the operation and maintenance of a well drilling business consisting of storage of vehicles, machinery and supplies in the AR-5 (Agricultural Residential- 5 Acre Minimum) zoning district, subject to the condition recommended by staff and Planning and Zoning Commission.

c. Consideration and possible action to approve using $300,000 out of the Town's General Fund Contingency Account to reduce the PSPRS unfunded liability amount. (Joe Duffy, Finance Director)

Recommended Action: Approve using $300,000 out of the Town's General Fund Contingency Account to reduce the PSPRS unfunded liability amount.

8. 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.

a. An executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the Town Attorney regarding the acquisition of a portion of the Prescott water system and 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 the City of Prescott related to the Town purchasing a portion of its water distribution system that is the subject of negotiations. (Cecilia Grittman, Town Manager)

9. ACTION ITEMS RESUMED

After the Executive Session, Council will reconvene the Regular Meeting.

10. ADJOURNMENT

Dated this 7th day of June, 2018.

By: ***Jami C. Lewis, Town Clerk***

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 711 (Telecommunications Arizona Relay Service) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting.

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at http://www.chinoaz.net/agendacenter and in the Public Library and Town Clerk's Office.

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date:_____ Time:_____ By:_____
Jami C. Lewis, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.a.**

Meeting Date:	06/12/2018
Contact Person:	Frank Marbury, Public Works Director/Town Engineer
	Phone: 928-636-7140 x-1226
Department:	Public Works
Item Type:	Consent
Estimated length of staff presentation:	None
Physical location of item:	Road 1 East Extension

AGENDA ITEM TITLE:

Consideration and possible action to award a construction contract to Asphalt Paving and Supply, Inc. in an amount not to exceed $143,257.00 for the construction of three low water crossings on Gheral Brownlow Drive and East Road 4 1/2 South, as part of the Road 1 East extension. (Frank Marbury, Public Works Director/Town Engineer)

RECOMMENDED ACTION:

Award construction contract to Asphalt Paving and Supply, Inc. in an amount not to exceed $143,257.00 for the construction of 3 low water crossings on Gheral Brownlow Drive and East Road 4 1/2 South.

SITUATION AND ANALYSIS:

The low water crossings are needed to protect the new roadway sections constructed as part of the agreement to extend Road 1 East in association with the ADOT Hwy 89 widening project.

The Engineer's estimate was $112,670.00. The bid is 27% over the estimate. The majority of the higher cost is associated with the cost of aggregate base course, mobilization, and erosion control. There were a total of two bids for this project. The other bid was $161,358.00 from B4 Enterprises, Inc. A bid alternate for concrete pavement was also requested. The responses were $172,977.00 from Asphalt Paving and Supply, Inc. and $216,918.00 from B4 Enterprises Inc. The concrete paving alternative is not recommended.

Flood Control Funds are intended for this project. With the rollover of $100,000 from FY 2017, the Town will have $210,000 in flood control money available.

Applicable "Policy"

The dollar amount of the project requires the project be competitively bid.

Satisfaction of "Policy"

A public bid opening was held on June 4 in accordance with procurement policies of the Town.

Summary of Issues and Staff Rationale
N/A

Findings of Fact
The Project was publicly bid and the lowest responsible bidder was Asphalt Paving and Supply, Inc in an amount not to exceed $143,257.00.

Fiscal Impact

Fiscal Impact?: Yes
If Yes, Budget Code: 05-90-5515
Available: $143,257
Funding Source:
Project will be paid for with Yavapai Drainage District Funds.

Attachments

Bid Tabulation
Construction Contract

Town of Chino Valley Bid Results

Title: Road 1 East Low Water Crossing Improvements

Bid Date: 6/4/18

Time: 2:00 p.m.

Base Bid Schedule

				Engineer's Estimate		Low Bid 1			2		
						Asphalt Paving & Supply, Inc. (192405 A) 2425 N. Glassford Hill Rd. Prescott Valley, AZ 86314 Tel: 928-772-6363 Fax: 928-772-7313 Mike McCormick, President			B4 Enterprises, Inc. (296609 KA) 1144 N. Airport Road Cedar City, UT 84721 Tel: 435-656-9527 Fax: 435-656-9528 Jacob Jessop, President		
Item No.	Description	QTY	Unit of Measure	Unit Price	Total	Unit Price	Total	%Diff	Unit Price	Total	%Diff
105.8	Construction Staking and As-Builts	1	LS	**$4,500.00**	**$4,500.00**	**$4,500.00**	**$4,500.00**	0.00%	**$4,500.00**	**$4,500.00**	0.00%
106	Control of Materials	1	LS	$3,500.00	$3,500.00	$3,850.00	$3,850.00	10.00%	$12,000.00	$12,000.00	242.86%
107.15	Stormwater Pollution Prevention Plan (SWPPP)	1	LS	$2,800.00	$2,800.00	$5,600.00	$5,600.00	100.00%	$15,000.00	$15,000.00	435.71%
109.10	Mobilization / Demobilization	1	LS	$7,500.00	$7,500.00	$21,573.00	$21,573.00	187.64%	$14,000.00	$14,000.00	86.67%
109.11	Contract Allowance	1	LS	**$10,000.00**	**$10,000.00**	**$10,000.00**	**$10,000.00**	0.00%	**$10,000.00**	**$10,000.00**	0.00%
205	Roadway Excavation	375	CY	$23.00	$8,625.00	$15.00	$5,625.00	-34.78%	$30.00	$11,250.00	30.43%
301	Subgrade Preparation	1494	SY	$2.50	$3,735.00	$3.50	$5,229.00	40.00%	$3.00	$4,482.00	20.00%
310	Aggregate Base course (ABC)	168	CY	$55.00	$9,240.00	$90.00	$15,120.00	63.64%	$53.00	$8,904.00	-3.64%
321	Asphalt Concrete (AC) Pavement (3")	801	SY	$20.00	$16,020.00	$20.00	$16,020.00	0.00%	$22.00	$17,622.00	10.00%
350.1	Remove Pipe	30	LF	$15.00	$450.00	$60.00	$1,800.00	300.00%	$30.00	$900.00	100.00%
350.2	Remove, Salvage and Replace Riprap	66	CY	$50.00	$3,300.00	$90.00	$5,940.00	80.00%	$100.00	$6,600.00	100.00%
505.1	Bituminous Surface Ford and Concrete Cutoff Walls at Rd 4-1/2 South	1	EA	$13,500.00	$13,500.00	$16,000.00	$16,000.00	18.52%	$18,700.00	$18,700.00	38.52%
505.2	Bituminous Surface Ford and Concrete Cutoff Walls at Gheral Brownlow Drive STA 48+00	1	EA	$13,500.00	$13,500.00	$16,000.00	$16,000.00	18.52%	$18,700.00	$18,700.00	38.52%
505.3	Bituminous Surface Ford and Concrete Cutoff Walls at Gheral Brownlow Drive STA 50+75	1	EA	$16,000.00	$16,000.00	$16,000.00	$16,000.00	0.00%	$18,700.00	$18,700.00	16.88%
			Base Bid Totals		**$112,670.00**		**$143,257.00**	27.15%		**$161,358.00**	43.21%

Bid Alternate 1 Bid Schedule

Item No.	Description	QTY	Unit of Measure	Unit Price	Total	Unit Price	Total	%Diff	Unit Price	Total	%Diff
105.8	Construction Staking and As-Builts	1	LS	**$4,500.00**	**$4,500.00**	**$4,500.00**	**$4,500.00**	0.00%	**$4,500.00**	**$4,500.00**	0.00%
106	Control of Materials	1	LS	$3,500.00	$3,500.00	$5,400.00	$5,400.00	54.29%	$12,000.00	$12,000.00	242.86%
107.15	Stormwater Pollution Prevention Plan (SWPPP)	1	LS	$2,800.00	$2,800.00	$5,600.00	$5,600.00	100.00%	$15,000.00	$15,000.00	435.71%
109.10	Mobilization / Demobilization	1	LS	$7,500.00	$7,500.00	$21,573.00	$21,573.00	187.64%	$14,000.00	$14,000.00	86.67%
109.11	Contract Allowance	1	LS	**$10,000.00**	**$10,000.00**	**$10,000.00**	**$10,000.00**	0.00%	**$10,000.00**	**$10,000.00**	0.00%
205	Roadway Excavation	453	CY	$23.00	$10,419.00	$15.00	$6,795.00	-34.78%	$30.00	$13,590.00	30.43%
301	Subgrade Preparation	1494	SY	$2.50	$3,735.00	$3.50	$5,229.00	40.00%	$3.00	$4,482.00	20.00%
310	Aggregate Base course (ABC)	168	CY	$55.00	$9,240.00	$90.00	$15,120.00	63.64%	$53.00	$8,904.00	-3.64%
321	Asphalt Concrete (AC) Pavement (3")	801	SY	$20.00	$16,020.00	$20.00	$16,020.00	0.00%	$22.00	$17,622.00	10.00%
350.1	Remove Pipe	30	LF	$15.00	$450.00	$60.00	$1,800.00	300.00%	$30.00	$900.00	100.00%
350.2	Remove, Salvage and Replace Riprap	66	CY	$50.00	$3,300.00	$90.00	$5,940.00	80.00%	$100.00	$6,600.00	100.00%
505.1	Concrete Surface Ford and Concrete Cutoff Walls at Rd 4-1/2 South	1	EA	$23,600.00	$23,600.00	$25,000.00	$25,000.00	5.93%	$36,440.00	$36,440.00	54.41%
505.2	Concrete Surface Ford and Concrete Cutoff Walls at Gheral Brownlow Drive STA 48+00	1	EA	$23,600.00	$23,600.00	$25,000.00	$25,000.00	5.93%	$36,440.00	$36,440.00	54.41%
505.3	Concrete Surface Ford and Concrete Cutoff Walls at Gheral Brownlow Drive STA 50+75	1	EA	$26,100.00	$26,100.00	$25,000.00	$25,000.00	-4.21%	$36,440.00	$36,440.00	39.62%
			Bid Alternate 1 Bid Totals		**$144,764.00**		**$172,977.00**	19.49%		**$216,918.00**	49.84%

CONSTRUCTION SERVICES CONTRACT
FOR DESIGN-BID-BUILD (DBB) PROJECT

Project: **Road 1 East Low Water Crossing Improvements**

Date: **May 15, 2018**

CONSTRUCTION SERVICES CONTRACT
FOR DESIGN-BID-BUILD (DBB) PROJECT

THIS CONTRACT, made and entered into this _____ day of _____, 2018, by and between the Town of Chino Valley, Arizona, a municipal corporation organized and existing under and by virtue of the laws of the State of Arizona, hereinafter designated the "TOWN" and Asphalt Paving and Supply, Inc., hereinafter designated the "CONTRACTOR."

TOWN and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

1.0 CONSTRUCTION SERVICES

1.1 CONTRACTOR shall complete all work as specified or indicated in the Contract Documents. The work is known as and is hereinafter referred to as the Road 1 East Low Water Crossing Improvements Project and is generally described as follows: Complete construction of the Low Water Crossings and associated infrastructure on Gheral Brownlow Drive and East Road 4 ½ South. in accordance with the Contract Documents. The full scope of work is described in detail in the Contract Documents.

1.2 CONTRACTOR shall complete, provide and perform, or cause to be performed, all work in a proper and workmanlike manner, with appropriate consideration for public safety and convenience, consistent with the highest standards of professional and construction practices and in full compliance with, and as required by or pursuant to, this Contract, and with the greatest economy, efficiency, and expediency consistent therewith all as more particularly described in the Contract Documents.

2.0 CONTRACT TIME

2.1 CONTRACTOR shall submit to TOWN, on or before the effective date of this Contract, a Critical Path Method (CPM) Construction Progress Schedule in Primavera compatible format, resource and cost loaded, indicating the times for starting and completing the various stages of the Work, including any Milestones specified in this Contract and as more fully described in the General Conditions and other Contract Documents. Revisions/updates to the CPM schedule shall be submitted to accurately reflect plans for completion of the work, but no less frequently than monthly.

2.2 Time is of the Essence. All of the time limits for Milestones, if any, for Substantial Completion and for Final Completion and readiness for final payments as stated in the Contract Documents, are of the essence for the Contract.

2.3 The Work shall be substantially complete within 60 working days after the date when the Contract Time commences to run as provided in the Notice to Proceed, and all Work shall be finally completed and ready for final payment in accordance with the Notice to Proceed within 75 working days after the date when the Contract Time commences to run.

2.4 Failure of CONTRACTOR to perform any covenant or condition contained in the Contract Documents within the time periods specified herein, shall constitute a material breach of this Contract entitling TOWN to terminate the Contract unless CONTRACTOR applies for and receives an extension of time, in accordance with the procedures set forth in the Contract Documents.

2.5 Failure of TOWN to insist upon the performance of any covenant or condition within the time periods specified herein, shall not constitute a waiver of CONTRACTOR'S duty to perform every other covenant or condition within the designated periods, unless a specific waiver is granted in writing for each such covenant or condition.

2.6 TOWN's agreement to waive a specific time provision or to extend the time for performance shall not constitute a waiver of any other time provisions contained in the Contract Documents. Failure of CONTRACTOR to complete performance promptly within the additional time authorized in the waiver or extension of time agreement shall constitute a material breach of this Contract entitling TOWN to all the remedies set forth herein or provided by law.

3.0 LIQUIDATED AND SPECIAL DAMAGES

3.1 It is hereby agreed that the amounts per day set forth herein in paragraph 3.1.1 are reasonable estimates of such liquidated damages and that said amounts do in fact bear a reasonable relationship to the damage that would be sustained by TOWN, and CONTRACTOR agrees to pay such liquidated damages as herein provided.

3.1.1 TOWN and CONTRACTOR recognize that time is of the essence for this Contract and that TOWN will suffer financial loss, in addition to and apart from the costs described in Paragraph 3.2, if the Work and/or portions of the Work are not performed and completed within the times specified, plus any extensions thereof allowed in accordance within the Contract Documents. TOWN and CONTRACTOR also recognize the delays, expense, and difficulties involved in proving, through legal or arbitration proceedings, the actual loss suffered by TOWN if the Work or portion of the Work is not completed on time. Accordingly, instead of requiring any such proof, TOWN and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay TOWN Four Hundred Thirty dollars and no cents ($430.00) [or liquidated damages per MAG Section 108.9] for each working day that expires after the time specified for substantial completion, until the Work is substantially complete. After Substantial Completion, if CONTRACTOR neglects, refuses or fails to complete the remaining Work within the Contract Time or any proper extension thereof granted by TOWN, CONTRACTOR shall pay TOWN Four Hundred Thirty dollars and no cents ($430.00) [or liquidated damages per MAG Section 108.9] for each working day that expires after the time specified for Final Completion and readiness for final payment.

3.2 Special Damages: In addition to the amounts provided for liquidated damages, CONTRACTOR shall pay TOWN the actual costs reasonably incurred by TOWN for TOWN's PM/CM, if applicable, the Project Engineer and for engineering and inspection forces employed on the Work for each working day that expires after the time specified for Final Completion,

including any extensions thereof made in accordance with the Contract Documents, until the Work is finally complete. The rate for inspection services for this contract is $70.00 per hour. The rate for the work by the Project Engineer for this Contract is $150.00 per hour. The rate for work by TOWN is $80.00 per hour. Each of these hourly rates is calculated at time and one half for work required to be performed during other than normal business hours.

3.3 TOWN may withhold and deduct from any payment due to CONTRACTOR the amount of liquidated damages, special damages, and other costs, such as CONTRACTOR'S failed testing costs or damages to other TOWN property, from any moneys due CONTRACTOR under the Contract.

4.0 CONTRACT PRICE

TOWN shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents, an amount in current funds not to exceed the sum of One Hundred Forty Three Thousand Two Hundred Fifty Seven dollars and no cents ($143,257.00) as more specifically set forth in CONTRACTOR'S bid, and any additional amounts agreed to pursuant to valid Change Order, approved by TOWN.

5.0 CONTRACT DOCUMENTS

The following documents are pertinent to the Project: (Place N/A in the blanks which are not applicable to this Contract).

5.1 This Contract (pages 1 to 7, inclusive).

5.2 Addenda consisting of Numbers 0 to 0 inclusive.

5.3 The project Special Provisions dated 3/6/2018 entitled Low Water Crossing Improvement Plans.

5.4 The project Drawings comprised of a set entitled Low Water Crossing Improvement Plans and dated 3/26/2018.

5.5 Performance Bond (page ____) and Payment Bond (page ____).

5.6 The approved CPM Construction Schedule dated N/A.

5.7 The project General Conditions (pages 1 to 63, inclusive).

5.8 The project Supplementary Conditions (pages 1 to 5, inclusive).

5.9 Notice to Proceed dated _____.

5.10 CONTRACTOR'S List of Subcontractors (pages A-10 to A-11) inclusive.

5.11 CONTRACTOR'S Schedule of Manufacturers and Suppliers of Major Equipment and Material Items (page A-10).

5.12 The following which may be delivered or issued after the Effective Date of this Contract and are not attached hereto:

A. Written Attachments
B. Work Change Directives
C. Change Order(s)

6.0 MISCELLANEOUS

6.1 This Agreement shall inure to the benefit of, and shall be binding upon TOWN and CONTRACTOR and their respective successors and assigns.

6.2 This Agreement may not be amended or any of its terms modified without the written consent of TOWN and CONTRACTOR.

6.3 This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

6.4 This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

6.5 CONTRACTOR agrees he is an independent contractor and not an agent or employee of TOWN. CONTRACTOR shall supervise and direct the Work to be done, using his best skill and attention. CONTRACTOR shall be solely responsible for all construction means, methods, techniques, sequences, procedures and for coordinating all portions of the Work, required by the Contract Documents. CONTRACTOR shall be responsible to TOWN for the acts and omissions of his employees, Subcontractors and their agents and employees, and other persons performing any of the Work under any Contract Documents.

6.6 Should litigation be necessary to enforce any term or provision of this Contract, or to collect any damages claimed or portion of the amount payable under this Contract, then all litigation and collection expenses, witness fees, court costs, and attorney's fees shall be paid to the prevailing party. Nothing herein shall preclude non-binding arbitration if they so elect in the event of a dispute hereunder.

6.7 Under Section 38-511, Arizona Revised Statutes, as amended, TOWN may cancel any contract it is a party to within three years after its execution and without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of TOWN is, at any time while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. In the event TOWN elects to exercise its rights under Section 38-511, Arizona Revised Statutes, as amended, TOWN agrees to immediately give notice thereof to Contractor.

6.8 All notices and demands required or permitted by this Contract shall be in writing and shall be deemed to have been given or properly served when (1) sent by Certified Mail (postage fully prepaid) to the respective address below or to such other address as may be furnished by either party pursuant to this Section; (2) delivered personally to the authorized representative of the parties to this Contract; or (3) if given by telefacsimile, when addressed and transmitted to the respective telefacsimile number as specified below or to such other address or telefacsimile number as may be furnished by either party to the other pursuant to this Section, and the appropriate confirmation of transmittal is received. Any party giving notice or demand by telefacsimile immediately shall send the other party a copy of such notice or demand by Certified Mail (postage fully prepaid) to the respective address below or to such other address as may be furnished by either party pursuant to this Section.

TOWN:	CONTRACTOR:
Town Manager Town of Chino Valley 202 N State Route 89 Chino Valley, AZ 86323	Mike McCormick, President Asphalt Paving & Supply, Inc. 2425 N. Glassford Hill Road Prescott Valley, AZ 86314

6.9 No amendment or waiver of any provision of these Contract Documents nor consent to any departure by TOWN shall be effective unless the same shall be in writing and signed by TOWN. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6.10 No waiver by TOWN of any default or breach by CONTRACTOR shall be deemed to be or constitute a waiver of any other or subsequent default or breach. TOWN specifically reserves and shall have all rights and remedies available to it under the provisions of the Contract Documents.

6.11 Immigration Law Compliance Warranty:

6.11.1 As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor verifies the employment eligibility of the employee through the E-Verify program.

6.11.2 If Contractor uses any subcontractors in performance of the Work, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program.

6.11.3 A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Contractor is subject to a penalty of $100 per day for the first violation, $500 per day for the second violation, and $1,000 per day for the third violation. Town at its option may terminate

the Contract after the third violation. Contractor shall not be deemed in material breach of this Contract if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A).

6.11.4 Town retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times.

6.11.5 If state law is amended, the parties may modify this paragraph consistent with state law.

6.12 Equal Treatment of Workers: CONTRACTOR shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the WORK. CONTRACTOR shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA"). CONTRACTOR shall protect and indemnify TOWN and its representatives against any claim or liability arising form or based on the violation of such, whether by CONTRACTOR or its employees.

6.13 Non-Boycott of Israel. CONTRACTOR certifies that it is not currently engaged in, and agrees for the duration of this Agreement, that it will not engage in, a boycott of Israel, as that term is defined in Arizona Revised Statutes § 35-393.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day and year first written above.

TOWN OF CHINO VALLEY

By: _____
Darryl Croft, Mayor

ATTEST:

_____
Jami Lewis, Town Clerk

APPROVED AS TO FORM:

_____

Andrew McGuire, Town Attorney
Gust Rosenfeld, PLC

CONTRACTOR

_____

By:_____

Title:_____

BID FORM

FOR: TOWN OF CHINO VALLEY
202 N State Route 89
Chino Valley, AZ 86323

Bid of ASPHALT PAVING & SUPPLY, INC,

Contractor's License No. 192405 A

A corporation organized and existing under the laws of the State of ARIZONA; or a partnership consisting of _____, partners; or an individual conducting business as hereinafter called the BIDDER.

TO: THE HONORABLE MAYOR AND COUNCIL
Town of Chino Valley
202 N State Route 89
Chino Valley, AZ 86323

The undersigned acknowledges that he has received and familiarized himself with the following:

CONTRACT DOCUMENTS
PROJECT MANUAL AND DETAILS
DRAWINGS
ADDENDA No. ____ dated _____; No. ____ dated _____
No. ____ dated _____; No. ____ dated _____
No. ____ dated _____; No. ____ dated _____

The undersigned further acknowledges that he has visited the site and has familiarized himself with local conditions affecting the cost of the Work at the place where the Work is to be done. The undersigned further acknowledges that if his bid is accepted he shall be bound by the terms of the Contract Documents.

In submitting this Bid, the undersigned agrees:

1. To furnish all material, labor, tools, expendable and construction equipment, and all utility and transportation services necessary to furnish and install, in a workmanlike manner, all Work at the Project listed herein in strict conformity with the Construction Documents prepared by ASPHALT PAVING & SUPPLY, INC. for the consideration hereinafter set forth.

2. To hold his Bid open for not less than one hundred ninety days (90) Days after the receipt of Bids and to accept the provisions of the instructions to bidders regarding disposition of Bid Security.

3. To enter into and execute a Contract if awarded on the basis of this Bid within ten

(10) days after Award of the Bid, and to furnish a Performance Bond, a Labor & Material Payment Bond and certificates of insurance in accord with the General Conditions and General Requirements of this Contract and to deliver executed Bonds and Insurance Certificates to Town's representative within ten (10) Days following the issuance of the Notice of Award.

4. To utilize the subcontractors and suppliers attached to this Bid Form unless authorized by Town to substitute another subcontractor or supplier.

5. To achieve substantial completion and final completion within the time period stated in the Contract Documents taken from the date of Notice to Proceed or the date otherwise established for the commencement of Work.

6. The undersigned agrees that time is of the essence and Town will suffer financial damages due to Contractor's failure to complete the Work within the Contract Time. The liquidated damages shall be as follows for each working day beyond the Contract Time for which Contractor shall fail to complete the Work:

Substantial completion - $430.00 per working day
Final completion - $430.00 per working day

7. The undersigned has attached the required Bid Security and other items required in the Instructions to Bidders. The Bid Security shall become the property of Town of Chino Valley, Arizona, as liquidated damages for the delay and additional Work caused thereby in the event the Contract and Bonds are not executed within the time set forth above.

BID PROPOSAL

FROM: Asphalt Paving & Supply, Inc.
Company Name of Bidder

192405 A
Arizona State Contractor's License Number and Classification of Bidder

Signature of Bidder Authorized by the Company

Bids are required for the entire work complete and in place. The Contractor must fill out all portions of this Bid Proposal Form, including the Base Bid Schedule and Bid Alternate 1 Bid Schedule. The Base Bid includes the construction of bitminous surface fords with concrete cutoff walls at the 3 low water crossing locations. Bid Alternate 1 includes the construction of concrete surface fords with concrete cutoff walls at the 3 low water crossing locations.

For improvement of:

Project Name: LOW WATER CROSSING IMPROVEMENTS, GHERAL BROWNLOW DRIVE / ROAD 4-1/2 SOUTH

To the Town Clerk of the Town of Chino Valley:

The undersigned as Bidder declares that he/she has carefully examined the location of the proposed work, that he/she has examined the plans, special provisions and specifications, and read the accompanying instructions to bidders, and hereby proposes and agrees, if this proposal is accepted, to furnish all materials and do all the work required to complete said work in accordance with said plans, special provisions, specifications and all contract documents in the time and manner therein prescribed, for the unit price or lump sum price set forth in the following **Base Bid Schedule and Bid Alternate 1 Bid Schedule**:

(DO NOT REMOVE FROM DOCUMENTS)

In case of a discrepancy between unit price and total, the unit price shall prevail.

BASE BID SCHEDULE					
ITEM NO.	DESCRIPTION OF WORK	QUANTITY	UNIT	UNIT PRICE ($)	TOTAL ($)
105.8	CONSTRUCTION STAKING AND AS-BUILTS	1	LS	$4,500.00	$4,500.00
106	CONTROL OF MATERIALS	1	LS	3,850-	3,850-
107.15	STORMWATER POLLUTION	1	LS	5,600-	5,600-

	PREVENTION PLAN (SWPPP)				
109.10	MOBILIZATION/DEMOBILIZATION	1	LS	21,573-	21,573-
109.11	CONTRACT ALLOWANCE	1	LS	$10,000.00	$10,000,00
205	ROADWAY EXCAVATION	375	CY	15.00	5,625-
301	SUBGRADE PREPARATION	1,494	SY	3.50	5,229-
310	AGGREGATE BASE COURSE (ABC)	168	CY	90.00	15,120-
321	ASPHALT CONCRETE (AC) PAVEMENT (3")	801	SY	20.00	16,020-
350.1	REMOVE PIPE	30	LF	60.00	1,800-
350.2	REMOVE, SALVAGE AND REPLACE RIPRAP	66	CY	90.00	5,940-
505.1	BITMINOUS SURFACE FORD AND CONCRETE CUTOFF WALLS AT RD 4-1/2 SOUTH	1	EA	16,000-	16,000-
505.2	BITMINOUS SURFACE FORD AND CONCRETE CUTOFF WALLS AT GHERAL BROWNLOW DRIVE STA 48+00	1	EA	16,000-	16,000-
505.3	BITMINOUS SURFACE FORD AND CONCRETE CUTOFF WALLS AT GHERAL BROWNLOW DRIVE STA 50+75	1	EA	16,000-	16,000-
BASE BID TOTAL ($) = 143,257.00					

BASE BID TOTAL: $ 143,257.00

ONE HUNDRED FORTY-THREE THOUSAND TWO HUNDRED FIFTY-SEVEN DOLLARS
(WRITTEN IN WORDS)

BID ALTERNATE 1 BID SCHEDULE					
ITEM NO.	**DESCRIPTION OF WORK**	**QUANTITY**	**UNIT**	**UNIT PRICE ($)**	**TOTAL ($)**
105.8	CONSTRUCTION STAKING AND AS-BUILTS	1	LS	$4,500.00	$4,500.00
106	CONTROL OF MATERIALS	1	LS	5,400-	5,400-
107.15	STORMWATER POLLUTION PREVENTION PLAN (SWPPP)	1	LS	5,600-	5,600-
109.10	MOBILIZATION/DEMOBILIZATION	1	LS	21,573-	21,573-
109.11	CONTRACT ALLOWANCE	1	LS	$10,000.00	$10,000,00
205	ROADWAY EXCAVATION	453	CY	15.00	6,795-

301	SUBGRADE PREPARATION	1,494	SY	3.50	5,229-
310	AGGREGATE BASE COURSE (ABC)	168	CY	90.00	15,120-
321	ASPHALT CONCRETE (AC) PAVEMENT (3")	801	SY	20.00	16,020-
350.1	REMOVE PIPE	30	LF	60.00	1,800-
350.2	REMOVE, SALVAGE AND REPLACE RIPRAP	66	CY	90.00	5,940-
505.1	CONCRETE SURFACE FORD AND CONCRETE CUTOFF WALLS AT RD 4-1/2 SOUTH	1	EA	25,000-	25,000-
505.2	CONCRETE SURFACE FORD AND CONCRETE CUTOFF WALLS AT GHERAL BROWNLOW DRIVE STA 48+00	1	EA	25,000-	25,000-
505.3	CONCRETE SURFACE FORD AND CONCRETE CUTOFF WALLS AT GHERAL BROWNLOW DRIVE STA 50+75	1	EA	25,000-	25,000-
BID ALTERNATE 1 TOTAL ($) =	172,977.00				

BID ALTERNATE 1 TOTAL: $ 172,977.00

ONE HUNDRED SEVENTY-TWO THOUSAND NINE HUNDRED SEVENTY-SEVEN DOLLARS
(WRITTEN IN WORDS)

The award of the Contract, if it is awarded, will be to the lowest responsible bidder whose Bid complies with all the requirements herein described.

Prior to opening the Bids, the Town shall verbally announce to all bidders the Town's budget for the project.

If one or more of the bidders have a Bid Alternate 1 Bid Schedule that is at or below the budget, the bidder with the lowest Bid Alternate 1 Bid Schedule will be declared the apparent low bidder. The official tabulation of the bid results will be shown using the Bid Alternate 1 Bid Schedule.

If all Bid Alternate 1 Bid Schedules are above the budget for each submitted Bid, then the bidder with the lowest Base Bid Schedule will be declared the apparent low bidder. The official tabulation of the bid results will be shown using the Base Bid Schedule.

Bidder acknowledges receipt of the following addenda:

No._____, dated_____, 20_____

No._____, dated_____, 20_____

No._____, dated_____, 20_____

No._____, dated_____, 20_____

NAME OF BIDDER: _____

TOWN OF CHINO VALLEY
BID SCHEDULE

No.	Description	Est. Qty.	Unit	Unit Price	Extended Price	Contractor Funding Source Code
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						

Project Name: Road 1 East Low Water Crossing Improvements

No.	Description	Est. Qty.	Unit	Unit Price	Extended Price	Contractor Funding Source Code
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						

Total Bid Price (Items 1-35 Inclusive) $_____

_____

(In Numbers)

_____ Dollars

_____Cents

(In Words)

Total Bid Price (Items 1-35 Inclusive) $_____

(In Numbers)

_____ Dollars

(In Words)

_____ Cents

Town's Allowance Amount $_____

(In Numbers)

_____ Dollars_____ Cents

(In Words)

Contract Sum (total bid price plus Town's allowance) $_____
(In Numbers)

_____ Dollars_____ Cents
(In Words)

In evaluating Bids, discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum.

Bidders are required to fill in all blank spaces with an entry. Bids submitted with blank spaces may be considered "Non-Responsive".

Quantities shown in this bid schedule are approximate only, and are used for the purpose of bid comparison.

In submitting this Bid, it is understood that the right to reject any and all Bids and to waive irregularities in the Bidding has been reserved by Town.

The undersigned hereby certifies that the information submitted herewith, including any attachment is true to the best of his knowledge and belief.

Dated this 4th day of JUNE, 2018

ASPHALT PAVING & SUPPLY, INC.
Name of Bidder (Company)

2425 N. GLASSFORD HILL RD.
Address of Bidder

PRESCOTT VALLEY, AZ 86314
City, State, Zip Code

928-772-6363
Area Code/Telephone Number

928-772-7313
Fax Number

MIKE McCORMICK PRESIDENT
Authorized Officer/Title

Authorized Officer Signature

(I) (We), the undersigned (Corporate Secretary) (Partners), hereby certify that the above-named Officer is hereby authorized to execute all documents relative to this bid and the

administration of this bid for and on behalf of the Company named above.

_____ or

Corporate Secretary (signature)

GREG McCORMICK

_____

Partner Signature

_____

Partner Signature

LIST OF SUBCONTRACTORS AND SUPPLIERS
To be submitted only if requested by Town after bid opening

Provide the information requested below for those subcontractors and suppliers to whom Bidder intends to award a Subcontract greater than or equal to one percent (1%) of the Bid amount. If Bidder intends to self-perform a classification of Work for which a specialty contractor's license is required, Bidder shall nominate itself in the spaces provided for that purpose, and Bidder shall furnish Bidder's contractor's license number(s) for that classification. For each subcontractor, manufacturer, supplier, person, firm and corporation, Bidder shall enter, if available, the telephone number and required licensing information. Failure to provide this information if requested by Town will be just cause for Town to declare the Bidder's Bid non-responsive.

WORK TO BE PERFORMED	NOMINEE	CLASSIFICATION & LICENSE NUMBER	PERCENT OF BASE BID
1. QC	CMT	N/A	2%
2. ALL OTHER	ASPHALT PAVING & SUPPLY	192405 A	98%
3.			
4.			
5.			
6.			
7.			

EQUIPMENT/MATERIAL SUPPLIER – (list supplier and material or equipment to be provided)

1. N/A
2.
3.
4.
5.

Submitted by: ASPHALT PAVING & SUPPLY, INC.
(Bidder)

Project Name: Road I East Low Water Crossing Improvements

Signed By: Mike McCormick

Name and Title: MIKE McCORMICK - PRESIDENT

IMPORTANT NOTICE
YOU MUST:

1.) REPORT DISASSOCIATION OF QUALIFYING PARTY **IN WRITING** WITHIN 15 DAYS. [SEE A.R.S. § 32-1154(A)(18)]
2.) REPORT A CHANCE OF ADDRESS **IN WRITING** WITHIN 30 DAYS. [SEE A.R.S. § 32-1122(B)(1)]
3.) REPORT ANY TRANSFER OF OWNERSHIP OF 50% OR MORE IMMEDIATELY [SEE A.R.S. § 32-1151.01]
4.) REPORT ANY CHANGE IN LEGAL ENTITY, SUCH AS ANY CHANGE OF THE OWNERSHIP IN A SOLE PROPRIETORSHIP OR CHANGE OF A PARTNER IN A PARTNERSHIP OR THE CREATION OF A NEW CORPORATE ENTITY. [SEE A.R.S. § 32-1124(B)(F) § RULE R-4-9-110]

Asphalt Paving & Supply Inc

Asphalt Paving & Supply Inc
2425 N Glassford Hill Rd
Prescott Valley, AZ 86314-3503

THIS IS YOUR IDENTIFICATION CARD
DO NOT DESTROY

LICENSE EFFECTIVE THROUGH: 02/28/2018
STATE OF ARIZONA
Registrar of Contractors CERTIFIES THAT

Asphalt Paving & Supply Inc

CONTRACTORS LICENSE NO. 192404 CLASS R-2

Excavating, Grading and Oil Surfacing

THIS CARD MUST BE PRESENTED UPON DEMAND

JEFF FLEETHAM, DIRECTOR

IMPORTANT NOTICE
YOU MUST:

1.) REPORT DISASSOCIATION OF QUALIFYING PARTY **IN WRITING** WITHIN 15 DAYS. [SEE A.R.S. § 32-1154(A)(18)]
2.) REPORT A CHANGE OF ADDRESS **IN WRITING** WITHIN 30 DAYS. [SEE A.R.S. § 32-1122(B)(1)]
3.) REPORT ANY TRANSFER OF OWNERSHIP OF 50% OR MORE IMMEDIATELY [SEE A.R.S. § 32-1151.01]
4.) REPORT ANY CHANGE IN LEGAL ENTITY, SUCH AS ANY CHANGE OF THE OWNERSHIP IN A SOLE PROPRIETORSHIP OR CHANGE OF A PARTNER IN A PARTNERSHIP OR THE CREATION OF A NEW CORPORATE ENTITY. [SEE A.R.S. § 32-1124(B)(F) § RULE R-4-9-110]

Asphalt Paving & Supply Inc

2425 N Glassford Hill Rd
Prescott Valley, AZ 86314-3503

THIS IS YOUR IDENTIFICATION CARD
DO NOT DESTROY

02/29/2020
LICENSE EFFECTIVE THROUGH:
STATE OF ARIZONA
Registrar of Contractors CERTIFIES THAT

Asphalt Paving & Supply Inc

CONTRACTORS LICENSE NO. 192405 CLASS A

General Engineering

THIS CARD MUST BE PRESENTED UPON DEMAND

JEFF FLEETHAM, DIRECTOR

COPY(s) OF BIDDER'S STATE OF ARIZONA CONTRACTOR'S LICENSE(S)

Attach copy of required license(s)

BID BOND
(Surety Bond)

KNOW ALL MEN BY THESE PRESENTS:

That we, Asphalt Paving & Supply Inc., (hereinafter "Principal"), and the Western Surety Company, a corporation duly organized under the laws of the State of South Dakota, duly licensed in and holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1, (hereinafter "Surety"), as Surety, are held and firmly bound unto Town of Chino Valley, a municipal corporation as Obligee, in the sum of ten percent (10%) of the amount of the bid included in the proposal, submitted by the Principal to the Mayor and Council of Town of Chino Valley, for the Work described below, for the payment of which sum, well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, and administrators, successors and assigns, jointly and severally, firmly by these presents, and in conformance with A.R.S. § 34-201.

WHEREAS, the Principal is herewith submitting its Bid for
Road 1 East Low Water Crossing Improvements

Chino Valley, AZ Yavapai County.

NOW, THEREFORE, if Town of Chino Valley shall accept the Proposal of the Principal and the Principal shall enter into a Contract with Town of Chino Valley, in accordance with the terms of such proposal and give the Bonds and Certificates of Insurance as specified in the Specifications with good and sufficient surety for the faithful performance of the Contract and for the prompt payment of labor and material furnished in the prosecution of the Contract, or in the event of the failure of the Principal to enter into the Contract and give the Bonds and Certificates of Insurance, if the Principal pays to Town of Chino Valley the difference not to exceed the penalty of the bond between the amount specified in the Proposal and such larger amount for which Town of Chino Valley may in good faith Contract with another party to perform the Work covered by the Proposal, then this obligation is void. Otherwise it remains in full force and effect provided, however, that this Bond is executed pursuant to the provisions of Section 34-201, Arizona Revised Statutes, and all liabilities on this Bond shall be determined in accordance with the provisions of the Section to the extent as if it were copied at length herein.

This Surety Bond shall not be executed by an individual surety or sureties, even if the requirements of A.R.S. Section 7-101 are satisfied.

Signed and sealed this 4th day of June, 2018.

Principal Asphalt Paving & Supply Inc.

PRESIDENT
Title

Witness:

Western Surety Company

Surety Tony D. Becker

Witness:

Title Attorney-In-Fact

Address of Surety:

333 S. Wabash - Floor 41

Chicago, IL 60604

* Attach Power of Attorney

CORPORATE ACKNOWLEDGMENT

STATE OF ARIZONA

COUNTY OF YAVAPAI

On this 4th day of June, 2018 before me personally appeared Mike McCormick to me known, who being by me duly sworn, that he/she is the President of the **Asphalt Paving and Supply, Inc.** the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he/she signed his/her name thereto by like order.

BELINDA GIBSON
Notary Public - Arizona
Yavapai County
My Comm. Expires Dec 13, 2019

Notary Public Belinda Gibson
(Notary Seal)

ACKNOWLEDGMENT OF CORPORATE SURETY

STATE OF MINNESOTA

COUNTY OF HENNEPIN

On this 4th day of June, 2018 before me appeared Tony D. Becker to be known, who being by me duly sworn, did say that he is the aforesaid Attorney-in-Fact of the **Western Surety Company**, a corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by the aforesaid officer, by authority of its Board of Directors; and the aforesaid officer acknowledged said instrument to be the free act and deed of said corporation.

Notary Public Krista Korte
(Notary Seal)

Krista J. Korte
Notary Public
Minnesota
My Commission Expires January 31, 2020

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Mark A Gresser, Tony D Becker, David J Howard, Anita M Ficker, Carol A Weber, Jennifer L Lorang, Christina Gresser, Stacey Gohl, Jeri M Frederick, Michael B Baumann, Individually

of Bloomington, MN, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 22nd day of March, 2018.

WESTERN SURETY COMPANY

Paul T. Bruflat, Vice President

State of South Dakota
County of Minnehaha } ss

On this 22nd day of March, 2018, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires
June 23, 2021

J. MOHR
NOTARY PUBLIC
SOUTH DAKOTA

J. Mohr, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 4th day of June, 2018.

WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

Form F4280-7-2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.b.**

Meeting Date:	06/12/2018
Contact Person:	Chuck Wynn, Police Chief
	Phone: 928-636-2646 x-1258
Department:	Police
Item Type:	Consent
Estimated length of staff presentation:	None
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to rescind the contract renewal with TNT Towing, previously approved on May 22, 2018. (Chuck Wynn, Police Chief)

RECOMMENDED ACTION:

Rescind tow contract with TNT Towing.

SITUATION AND ANALYSIS:

After additional discussion with TNT Towing regarding contractual requirements, they have decided it is not economically feasible to staff their impound yard and maintain their impound yard as required by contract.

Fiscal Impact

Fiscal Impact?:	No
If Yes, Budget Code:	
Available:	
Funding Source:	

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.c.**

Meeting Date:	06/12/2018
Contact Person:	Laura Kyriakakis, Human Resources Director
	Phone: 928-636-2646 x-1204
Department:	Human Resources
Item Type:	Consent
Estimated length of staff presentation:	None
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to review and approve Arizona Municipal Risk Retention Pool Fourth Amended and Restated Membership Agreement. (Laura Kyriakakis, Human Resources Director)

RECOMMENDED ACTION:

Approve the Arizona Municipal Risk Retention Pool Fourth Amended and Restated Membership Agreement.

SITUATION AND ANALYSIS:

The Town of Chino Valley has been a member of the Arizona Risk Retention Pool (AMRRP) since August 1989. The AMRRP's Fourth Amended and Restated Membership Agreement (Membership Agreement) allows the Town to participate in the AMRRP, and it establishes the authority for entering into the joint contract to purchase insurance. Coverage is addressed by a separate Property and Liability Coverage Agreement (Appendix A) and a Workers' Compensation Coverage Agreement (Appendix B). Currently the Town of Chino Valley has Property and Liability Coverage through AMRRP.

This Membership Agreement does not contain many changes, The changes that did take place include 1) A new provision that imposes a three year waiting period after termination of coverage before a member can rejoin the AMRRP; 2) A Risk Management Program which assists the member in developing risk management policies and procedures. (Links to "Best Practices" are provided to assist in the development and review of our policies); and 3) Other changes which are administrative cleanup. The Town's attorney has reviewed the Membership Agreement and they do not have any substantive legal concerns with it.

Fiscal Impact

Fiscal Impact?:	0.00
If Yes, Budget Code:	
Available:	
Funding Source:	

Attachments

AMRRP 4th Amended and Restated Membership Agmt
Risk Management Best Practices Document and Links

ARIZONA MUNICIPAL RISK RETENTION POOL
FOURTH AMENDED AND RESTATED MEMBERSHIP AGREEMENT

1. Parties. The parties to this Fourth Amended and Restated Membership Agreement (the "**Agreement"**) are the Arizona Municipal Risk Retention Pool, an Arizona nonprofit corporation (the "**Pool**"), and Town of Chino Valley (the "**Member**"), a political subdivision of the State of Arizona.

2. Recitals. This Agreement is based upon certain understandings and in furtherance of certain objectives:

2.1. WHEREAS, A.R.S. § 11-952.01 permits two or more public agencies (as defined in A.R.S. § 11-951) to enter into contracts or agreements to purchase insurance jointly or to pool retention of such public agencies' property, liability and workers' compensation risks, and to jointly form a nonprofit corporation to carry out such purposes on behalf of the public agency members of the nonprofit corporation directly or by contract with a private party; and

2.2. WHEREAS, the Pool is administered by an administrator (the "**Administrator**") designated by the Board of Trustees of the Pool (the "**Board**"); and

2.3. WHEREAS, the Member desires to enter into this agreement to:

2.3.1 pool retention of the Member's risk for property, liability and casualty losses with that of other cities, towns or other political subdivisions of the State of Arizona that are members of the Pool and to provide for the payment of such losses or claims; and/or

2.3.2 provide for the payment of workers' compensation claims made against other cities, towns or other public agencies of the State of Arizona that are members of the Pool and to provide for the payment of such claims;

NOW, THEREFORE, the Pool and Member agree as follows:

3. Coverage and Participation.

3.1. The Pool shall offer coverages for property, liability and workers' compensation. The procedure for making claims for such losses against the Pool, the means and procedures for defending against such claims, the persons or entities to be indemnified by the Pool, the limitations and exclusions on coverage, and various other matters necessary or appropriate to the functioning of the Pool in connection with property and liability losses are more particularly described in a coverage agreement to be negotiated between the Member and the Pool and attached hereto as Appendix A, and incorporated by this reference (the "**Property and Liability Coverage Agreement**"). The effective date of the Property and Liability Coverage Agreement (the "**Property and Liability Coverage Effective Date**") shall be set forth in the Property and Liability Coverage Agreement. The procedure for making claims in connection with coverage for employees of the Member as required for a self-insured employer pursuant to A.R.S. § 23-961 (as may be amended), the means and procedures for defending

against such claims, the persons or entities to be compensated by the Pool, the limitations and exclusions on coverage, and various other matters necessary or appropriate to the functioning of the Pool are more particularly described in the coverage agreement to be negotiated between the Member and the Pool and attached hereto as Appendix B and incorporated by this reference (the "**Workers' Compensation Coverage Agreement**"). The effective date of the Workers' Compensation Coverage Agreement (the "**Workers' Compensation Coverage Effective Date**") shall be set forth in the Workers' Compensation Coverage Agreement. The Property and Liability Coverage Agreement and the Workers' Compensation Coverage Agreement shall be referred to collectively as the "**Coverage Agreements**." The Property and Liability Coverage Effective Date and the Workers' Compensation Coverage Effective Date shall be referred to collectively as the "**Coverage Effective Dates**."

3.2. The terms of this Agreement, the Property and Liability Coverage Agreement and the Workers' Compensation Coverage Agreement may be amended by majority vote of the Board, provided that any amendment to this Agreement, the Property and Liability Coverage Agreement and the Workers' Compensation Coverage Agreement shall become effective upon a date designated by the Board after first giving the Member at least thirty (30) days' prior written notice thereof. Notwithstanding the foregoing, the Board may, without prior notice to the Member, amend the Property and Liability Coverage Agreement and the Workers' Compensation Coverage Agreement if the amendment does not decrease or materially change the insurance coverage available to the Member including, but not limited to, incidental or grammatical amendments that do not decrease insurance coverage available to the Member.

4. Term and Renewal. Insurance coverage under this Agreement shall be effective as set forth in each Coverage Agreement and shall be automatically renewed (for each Coverage Agreement) unless terminated pursuant to Section 5 of this Agreement.

5. Termination of Agreement.

5.1. With Cause. The Board may at any time during the term of this Agreement or any extensions thereof suspend or terminate coverage for (i) nonpayment of the Membership Fees or any other breach by the Member of the terms of this Agreement; or (ii) the failure to satisfy underwriting requirements established by the Pool. In such case, coverage shall be suspended or terminated, and membership shall be terminated pursuant to Section 8 of this Agreement.

5.2. Without Cause. Insurance coverage under this Agreement may be terminated by the Pool or the Member by written notice of termination given at least ninety (90) days prior to the anniversary of the Property and Liability Coverage Effective Date (in the case of the Property and Liability Coverage Agreement) or at least ninety (90) days prior to the anniversary of the Workers' Compensation Coverage Effective Date (in the case of the Workers' Compensation Coverage Agreement). For example, if the Member has entered into both a Property and Liability Coverage Agreement and a Workers' Compensation Coverage Agreement, coverage under either Coverage Agreement may be terminated by either party without cause by written notice of termination given at least ninety (90) days prior to the anniversary of the applicable Coverage Effective Date. Terminating coverage under one Coverage Agreement without cause pursuant to this Section 5.2 does not necessarily terminate

coverage under the other Coverage Agreement. The Board may in its sole and absolute discretion, and only in the event of extraordinary circumstances demonstrated by the Member, grant the Member a thirty (30) day extension of coverage under the Property and Liability Coverage Agreement or the Workers' Compensation Coverage Agreement on such renewal terms and conditions that are submitted to the Member by the Administrator for the next succeeding renewal year, prorated by the Administrator for the thirty (30) day extension period. Any extension granted pursuant to this Section 5.2 shall not change the Coverage Effective Date for the applicable Coverage Agreement or the term of this Agreement and any renewals thereof.

5.3. Termination of Coverage. This Agreement shall terminate and the Member shall cease being a member of the Pool upon the termination of all coverage under the Coverage Agreements. Upon such termination, the terminated Member may not apply to rejoin the Pool for a period of three (3) years after the date of termination.

5.4. Distribution of Assets On Termination. In the event the Member shall terminate this Agreement for any reason, or in the event the Board shall terminate this Agreement pursuant to Section 5.1 and Section 8 of this Agreement, the Member shall thereupon forfeit any and all rights to the return of any surplus, unearned contributions, or other legally permitted distributions from the Pool.

5.5. Effect of Termination. Notwithstanding the termination of this Agreement, following the date of termination a Member shall (i) cooperate fully with the Administrator in connection with the resolution of covered claims; and (ii) cooperate and assist the Administrator and any claims adjuster or legal counsel retained by the Pool.

6. Termination of the Pool. Notwithstanding any other provision hereof, the Pool may be terminated at such time as the Board determines (by a vote of at least two-thirds of the number of Board members then serving on the Board at a duly called meeting of the Board at which a quorum is present) that the number of members of the Pool or the size of the Pool is too small to provide coverage against the risks specified in the Property and Liability Coverage Agreement and the Workers' Compensation Coverage Agreement. Any termination pursuant to this Section 6 shall not be effective until the Board shall have given each member of the Pool at least twelve (12) months' written notice.

7. Membership Fees. The Property and Liability Coverage Agreement and the Workers' Compensation Coverage Agreement shall each set forth the fees for the coverages selected by the Member (collectively, the "**Membership Fees**"). The Membership Fees shall be based on sound underwriting criteria as recommended by the Pool's actuary and the Administrator. The Member agrees to furnish the Administrator all available data regarding exposures and loss experience of the Member necessary to calculate Membership Fees. The Member shall pay its total Membership Fees to the Pool in cash pursuant to a payment plan established by the Board.

8. Suspension. In the event the Member (i) fails to pay its Membership Fees as specified herein; (ii) fails to comply with any of the other terms of this Agreement; or (iii) fails to satisfy underwriting requirements established by the Pool, the Board may, if such failure is not cured after ten (10) days' written notice, terminate the Member's coverage under the applicable

Coverage Agreement. The date of such termination shall be referred to as the "**Coverage Termination Date**." Notwithstanding such termination of coverage, the Member shall retain its rights to the return of any surplus or other distributions from or assets of the Pool for a ninety (90) day period (the "**Ninety Day Reinstatement Period**") following such notice by the Pool. To retain this right, the Member must notify the Pool in writing during the Ninety Day Reinstatement Period of the Member's election (the "**Reinstatement Election**") to reinstate coverage by delivering to the Pool a payment in an amount equal to any outstanding Membership Fees and otherwise curing the failure giving rise to the termination of coverage. Upon the Pool's receipt of such payment and evidence documenting that the Member has cured the failure giving rise to the termination of coverage, together with such underwriting data and other information as the Pool may reasonably request, and provided that the Administrator determines (in the exercise of the Administrator's sole and absolute discretion) that the reinstatement of coverage is appropriate based on sound business judgment, loss control and underwriting criteria, and loss experience during the Ninety Day Reinstatement Period (or applicable portion thereof), coverage under the applicable Coverage Agreement will be reinstated, effective as of the Coverage Termination Date. If the Member fails to provide the Pool the Reinstatement Election (together with such documentation, data and other information as required pursuant to this Section 8) during the Ninety Day Reinstatement Period, or if the Member provides the Reinstatement Election (together with such documentation, data and other information as required pursuant to this Section 8) during the Ninety Day Reinstatement Period and the Member's coverage reinstatement is denied pursuant to this Section 8, upon the expiration of the Ninety Day Reinstatement Period, and if the Member no longer has coverage under both Coverage Agreements, the Member shall cease to be a member of the Pool and shall lose all rights as a member of the Pool including (without limitation) the right to return of any surplus or other distributions from or assets of the Pool and coverage under any Coverage Agreement. In the event of such termination, the Member shall be relieved of any liability for ordinary Membership Fees under Section 7 for fiscal years after the year of the Member's termination. The Member's liability for additional assessments shall continue to the extent provided in Section 9 below.

9. Assessment. The Member shall be subject to assessment pursuant to A.R.S. § 11-952.01(M), as may be amended, and the terms of such statute are incorporated by reference. The amount of such assessment may not exceed the amount of the Member's annual Membership Fees to the Pool for the year in which the assessment is made or (if the Member has withdrawn from the Pool) for the last year that the Member was a member of the Pool. The amount of each assessment and a description of the manner of calculating the same shall be provided to the Member in writing (the "**Assessment Notice**"), and the Member shall pay such assessment pursuant to the terms and conditions of the Assessment Notice. The Member shall remain liable for assessments for liabilities of the Pool incurred during the Member's period of membership in the Pool, notwithstanding the Member's withdrawal from participation in the Pool or the termination of this Agreement.

10. Inspection and Audit. The Administrator or any other designee of the Pool shall be permitted, but shall not be obligated, to inspect the Member's properties and operations at any time. Neither the Administrator's right nor any such designee's right to make inspections nor the making thereof shall constitute an undertaking on behalf of or for the benefit of the Member or others to determine or warrant that such properties or operations are safe or are in compliance with any law or rule.

10.1. The Administrator or any other designee of the Pool may examine and audit the Member's financial and administrative records that relate to the subject matter of this Agreement at any time during the period of this Agreement is in effect and within five (5) years after the termination of this Agreement.

10.2. The Pool shall be audited annually at the expense of the Pool by a certified public accountant, and a copy of the report shall be submitted to the Board, the Member, and the Arizona Department of Insurance. The Board shall obtain an appropriate actuarial evaluation of the claim reserves of the Pool including, an estimate of the incurred but not reported claims and shall maintain claim reserves equal to known incurred losses and an estimate of incurred but not reported claims, as determined by the Board.

11. Risk Management. The Member shall maintain a program of risk management in substantial conformance with the Risk Management Program for Members, a copy of which is attached hereto as Appendix C and incorporated by this reference (the "**Risk Management Program** "). The Member acknowledges, understands and agrees (i) that the Risk Management Program is simply recommendations concerning the minimum standards that should be adopted by each member of the Pool, (ii) that to be effective, a risk management program must be tailored to the specific requirements of each member of the Pool, (iii) that the Pool makes no representation or warranty that the Risk Management Program is sufficient or adequate to meet the specific requirements of the Member, and (iv) that it is the Member's sole responsibility to modify the Risk Management Program to meet the specific requirements of the Member.

12. Subrogation. In the event a recovery is obtained against a third party pursuant to the right of subrogation set forth in the Property and Liability Coverage Agreement and the Workers' Compensation Coverage Agreement, such recovery shall first be applied to the costs of recovery, and the balance, if any, shall be apportioned between the Pool and the Member in proportion to their respective losses from the occurrence giving rise to such recovery.

13. Conformity with Law. In the event any term or provision of this Agreement shall be in conflict with the laws and statutes of the State of Arizona as they now exist or are hereafter amended, this Agreement shall be automatically deemed amended to conform to such laws and statutes.

14. Authorized Representatives; Prompt Reply. The Pool and the Member shall each designate a representative authorized to act on each of the respective parties' behalf in all matters pertaining to this Agreement.

For the Pool:

Name

Program Administrator

Title

14902 North 73rd Street

Address

Scottsdale, AZ 85260

City, State, Zip Code

480-368-6618

Telephone

ebantel@berkleyrisk.com

Email Address

For the Member:

Laura Kyriakakis

Name

Human Resources Director

Title

1020 Palamino Road

Address

Chino Valley AZ 86323

City State Zip Code

928-636-2646

Telephone

humanresources@chinoaz.net

Email Address

Such representatives and/or addresses may be changed by either party from time to time by written or electronic notice to the other. The Member (through its Authorized Representative listed above) shall reply promptly to all correspondence or inquiries from the Pool.

15. Prior Acts of Parties. All covenants, promises, agreements, conditions and understandings between the Pool and the Member, and any other acts of the parties undertaken pursuant to A.R.S. § 11-952.01 are superseded by and merge into this Agreement, and this Agreement and any Appendices hereto set forth all covenants, promises, agreements, conditions and understandings between the Pool and the Member as of the date hereof. There are no covenants, promises, agreements, conditions or understandings either oral or written between the Pool and the Member other than set forth herein and in the Appendices hereto.

16. Liability. The Pool, the Board and the Administrator shall have no obligation to pay or defend claims except from the funds in the Pool, and no liability pursuant to this Agreement and any Appendix hereto except to disburse funds in the Pool in accordance with the terms of this Agreement. In the event that after collecting all assessments or Membership Fees from the members of the Pool as provided for herein, there are insufficient funds in the Pool to pay the expenses and to discharge the obligations of the Pool, neither the Pool, the Board nor the Administrator shall have any further obligation to defend or pay claims.

16.1. No member of the Pool has any liability for claims brought by third parties against any other member of the Pool, other than the obligation to contribute certain funds to the Pool as expressly required by this Agreement. The liability for any claim against the Member shall remain the sole and exclusive liability of the Member. The obligation of the Pool is to indemnify the Member against such liability as required by the Property and Liability Coverage Agreement and the Workers' Compensation Coverage Agreement, and only to the extent there are funds in the Pool for such indemnification.

16.2. The Member is not relieved of its liability incurred during the Member's period of membership in the Pool except through the payment of losses by the Pool (as required by the Property and Liability Coverage Agreement and the Workers' Compensation Coverage Agreement) or by the Member.

17. Invalidity of a Term. The parties agree that in the event any term, covenant or condition herein contained should be held to be invalid or void by a court of competent jurisdiction, the invalidity of any term, covenant or condition shall in no way affect any other term, covenant or condition of this Agreement.

18. Prohibition Against Discrimination. In the event that it applies, the parties agree to comply with the Arizona Governor's Executive Order No. 75-5, entitled "Prohibition of Discrimination in State Contracts - Non-Discrimination in Employment by Government Contractors and Subcontractors," and any subsequent similar Executive Order.

19. Governing Law And Venue. This Agreement shall be construed under the laws of the State of Arizona. Any action arising out of this Agreement, whether for the enforcement thereof or otherwise, shall be brought in Maricopa County.

20. Counterparts. This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each of such counterparts shall be deemed an original hereof.

21. Conflict of Interest and Israel Provision. The parties acknowledge that this Agreement is subject to cancellation pursuant to A.R.S. 38-511, the provisions of which are incorporated herein. The Parties agree that they are not currently engaged in and agree that for the duration of the Agreement they will not engage in, a boycott of Israel, as that term is defined in A.R.S. §35- 393.

22. In addition to Appendices A, B and C previously referred to herein, the following Appendices are attached hereto and incorporated by this reference as if set forth in full, and such Appendices are subject to amendment pursuant to each of their respective terms:

Appendix D – Bylaws of the Pool

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this ____ day of _____, 20__.

POOL:

ARIZONA MUNICIPAL RISK RETENTION POOL, an Arizona nonprofit corporation

By:_____
Its: Program Administrator

THE MEMBER:

By:_____
Its:_____

ARIZONA MUNICIPAL RISK RETENTION POOL
Risk Management Program Agreement

Introduction

The Arizona Municipal Risk Retention Pool (AMRRP) since its inception has placed the safety of employees, the public and the protection of property as our top priority. In keeping with the AMRRP commitment to safety, the guidelines presented in this document are designed to provide municipalities with a framework for the development and maintenance of an effective risk management program.

Establishment of Risk Management Contact or Committee

An employee or an employee committee shall be designated to act as a risk management Coordinator, to represent the Member in matters associated with the Pool, including the implementation of risk management programs.

AMRRP Safety Committee Best Practice

Establishment of Risk management Guidelines

- The Member shall develop and maintain appropriate risk management policies and procedures in areas of Employment, Police, Fire, Streets and Roads, Park and Recreation, and all other areas of liability and property exposures applicable to each member.

- For Workers' Compensation the member shall identify a health care provider to send all employees for the first visit.

- The member shall develop a light-duty return-to-work program to reduce lost time claims.

- The Member shall review its risk management program with the Administrator on an annual basis and make appropriate changes to improve the overall effectiveness of the program

AMRRP Safety Program Evaluation Best Practice

- The Member shall establish a safety and risk management education and training program with emphasis on safe methods and procedures to follow while performing tasks where accidents have occurred, or where there is a potential for accidents.

- Members are strongly urged to and participate in non-required training programs sponsored and/or recommended by the Administrator. Participation in other special training appropriate for the members' exposures and claim activity is also highly encouraged.

AMRRP Safety Training Best Practice

- The Member and Administrator shall meet on an annual basis, or as needed, for a safety inspection. A report will be provided by the Administrator to the member and corrections should be made in a timely manner.

- The Member shall establish their own internal procedures for routine safety inspections of vehicles, buildings, grounds, equipment, machinery and work practices.

AMRRP Safety Inspection Best Practice

The Member and the Administrator shall meet on an annual, or as needed, basis to review Worker's Compensation and Property and Casualty losses. The purpose of these meetings is to:

- Establish procedures to investigate claims and incidents to determine the root cause.
- Establish procedures or develop training to eliminate or reduce the claims.
- Establish procedures for reporting incidents and claims and provide proper maintenance of records.

AMRRP Accident Investigation Best Practice

Establish appropriate motor fleet safety procedures for the operation of Municipal motor vehicles (owned and non-owned).

AMRRP Defensive Driving Best Practice

AMRRP Distracted Driver Policy Best Practice

AMRRP 15-Passenger Van Best Practice

Member Risk Management Program Audit

In order to evaluate the effectiveness of the member's risk management plan, the Administrator shall conduct a site inspection of each member and prepare loss runs for review. The site inspection shall take place with such frequency as the Administrator deems necessary, but in no case less often than annually. The site inspection shall include but is not limited to, a review of the member's progress towards the fulfillment of the provisions of this agreement and its effectiveness in controlling losses. The findings shall be used to enhance or improve the overall success of the member's risk management program. Following a site inspection the Administrator shall submit a written report to each member along with any recommendations.

Disclaimer

1. It is the sole responsibility of the Member to modify the risk management standards set forth in this Appendix to meet its specific requirements.

2. Neither the Pool nor any of its officers, directors, or representatives, makes any representation or warranty that the risk management requirements or provisions set forth in this Appendix are sufficient or adequate to meet the specific needs of the Member.

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.d.**

Meeting Date:	06/12/2018
Contact Person:	Jami Lewis, Town Clerk
	Phone: 928-636-2646 x-1208
Department:	Town Clerk
Item Type:	Consent
Estimated length of staff presentation:	None
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve the Intergovernmental Agreement for Election Services between the Yavapai County Board of Supervisors, Yavapai County Recorder, and the Town of Chino Valley for utilizing County election services, effective July 18, 2018 and remaining in effect until terminated. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Approve the Intergovernmental Agreement for Election Services between the Yavapai County Board of Supervisors, Yavapai County Recorder, and the Town of Chino Valley for utilizing County election services, effective July 18, 2018 and remaining in effect until terminated.

SITUATION AND ANALYSIS:

Most municipalities in Arizona contract with their respective counties for certain election services. Only a few of the largest cities find that wholly conducting their own elections are cost-effective. The Town has contracted with the County for elections services for many years. The last IGA was entered into in 2014 and periodic updates are routine as state law and county policies change.

On May 31, Yavapai County informed the Town that they are terminating the current election services IGA with the Town, as it needed updating per newly required legal language and county policy. They have asked for the Town to approve the new IGA prior to June 30, as the Board of Supervisors will be approving the new IGAs on July 18. The Town has the option to enter into the modified agreement or decline County services. As the long-standing arrangement with the county has been successful over the years, staff recommends entering into the new agreement. A list of the services the County provides is in Exhibit 1 of the IGA, and Town obligations are in Exhibits 1 and 2.

Fiscal Impact

Fiscal Impact?: Yes

If Yes, Budget Code: 01-42-5285

Available:

Funding Source:

Fiscal impact occurs only during a Town election. Funds are budgeted in the Town Clerks budget.

Attachments

IGA Termination Notice

Intergovernmental Agreement

Yavapai County
Department of Elections
1015 Fair Street-Room 228
Prescott, Arizona 86305
Phone: (928) 771-3250
web.elections@yavapai.us

Lynn A. Constabile
Elections Director

May 30, 2018

Town of Chino Valley
Attn: Jami Lewis, Town Clerk
Via email to jlewis@chinoaz.net

Dear Jami Lewis,

This letter is to notify you that Yavapai County has modified the Intergovernmental Agreement for Election Services. Enclosed is the new Election Services Agreement, which updates all necessary legal language and expands your ability to apply for a discounted election services rate.

This letter further serves to notify you that your existing contract is terminated in accordance with section 8a of the current agreement.

If you wish to have your elections conducted by Yavapai County Elections & Voter Registration, please return the attached Agreement to my office no later than June 30, 2018. These new agreements need to be approved and signed by the Yavapai County Board of Supervisors at their July 18, 2018, meeting in order to be in effect for the upcoming Primary Election in August.

This will be the only opportunity for your jurisdiction to enter into an agreement for election services with Yavapai County for the 2018–2019 election cycle. We will not consider election agreements again until the 2020 election cycle.

If you choose to decline our services, please email web.elections@yavapai.us by June 30, 2018.

Sincerely,

Lynn A. Constabile

Lynn A. Constabile
Elections Director

LAC/lkb

Enclosures
Intergovernmental Agreement for Election Services

THIS INTERGOVERNMENTAL AGREEMENT FOR ELECTION SERVICES (this "Agreement") is entered into by and between the YAVAPAI COUNTY BOARD OF SUPERVISORS and the YAVAPAI COUNTY RECORDER (collectively the "COUNTY") and Town of Chino Valley, Arizona, a municipal corporation, (the "JURISDICTION"). The COUNTY and the JURISDICTION may each be referred to individually as a "Party" or "party" and collectively as the "Parties or "parties."

WHEREAS, pursuant to A.R.S. §§11-952, 15-302(A)(7) and (A)(8), 16-205(C), 16-225, or 16-408(D), the governing body of any election district authorized to conduct an election may enter into an agreement with a County Board of Supervisors and County Recorder for election services with the contracted cost of such election to be a charge against the election district; and

WHEREAS, the COUNTY is willing to provide election services to election districts wishing to conduct vote-by-mail elections, but, with the exception of state primary and general elections, will not provide election services to districts wishing to conduct vote center elections unless a vote center election is expressly required by state or federal statute; and

WHEREAS, the JURISDICTION wishes to enter into an agreement with the COUNTY for the provision of elections services subject to the terms and conditions set forth herein,

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Provision of Election Services**. The COUNTY hereby agrees to provide election services to the JURISDICTION for all consolidated election dates set forth by A.R.S. §16-204 during the effective term of this Agreement. This Agreement shall apply to all categories of elections including, but not limited to, primary, general, and special elections. Services to be provided by the COUNTY, and those that remain the responsibility of the JURISDICTION, are set forth in the Elections Task Schedule attached to this Agreement as Exhibit 1.

2. **Limitation on Eligible Elections.** It is understood and agreed that the services to be provided pursuant to this Agreement shall be provided exclusively for vote-by-mail elections with the exception of state primary and general elections and elections expressly required by state or federal statute to be conducted at vote centers. It shall be the responsibility of the JURISDICTION to establish the legal basis for a requirement that an election is required by state or federal statute to be conducted at vote centers. The COUNTY may, in its sole discretion, decline to provide services for any election that it concludes is not required to be conducted at vote centers. The COUNTY will not provide services for exclusively vote-by-mail elections during the state primary and general elections, or any special election called by the legislature, which requires vote centers.

3. **Cancellation of certain elections.** As provided in A.R.S. §16-410, if the number of candidates is less than or equal to the number to be elected, the Yavapai County Board of Supervisors may cancel the election for the position and appoint the person(s) who filed the nominating petition/paper to fill the position(s). The COUNTY shall place all such races on a Yavapai County Board of Supervisors agenda for approval of cancellation unless written notice is received by the County Officer in Charge of Elections on or before 90 days before the election.

4. **Compensation.**

   a. **Fees.** The JURISDICTION shall compensate the COUNTY for election services provided pursuant to this Agreement in accordance with the fees set forth in the most current fiscal year Election/Voter Registration section of the Yavapai County Special Districts Fee Schedule (the "fee schedule") posted online at www.yavapai.us/sd/. The fee schedule is for base services only. Any additional services required by the JURISDICTION will result in additional charges. Additional services include, but are not limited to, the following: court preparation, court appearances, supplemental mailings, recounts, or any service which will cause the COUNTY to incur increased costs or expenses. In the event that additional services are requested, the JURISDICTION should refer to unit and hourly pricing information as set forth on the fee schedule. The COUNTY reserves the right to adjust election service fees annually or otherwise at any time during the effective term of this Agreement notice of which will be posted on the COUNTY's website. Revised fee schedules will supersede prior fee schedules and be incorporated into this Agreement at the time of revision.

   b. **Late Fees**. Payment in full for all costs associated with the provision of services pursuant to this Agreement shall be made no later than 30 days following the date of the election. In the event that the required payment is not made by the due date deadline specified herein, the COUNTY shall impose a late charge of 2% of the unpaid balance for each 30-day period or portion thereof following the specified deadline for which any portion of the required payment, including unpaid late charges, remains unpaid.

   c. **Termination**. Failure to make payments as required by this Section shall be deemed a material breach of this Agreement and shall be grounds for termination of this Agreement pursuant to Section 8 of this Agreement.

5. **Discounts.** The COUNTY has established a discounted fee rate for JURISDICTIONS that provide assistance, meeting sites free of charge or rent, or other services for COUNTY-administered elections.

   ☐ The JURISDICTION has elected to decline to receive discounted rates.

   ☑ The JURISDICTION has elected to receive these discounted rates subject to the terms and conditions set forth herein and will provide the service indicated below.

   a. **Services the JURISDICTION Will Provide.** The JURISDICTION and the COUNTY agree that the following two checked services will be provided by the JURISDICTION as consideration for the COUNTY's provision of election services at the discounted rates as set forth in the Special Districts Fee Schedule posted online at www.yavapai.us/sd.

JURISDICTION will provide (check 2)	**Services**
☑	The JURISDICTION agrees to serve as a ballot drop-off site for any election that the COUNTY requests. In order to provide this service, it must be mutually agreed that the JURISDICTION currently has or could potentially have an outside ballot drop box on its property as supplied by the COUNTY. By checking this box, the JURISDICTION agrees to all duties as outlined in Exhibit 2.
☑	The JURISDICTION agrees to provide one vote center or training site at no charge for any statewide or countywide election cycle. Vote centers and training sites are subject to review by the COUNTY.
☐	The JURISDICTION agrees to provide a second vote center or training site at no charge for any statewide or countywide election cycle. Vote centers and training sites are subject to review by the COUNTY.
☐	The JURISDICTION agrees to provide three poll workers for the Primary Election and three poll workers for the General election. A poll worker must be a registered voter in Yavapai County and be able to perform any of the following duties: voter check-in, ballot distribution, voter assistance, equipment setup, and/or poll worker supervision. Such workers will be trusted employees of the JURISDICTION who are eligible to serve as poll workers. Poll workers will receive from the COUNTY the normal compensation for the position worked.
☐	The JURISDICTION agrees to provide one Election Day Technician (EDT) for the Primary Election and one EDT for the General Election. An EDT must be a registered voter in Yavapai County and be able to provide information technology support to poll workers. Such workers will be trusted employees of the JURISDICTION who are eligible to serve as EDTs. EDTs will receive from the COUNTY the normal compensation for the position worked.

b. Advance Notice. The COUNTY hereby agrees to provide the JURISDICTION with at least 30 days notice of any election where the services agreed to above are required.

c. Discounted Fee Rates; Adjustment of Fees. The COUNTY hereby agrees to provide election services to the JURISDICTION at the discounted fee rate for all consolidated election dates during the effective term of this Agreement. This Agreement shall apply to all categories of elections including, but not limited to primaries, generals, and special elections. The COUNTY reserves the right to adjust election service fees and discounts annually or otherwise at any time during the effective term of this Agreement notice of which will be posted on the COUNTY's website. Revised schedules will supersede prior schedules and be incorporated into the Election Services Agreement in effect at the time of revision. Failure by the JURISDICTION to provide the agreed-upon services selected under this Agreement shall result in the discounted fee rate being null and void.

6. **Conduct of Elections.** While the COUNTY will use its best efforts to provide election services pursuant to this Agreement in a capable and competent manner, it shall ultimately be the responsibility of the JURISDICTION to confirm that all legal requirements have been met and that all other activities related to a given election are carried out as required. Upon request, the COUNTY will provide to the JURISDICTION, in advance, all forms, schedules, documents, and other information pertaining to each election conducted pursuant to this Agreement for the JURISDICTION's review and approval. The JURISDICTION may provide to the COUNTY all informational materials or other election-related documents generated by the JURISDICTION for review by the COUNTY prior to the distribution of such materials or documents.

7. **Term of Agreement.** The initial term of this Agreement shall expire on December 31, 2019. Thereafter, this Agreement shall be automatically renewed for successive one-year terms and shall continue in full force and effect until terminated as provided herein.

8. **Termination**

   a. **Unilateral Termination**. This Agreement may be terminated by either Party upon 30 days written notice to the other Party of intent to terminate and specifying the termination date, provided, however, that this Agreement may not be unilaterally terminated by either party within 90 days of the date of an election for which the COUNTY would otherwise be providing services pursuant to this Agreement. Any termination of this Agreement shall not relieve the JURISDICTION of its responsibility for costs incurred prior to the effective date of the termination.

   b. **Termination by Mutual Agreement**. This Agreement may be terminated at any time by mutual agreement of the Parties.

   c. **Termination for Breach.** In the event of a breach of any term or condition of this agreement, the Party claiming breach shall provide written notice to the other Party specifying the factual basis for the claim that a breach has occurred. If the breach is not remedied within fifteen (15) days after notice is mailed to the Breaching Party at the address provided herein, the Non-breaching Party may terminate this Agreement without further notice.

9. **Conflict of Interest.** This Agreement is subject to the cancellation provisions of A.R.S. §38-511, the pertinent provisions of which are incorporated into this Agreement by reference.

10. **Non-appropriation of Funds.** The parties recognize and acknowledge that the COUNTY and the JURISDICTION are governmental entities and this Agreement's validity is based upon the availability of public funding. In the event public funds are not appropriated for the performance of either or both parties' obligations under this Agreement, then the COUNTY or the JURISDICTION, as appropriate, shall notify the other party in writing of any such non-allocation of funds at the earliest possible date, and this Agreement shall automatically expire without penalty to either party. If the COUNTY's or the JURISDICTION's allocation of funds are reduced, then the scope of this Agreement may be reduced, if appropriate, or this Agreement may be cancelled without further duty or obligation.

11. **Non-Discrimination.** The Parties shall comply with the Office of the Arizona Governor Executive Order 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules and regulations, including the Americans with Disabilities Act. The Parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin, or disability.

12. **E-Verify; Government Procurement.** The Parties hereby warrant that they will, at all times during the term of this Agreement, comply with all federal immigration laws applicable to the employment of their respective employees and with the requirements of A.R.S. §§ 23-214 and 41-4401 (together the "state and federal immigration laws"). A breach of the foregoing warranty shall be deemed a material breach of this Agreement and the party who breaches may be subject to penalties up to and including termination of this Agreement.

    The Parties further agree to ensure that each subcontractor that performs any work under this Agreement likewise complies with the state and federal immigration laws at all times during the term of this Agreement.

    The Parties retain the legal right to inspect the papers of any contractor or subcontractor in order to verify such party's compliance with the state and federal immigration laws.

13. **Workers' Compensation.** For purposes of workers' compensation, an employee of a party to this Agreement, who works under the jurisdiction or control of, or who works within the jurisdictional boundaries of another party pursuant to this specific intergovernmental agreement, is deemed to be an employee of both the party who is his primary employer and the party under whose jurisdiction or control or within whose jurisdictional boundaries he is then working, as provided in A.R.S. §23-1022(D). The primary employer party of such employee shall be solely liable for payment of workers' compensation benefits for the purposes of this section. Each party herein shall comply with the provisions of A.R.S. §23-1022(E) by posting the public notice required.

14. **Indemnification.** To the fullest extent permitted by law, each Party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other Party, its departments, officers, officials, agents, and employees (collectively "Indemnitee") without limitation from and against any and all claims, damages, losses, liabilities, fees, fines, costs, or expenses (including, but not limited to, attorney fees, court costs, and cost of appellate proceedings) relating to, arising from, resulting from or alleged to have arisen from or resulted from this Agreement. Indemnitor's duty to defend, indemnify, and hold harmless Indemnitee shall arise in connection with any and all claims, damages, losses, liabilities, fees, fines, or expenses, that are attributable to bodily injury, personal injury, sickness, disease, death, or damage to, or destruction of tangible or intangible property including the loss of use therefrom caused in whole or in part by any act, error, mistake or omission of Indemnitor, its departments, officers, officials, employees, agents, vendors, subcontractors or anyone for whose acts Indemnitor may be liable. Indemnitor agrees to waive all rights of subrogation against Indemnitee. The obligations under this Paragraph shall survive the termination of this Agreement.

15. **Property Disposition Clause.** The parties do not anticipate the joint acquisition of property attributable to the exercise of each party's duties and obligations pursuant to this Agreement. Any property acquired during the term of this Agreement shall be returned to the purchasing party no more than thirty (30) calendar days from the effective date of termination of this Agreement.

16. **Insurance**. The parties shall maintain appropriate insurance. Certificates of Insurance shall be provided to a party upon request.

17. **Governing Law**. This Agreement shall in all respects be interpreted and construed in accordance with and governed by the laws of the State of Arizona. Any changes in governing laws, rules, and regulations that do not materially affect this Agreement will apply during the term of this Agreement and will not require an amendment.

18. **Material Change in Law or Regulation.** In the event of adoption of legislation, regulations, or instructions or the initiation of an enforcement action by a governmental agency, any of which materially affects the legality of this Agreement or the relationship among the parties hereto, either party may propose amendments to this Agreement to bring this Agreement into conformity with such laws. If the parties are unable to reach agreement on the renegotiation of this Agreement within thirty (30) days of the initiation of negotiations, then either party may terminate this Agreement upon written notice to the other party.

19. **Compliance with Law.** The parties shall comply with all applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities in performing this Agreement, including environmental laws.

20. **Alternative Dispute Resolution.** Pursuant to A.R.S. § 12-1518, disputes under this Agreement may be resolved through the use of arbitration.

21. **Waiver of Jury Trial**. The parties hereby waive their respective rights to trial by jury in any action or proceeding arising out of this Agreement.

22. **Notices/Contact Information.** Communications regarding services provided pursuant to this Agreement shall be directed to the following:

COUNTY:

Lynn Constabile

Yavapai County Elections Director

1015 Fair Street, Room 228

Prescott, AZ 86305

Phone: (928) 771-3250

E-mail: web.elections@yavapai.us

JURISDICTION:

Contact: Jami C. Lewis

Title: Town Clerk

Mailing Address: 202 N. State Route 89

Chino Valley, AZ 86323

Phone: (928) 636-2646, ext. 1208

E-mail: jlewis@chinoaz.net

All notices under this Agreement must be in writing and sent to the appropriate person. Notices will be deemed properly given if sent by personal delivery or certified U.S. mail, postage prepaid, return receipt requested. The COUNTY and the JURISDICTION shall each have right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other Party. Notice is effective on the date of actual receipt or three days after the date of mailing, whichever is earlier.

23. **Implied Contract Terms.** Each provision of law and any terms required by law to be in this Agreement are a part of this Agreement as if fully stated herein.

24. **Relationship of Parties.** Nothing contained in this Agreement shall be deemed or construed as creating a joint venture, partnership, agency, employment or fiduciary relationship between the parties. The Parties' employees shall not be considered employees of the other Party, and neither Party's personnel will, by virtue of this Agreement, be entitled or eligible, by reason of this Agreement, to participate in any benefits or privileges given or extended by the other Party to its employees.

25. **Third Parties.** Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against the COUNTY or the JURISDICTION. This Agreement is not intended to benefit any third party.

26. **Assignment.** No party to this Agreement may assign any of its rights or responsibilities under this Agreement, either voluntarily or involuntarily, whether by merger, consolidation, dissolution, operation of law, or any other manner, except with the prior written consent of the other parties. No party may delegate any performance under this Agreement, except with the prior written consent of the other parties. Any purported assignment of rights or delegation of performance in violation of this paragraph is void.

27. **Severability/Unenforceable Provisions.** In the event that any of the provisions of this Agreement are held to be unenforceable or invalid, the validity and enforceability of the remaining provisions shall not be affected and effect shall be given to the intent manifested by the provisions held enforceable and valid. If any of the provisions of this Agreement are inapplicable to a person or circumstance, the same provisions shall remain applicable to all other persons and circumstances.

28. **Parol Evidence.** This Agreement is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this Agreement.

29. **Waiver.** A party's failure or neglect to enforce any term, covenant, condition, right, or duty in this Agreement does not constitute a waiver of any term, covenant condition, right, or duty, nor is it deemed to be a waiver of that party's rights or remedies under this Agreement. A waiver or extension is only effective if it is in writing and signed by the party granting it. No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy. One or more waivers by a party of any term, covenant, condition, right, or duty in this Agreement shall not be construed as a waiver of a subsequent default or breach of the same covenant, term, condition, right, or duty.

30. **Headings and Construction of Agreement.** In construing this Agreement, all headings and titles are for the convenience of the parties and for organizational purposes only and shall not be considered in interpreting the meaning of any provision in this Agreement or considered a part of this Agreement. Whenever required by the context, each number shall include the plural, each gender shall include all genders, and unless the context otherwise requires, the word "person" shall include corporation, firm or association. This Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.
31. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto. Each of the Parties may sign any number of copies of this Agreement. Each signed copy shall be deemed to be an original, but all of them together shall represent one and the same agreement.
32. **Entire Agreement.** This Agreement contains the entire, integrated agreement of the parties and there are no oral agreements, understandings, or representations relied upon by the parties. This Agreement supersedes all prior negotiations, representations, or agreements, whether written or oral. Any modifications or amendments to this Agreement must be in writing and signed by all parties.
33. **Legal Agreement.** This Agreement is an important, binding legal document, and each Party warrants it has had an opportunity to consult with an attorney about the terms set forth herein. By signing this Agreement, each person signing this Agreement represents and warrants that he or she is duly authorized and has the legal capacity to execute this Agreement and understands the meaning of all terms contained herein and agrees to their application and enforceability.
34. **Binding Effect.** This Agreement shall not be legally binding upon either party until signed by the Yavapai County Recorder, the Yavapai County Board of Supervisors, and the JURISDICTION.

APPROVALS

COUNTY:

_____ _____

Leslie Hoffman, Yavapai County Recorder Date

_____ _____

Rowle P. Simmons, Chairman Date
Yavapai County Board of Supervisors

ATTEST:

_____

Kim Kapin, Clerk of the Board
Yavapai County Board of Supervisors

In accordance with A.R.S. § 11-952, this Agreement has been reviewed by the undersigned who has determined that it is in the appropriate form and is within the power and authority granted to the COUNTY.

Deputy Yavapai County Attorney — Date

JURISDICTION:

Signature — June 26, 2018 — Date

Darryl L. Croft, Mayor

Printed Name and Title

In accordance with A.R.S. § 11-952, this Agreement has been reviewed by the undersigned who has determined that it is in the appropriate form and is within the power and authority granted to the JURISDICTION.

Signature — June 26, 2018 — Date

Andrew J. McGuire, Gust Rosenfeld, Town Attorney

Printed Name and Title

Exhibit 1

INTERGOVERNMENTAL AGREEMENT FOR ELECTION SERVICES

ELECTIONS TASK SCHEDULE

Responsibilities for the conduct of elections pursuant to the Yavapai County Election Services Agreement are allocated as follows:

TASK	TO BE PERFORMED BY:	
	County	Jurisdiction*
If applicable, obtain pre-clearance of election changes from Department of Justice (Copy of submission to be forwarded to the COUNTY)		**X**
As required, publish/send Call of Election and/or Notice of Election		**X**
As required, publish Legal Advertising, Notices, Publicity Pamphlets, etc.		**X**
Approve final ballot proof (Required JURISDICTION signoff)		**X**
Attend and certify official Logic and Accuracy (L&A) Test		**X**
If applicable, submit agenda item to County Board of Supervisors for election cancellation	**X**	
Order ballots (Invoices will be sent directly to jurisdiction for all elections except biennial Primary and General Elections)	**X**	
If applicable, obtain vote centers, and hire and train poll workers	**X**	
Publish Logic & Accuracy Test notice	**X**	
Perform Logic & Accuracy Test	**X**	
Mail Vote-by-Mail Ballots and Early Ballots	**X**	
Process ballots which includes testing, tabulation, and audit	**X**	
Perform signature verification on ballot affidavits and provisional ballots	**X**	
Administer Hand Count Audit, post-election L&A testing and all other audits	**X**	

** For a countywide election, the JURISDICTION is only responsible for its portion.*

PERFORMANCE OF TASKS AS OUTLINED ABOVE MAY HAVE SIGNIFICANT IMPACTS ON THE CONDUCT OF AN ELECTION AND MAY HAVE SIGNIFICANT LEGAL CONSEQUENCES AS WELL. PARTICIPATING JURISDICTIONS ARE ADVISED TO:

1. CAREFULLY REVIEW THE ALLOCATION OF TASKS AND TO DIRECT ANY QUESTIONS TO THE COUNTY CONTACT.

2. MAINTAIN CLOSE CONTACT WITH THE YAVAPAI COUNTY ELECTIONS DEPARTMENT PRIOR TO, DURING, AND AFTER ELECTIONS.

3. REFER ANY QUESTIONS REGARDING ELECTION-RELATED LEGAL ISSUES TO THE JURISDICTION'S LEGAL COUNSEL.

Exhibit 2

INTERGOVERNMENTAL AGREEMENT FOR ELECTION SERVICES
BALLOT DROP BOXES

JURISDICTIONS who are provided with COUNTY ballot drop boxes hereby agree to the following additional responsibilities:

1. The COUNTY will issue ballot drop box keys to the JURISDICTION. Ballot drop box keys only open the portion of the ballot drop box to allow voters to place ballots in the ballot drop box and do not allow the JURISDICTION access to or the ability to review or retrieve ballots. Ballot drop box keys remain COUNTY property and must not be duplicated. The JURISDICTION agrees to keep ballot drop box keys in a secure location and allow only authorized staff or COUNTY-designated employees access to the ballot drop box keys.

2. The JURISDICTION shall "open" all COUNTY ballot drop boxes on the first day of early voting as instructed by the COUNTY, depending on the specific election.

3. The JURISDICTION shall maintain all COUNTY ballot drop boxes and periodically check them throughout the early voting period and on election night at 7 p.m.

4. The JURISDICTION shall promptly notify the COUNTY if a ballot drop box is at risk of becoming full and a ballot pickup needs to be scheduled.

5. The JURISDICTION shall "close" and secure all COUNTY ballot drop boxes from accepting any more ballots promptly at 7:00 p.m. on election night.

6. The JURISDICTION may be instructed to call the COUNTY on election night, depending on the specific election.

7. The JURISDICTION shall promptly report to the COUNTY any misuse, damage, and/or graffiti to the COUNTY ballot drop box.

8. The JURISDICTION shall provide written, advance notice to the COUNTY of any additional uses of the COUNTY ballot drop boxes.

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.e.**

Meeting Date: 06/12/2018

Contact Person: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to accept the May 15, 2018 special meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the May 15, 2018 special meeting minutes.

Attachments

May 15, 2018 special meeting minutes

D R A F T

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

TUESDAY, MAY 15, 2018
6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona, met for a Special Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, May 15, 2018.

Present:	Mayor Darryl Croft; Councilmember Mike Best; Councilmember Corey Mendoza; Councilmember Jack Miller
Absent:	Vice-Mayor Lon Turner; Councilmember Cloyce Kelly; Councilmember Annie Lane
Staff Present:	Town Manager Cecilia Grittman; Public Works Director/Town Engineer Frank Marbury; Development Services Director Jason Sanks; Customer Service Manager JoAnn Brookins; Administrative Technician Kathy Frohock (videographer); Deputy Town Clerk Vickie Nipper

1) CALL TO ORDER; ROLL CALL

Mayor Croft called the meeting to order at 6:08 p.m.

2) Consideration and possible action to approve Resolution No. 18-1123, accepting funds from the Arizona Department of Housing for the Town of Chino Valley's four-year rotational Community Development Block Grant (CDBG) funding, and authorizing the Mayor to sign said application upon completion by NACOG and Town staff. (Frank Marbury, Public Works Manager)

Recommended Action: Approve Resolution No. 18-1123, accepting funds from the Arizona Department of Housing for the Town of Chino Valley's four-year rotational CDBG funding, and authorizing the Mayor to sign said application upon completion by NACOG and Town staff.

Mr. Marbury reported that Council had discussed the CDBG grant in January 2018. In order to complete the paperwork with NACOG, Council needed to pass a resolution.

MOVED by Councilmember Jack Miller, seconded by Councilmember Mike Best Approve Resolution No. 18-1123, accepting funds from the Arizona Department of Housing for the Town of Chino Valley's four-year rotational CDBG funding, and authorizing the Mayor to sign said application upon completion by NACOG and Town staff.

Vote: 4 - 0 PASSED - Unanimously

3) ADJOURNMENT

MOVED by Councilmember Mike Best, seconded by Councilmember Jack Miller to adjourn the meeting at 6:10 p.m.

Vote: 4 - 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 Special Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 15th day of May, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12th day of June, 2018.

_____
Jami C. Lewis, Town Clerk

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.f.**

Meeting Date: 06/12/2018

Contact Person: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to accept the May 15, 2018 study session minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the May 15, 2018 study session minutes.

Attachments

May 15, 2018 study session minutes

D R A F T

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

TUESDAY, MAY 15, 2018
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 Tuesday, May 15, 2018.

Present:	Mayor Darryl Croft; Councilmember Mike Best; Councilmember Corey Mendoza; Councilmember Jack Miller
Absent:	Vice-Mayor Lon Turner; Councilmember Cloyce Kelly; Councilmember Annie Lane
Staff Present:	Town Manager Cecilia Grittman; Public Works Director/Town Engineer Frank Marbury; Development Services Director Jason Sanks; Customer Service Manager JoAnn Brookins; Administrative Technician Kathy Frohock (videographer); Deputy Town Clerk Vickie Nipper

1) CALL TO ORDER; ROLL CALL

Mayor Croft called the meeting to order at 6:15 p.m.

2) Presentation by Water Consultant Mark Holmes and discussion regarding long term storage credits and access to the Town's water portfolio. (Frank Marbury, Public Works Director)

Water Resources Consultant Mark Holmes presented on the following topics:

Terms

- Reclaimed, Effluent, Recycled Water – Water that has been treated for reuse.
- Wastewater – Water within the sewer collection system not yet treated.
- Acre-Foot (AF) of water – One acre of land one-foot-deep with water; 325,851 gallons; enough water to serve 3.5 - 4.5 homes for a year.

Water Resource Types and Availability

- *Renewable water supplies* – Water supplies that were renewed on an annual basis. There are basically two available types of water supplies within the Prescott Active Management Area (AMA):
  - *Surface water:* Chino Valley did not have any surface water rights.
  - *Reclaimed or "recycled" water:* The Town was currently creating this renewable water supply through its collection, treatment and recharge (CTR) system whereby wastewater is collected and treated at the Old Home Manor (OHM) Reclamation Facility and recharged back into the aquifer. This renewable water supply will continuously increase as the CTR system and the Town grow.
- *Non-Renewable supply (Groundwater)* – A finite quantity of water. The Town has various

quantities through various types of rights. These will need to be discussed in more detail at a later time. Once they are allocated, the rights are gone.

Long Term Storage / Underground Storage Facility

Banking water in Arizona has occurred since the late 1980s when laws were created to encourage recharge activity. The only three types of water supplies that can be recharged and banked are Central Arizona Project water, in-state surface water, or reclaimed water. The Town is receiving credits for reclaimed water.

Currently, the Town is treating about 297 AF (nearly 96.7 million gallons) of wastewater per year at the OHM Reclamation Facility and recharging about 284 AF (92.5 million gallons) per year of water within the OHM Recharge Facility. The Arizona Department of Water Resources (ADWR) tracks the total amount of these credits banked for future use, similar to a bank savings account, which can be saved for certain uses or for assured water supply purposes.

Ownership of Reclaimed Water

Per Supreme Court case *Arizona Public Service Co. v. Jon F. Long* (1989), the law clarified that whoever generates and treats wastewater and produces reclaimed water owns it, even if that entity is not the water provider.

Review of Current Water Portfolio Access Ordinance/Resolutions

Ordinance 04-578:

- § 51.040 – Addresses the Town's right to make water, effluent rights, and credits available for purchase only for a platted subdivision.
- 51.035 – Provides for non-residential commercial water users to lease water credits.
- 51.036 – Provisions for residential subdivisions assured water supply. Certificates can take up to and over a year to obtain.
- 51.037 – Gives minimum criteria for allocation of water credits to development for a 100-year assured water supply and requirements for water delivery system.
- 51.038 – Addresses development non-performance and forfeiture of water rights.

Resolution 05-763 – Sets the rate of $25,000 per AF for a 100-year assured water supply from reclaimed credits, retired irrigation grandfathered rights, or other water rights within the AMA.

Resolution 06-801 – Sets the rate of $45,000 per AF for a 100-year assured water supply for historically irrigated acres (HIA) outside the AMA, which water is located in Wineglass Acres.

Conclusions

- The Town was creating an assured water supply through the CTR system and should continue to bank its reclaimed water supplies.
- The Town, at its discretion, may make available certain assured water supplies; i.e. effluent water credits, for purchase or lease for residential or non-residential development.
- Currently, there is no criteria that clarifies who qualifies for access to the Town's water portfolio.
- Certain requirements must be met if a development is granted access to the Town's water portfolio.
- Development must perform in accordance with the Town's timeframes or risk forfeiture of its water allocation

Recommendations for Policy Discussion

- Consider establishing development criteria for those whom the Town would prefer to access its water portfolio.
- Re-examine access fees to determine if they are still in line with capital improvement plans today.
- Encourage staff and Council to discuss establishing criteria for whom would get access to water, and develop a new policy.
- Consider creating increased water efficiencies or enhanced water conservation that would allow the very limited water supplies to be stretched further.
- Consider benefits of expanding sewer connections.
- Consider benefits of importing HIA water supplies.

Council and Mr. Holmes further discussed:

- *Recharge in the Town:* Public Works Director Marbury believed the Town was treating a little more water than it was pumping, since it was treating water from other water companies. Mr. Holmes added that while water in the Town's aquifer was being pumped by the Town, Prescott, and private utilities, only the Town was putting water back in and getting credits.
- *Access fees:* Subdivisions were required to acquire a certificate of 100-year assured water supply through either the Town's supplies or another water provider. The Town's $25,000 access fee was for the whole 100 years. HIA water was costlier because the infrastructure to get that water to the Town will take substantial capital.
- *Little Chino Aquifer:* Mr. Holmes explained that Prescott was pumping from Chino, but its recharge facility was in Prescott. Prescott also received credit for surface run-off into lakes and rivers. Prescott Valley also moved its wells to the Little Chino Aquafer to get better water, but only the Town was recharging water into this aquifer. This was most likely why the water table was dropping and he believed the aquifer was in overdraft. The Town should consider moving its wells to OHM and there was an overall need to manage it better.
- *Package plants and recharge:* Mr. Holmes related that package plants can recharge, but it was up to ADEQ and required a permit. The Town could require it, but it would only be cost effective if the package plant was to run for a long period of time. Mr. Marbury reported that per the Town Code, aside from rezoning or a development agreement, package plants were not allowed, although development agreements in the past allowed for them temporarily. If needed as an interim solution, staff could negotiate as to who would operate the plant and who would own the credits.

Mr. Marbury told Council that developers were now asking the Town about recharge credits. Staff needed education on the laws and direction from Council as to who should be offered Town water; i.e. residential versus commercial and general policy of access, so staff would not waste developers' time.

Council preferred that:

- Staff schedule a mini-retreat on these items;
- Staff provide different scenarios with regard to different sizes of businesses, from OHM industrial to mom and pop commercial businesses, and small to large subdivisions; as well as development that did not require an assured water supply, such as a large apartment complex.
- Staff make a recommendation for AF price.

3) Presentation and discussion regarding Code Compliance regulations, direction and priorities for the coming fiscal year. (Jason Sanks, Development Services Director)

Mr. Sanks reported that during the last retreat, Council and staff discussed code compliance issues with regard to property maintenance and zoning use violations. Due to lack of staffing, code compliance was more reactionary and primarily addressed residential violations, leaving commercial compliance un-addressed. Council asked staff for a plan to address these matters.

To start, Mr. Sanks compared code compliance cases during the last two quarters. In 4th Quarter 2017, weeds were 70%, storage 13%, and miscellaneous 17%. In 1st Quarter 2018, weeds were 36%, outdoor storage 10%, and miscellaneous 54%. With the monsoon coming, weeds and tumbleweeds will increase significantly.

Mr. Sanks and Customer Service Manager Brookins presented facts, challenges, and options/recommendations and led discussion on the five discussion points from the retreat.

1. Funding for vacant property abatement

- *Facts:* Cases were neighbor-driven. Last year, staff had 15 cases wherein there was no response to the complaint. Most of these cases were on lots rather than acreages. As they posed a safety issue, the Town felt obligated to act. It cost $100 per acre to mow and mowers will not do small jobs.
- *Challenges:* It was hard to obtain estimates for garbage abatement, as there have been only a couple severe cases and staff had difficulty finding contractors to give an estimate. Ultimately, these would be addressed through liens.
- *Options/recommendation:* Staff estimated it would take $5,000 for active abatement of these properties.

Council and staff discussion:

- *Standards:* Staff was currently working with the town attorney on criteria and standards. Measures such as grass height, mow strips, and the like could be established through the property maintenance ordinance. Staff needed Council direction regarding measures and property thresholds, such as focusing on larger highway areas rather than residential.
- *Seasonal issues:* Monsoon season had to be assessed from a safety and fire danger perspective and addressed differently.
- *Property owner cooperation:* Processes could be different for non-responsive owners versus those who tried to work with the Town, but lacked the resources to respond, such as length of time given for compliance. Non-vacant properties needed to be addressed differently, as well.

Council comment: Mayor Croft noted that he received several complaints per month. Council generally supported staff's recommendation.

2. Debris violators

- *Facts:* Debris could be garbage and weeds. The Town held bi-annual clean up campaigns at a total cost of $30,000. It cost $15 to take garbage to Paulden transfer station.
- *Challenges:* Staff desired a program that was cost reasonable and effective.
- *Options/recommendation:* Other jurisdictions had offered a voucher program to assist

violators with a financial need. The question was whether or not the Town would create willful violators of the code with such a program. Staff estimated this would cost up to $3,000 per year.

Council and staff discussion:

- *Property owner cooperation:* A voucher would be a soft step to obtain compliance. Staff often talked with folks and tried not to be heavy-handed, but it was sometimes necessary. Violators who just did not care would be prosecuted.
- *Clean up campaign options:*
  - One-year campaign: They could use one-time construction sales tax dollars to provide large rolloffs several times throughout the year to get 'caught up', then go back to the status quo.
  - Rolloffs in neighborhoods: Experience with this in other entities resulted in more garbage being dumped on the site than would fit in the bins, requiring more time to clean up; people still dumping after the rolloffs were gone; loose garbage being dumped at night; and the neighborhoods not wanting to do it again.
  - Rolloffs in a single location for a month: In some places this worked better, but the Town did it once at OHM and it was a mess. Whether in neighborhoods or a single location, the Town would need to control the site.
  - Periodic municipal waste pickup: This would be helpful for those who could not help themselves. Staff did not know how much funding would be needed. Staff would need to assess issues for isolated people and will need input from the Public Works Director.
- *Resources and costs:* The Town could offer to assist folks without transportation. Staff will need to review budgetary requirements to expand the program. If Council opted for a one-year concentrated campaign, they could consider doing it on a contract basis. It was more appropriate for town staff if clean up days were more spread out. Staff would desire to do a soft-touch campaign for the commercial clean up to get word out.
- *Home beautification program:* Incentive programs had worked in other communities, such as cash awards, and before and after recognition.

Council comment: Mayor Croft suggested looking at quarterly pickups and costs.

3. Weed abatement—size threshold. This was not discussed separately.

4. Second Code Compliance Officer for commercial properties

- *Facts:* Staff was hearing about and seeing more code issues along highway frontage, such as yard debris, illegal tattered signs, and the like.
- *Challenges:* The current Code Compliance Officer was beyond capacity with just residential properties. The significant uptick in new development was stretching staff's overall capacity as well.
- *Options/recommendation:* Staff desired to explore the possibility of hiring a temporary employee for one year and then reevaluating during the next budget cycle. It would be helpful if said employee could work Saturdays and Sundays, when needed.

Council comment: Council agreed that there were too many properties out of compliance and they supported the recommendation for a temporary employee.

5. Improving code compliance enforcement process

- *Facts:* Currently, violations were processed through the Court.
- *Challenges:* State requirements made the Court process cumbersome.
- *Options/recommendations:* Staff and the town attorney were looking into removing the process from the Court, except for cases of non-compliance with the citation, and using an administrative hearing officer. The Town had used this process in the past and would speed it up. The hearing officer would be someone on staff, such as a police officer.

Town Manager Grittman summarized Council's preferences:

- Residential cleanup campaign for next year;
- Tightening down standards for consistent application;
- Hiring someone to focus on commercial properties; and
- Draft development standards for the highway that were different than off-the-highway and highway versus residential.

4) ADJOURNMENT

MOVED by Councilmember Jack Miller, seconded by Councilmember Mike Best to adjourn the meeting at 7:34 p.m.

Vote: 4 - 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 15th day of May, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12th day of June, 2018.

_____
Jami C. Lewis, Town Clerk

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.g.**

Meeting Date: 06/12/2018

Contact Person: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to accept the May 22, 2018 regular meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the May 22, 2018 regular meeting minutes.

Attachments

May 22, 2018 minutes

D R A F T

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

TUESDAY, MAY 22, 2018
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 22, 2018.

Present:	Mayor Darryl Croft; Vice-Mayor Lon Turner; Councilmember Mike Best; Councilmember Cloyce Kelly; Councilmember Annie Lane; Councilmember Corey Mendoza
Absent:	Councilmember Jack Miller
Staff Present:	Town Attorney Andrew McGuire; Economic Development Project Manager John Coomer; Finance Director Joe Duffy; Police Chief Chuck Wynn; Public Works Director/Town Engineer Frank Marbury; Assistant Town Engineer Steven Sullivan; Development Services Director Jason Sanks; Associate Planner Alex Lerma; Administrative Technician Kathy Frohock (videographer); Town Clerk Jami Lewis (recorder)

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

Mayor Croft called the meeting to order at 6:01 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Proclamation declaring May 25-26, 2018 as "Poppy Days," sponsored by the American Legion Auxiliary. (Mayor Croft)

Mayor Croft read the proclamation and presented it to Liz Piper with the Auxiliary, who spoke about the fundraiser for veterans.

b) Introduction of new Assistant Town Engineer Steven Sullivan. (Frank Marbury, Public Works Director/Town Engineer)

Mr. Marbury introduced Steven Sullivan and spoke about how much he had contributed since starting with the Town.

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council 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.

Craig Brown, Yavapai County District 4 Supervisor, commended Town staff for their assistance with the Viewpoint Fire.

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.

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.

a) Status reports by Mayor and Council regarding current events.

Councilmember Lane congratulated graduating seniors and 8th graders being promoted.

b) Status report by Town Manager Cecilia Grittman and/or Town staff members regarding Town accomplishments, and current or upcoming projects.

c) Report regarding the Town's response and actions taken during the Viewpoint Fire. (Chuck Wynn, Police Chief)

Chief Wynn, speaking on behalf of Town Manager Grittman, commended everyone who helped with the Viewpoint Fire, which came to the Town's back door, and spoke about how the agencies worked well together.

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.

Council set down item 6a.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Mike Best to accept consent agenda b and c.

Vote: 6 - 0 PASSED - Unanimously

a) Consideration and possible action to revise and renew Tow Company Contracts with ACT Towing, Custom Towing, Tri-City Towing and TNT Towing, effective July 1, 2018 through June 30, 2019. (Chuck Wynn, Police Chief)

Councilmember Mendoza asked about changes in the contracts since last year. Chief Wynn related that there was a minor change requested by the town attorney. Town Attorney McGuire explained that all contract amendments going forward will need a standard estoppel provision, affirming that there were no outstanding claims as of the date of the amendment. Council could still approve the contracts tonight and he will forward the amended versions to staff.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Cloyce Kelly to accept consent agenda a.

Vote: 6 - 0 PASSED - Unanimously

b) Consideration and possible action to adopt Resolution No. 18-1122, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2018/2019, pursuant to Section 48-616, Arizona Revised Statutes, as amended; setting a date for public hearing on the proposed statements and estimates as approved; and providing for notice of the hearing and publication of the proposed statements and estimates of the expenses of the districts which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the districts. (Joe Duffy, Finance Director)

c) Consideration and possible action to accept the May 8, 2018 regular meeting minutes. (Jami Lewis, Town Clerk)

7) ACTION ITEMS

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

a) Consideration and possible action to adopt a Conditional Use Permit (CUP18-003) for approximately 4.55 acres of real property located approximately 1,000 feet south of the southwest corner of East Road 2 North and North Road 1 East at 784 North Road 1 East, to allow the applicant to continue the operation and maintenance of a well drilling business consisting of storage of vehicles, machinery and supplies in the AR-5 (Agricultural/ Residential-5 acre minimum) zoning district. (Alex Lerma, Associate Planner)

RecommendedAction: Postpone this item to the June 12, 2018 Regular Council Meeting per the applicant's request.

Mr. Sanks reported that the applicant, who was unable to attend tonight, had asked for a postponement until June 12. Staff supported that request.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Mike Best to postpone item 7a until June 12, 2018 Regular Meeting.

Vote: 6 - 0 PASSED - Unanimously

b) (i) Consideration and possible action to adopt Resolution No.18-1120, for a Minor General Plan Amendment to change the land use designation of approximately 9.49 of 15.9 acres of real property generally located approximately 0.25 miles west of the northwest corner of North Road 1 West and West Road 4 North intersection at 1460 West Road 4 North from Medium Density Residential land use designation to Commercial/Multi–Family Residential land use designation.

(ii) Consideration and possible action to adopt Ordinance No. 18-848 to rezone 15.9 acres from CL/MR-PAD (Commercial Light/Multi-Family Residential with a Planned Area Development overlay) to 6.42 acres of SR-1 and 9.49 acres of CL (Single Family Residential–1 acre minimum and Commercial Light, respectively); and rezone the remaining 59 acres from AR-5 (Agricultural/Residential-5 acre minimum) to SR-1. Owner: La Vacara Trust (Jason Sanks, Development Service Director)

Recommended Action:
(i) Adopt Resolution No.18-1120, for a Minor General Plan Amendment to change the land use designation of approximately 9.49 of 15.9 acres of real property generally located approximately 0.25 miles west of the northwest corner of North Road 1 West and West Road 4 North intersection at 1460 West Road 4 North from Medium Density Residential land use designation to Commercial/Multi–Family Residential land use designation.

(ii) Adopt Ordinance No. 18-848, to rezone Assessor's Parcel Nos. 306-05-030R, 306-05-031V and 306-05-031T, approximately 75 acres of real property as follows: 15.9 acres from CL/MR-PAD to 6.42 acres of SR-1 and 9.49 acres of CL; and the remaining 59 acres from AR-5 to SR-1, with the conditions as recommended and discussed.

(i) Minor General Plan Amendment
Mr. Sanks reported that when this property was rezoned several years ago to Commercial/ Multi-Family Residential, the General Plan Land Use Map should have also been amended prior to the rezoning approval, but it was not. When the owners initiated the current rezoning case, staff spoke with them about taking this opportunity to clean up the map.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Mike Best to approve 7b item (i) to adopt to adopt Resolution No.18-1120, for a Minor General Plan Amendment to change the land use designation of approximately 9.49 of 15.9 acres of real property generally located approximately 0.25 miles west of the northwest corner of North Road 1 West and West Road 4 North intersection at 1460 West Road 4 North from Medium Density Residential land use designation to Commercial/Multi–Family Residential land use designation.

Vote: 6 - 0 PASSED - Unanimously

(ii) Rezone
Mr. Sanks presented on the rezone request:

- *History:* In 2015, Council approved Multi-Family Residential (MR-1) zoning with a Planned Area Development (PAD) overlay on a portion of the subject property near the Windmill House, but the proposed development was not initiated.
- *Current condition:* Other than the MR-1 PAD, the remainder of the subject property was zoned AR-5.
- *Proposal:* The owner desired to downzone some of the commercial area to SR-1, leaving only 6.4 acres of the event center as commercial, and rezoning all the AR-5 to SR-1. The proposed project will consist of 52 total one-acre lots.

- *Infrastructure:* Water would be provided by Appaloosa Water. The lots would use septic tanks, as there was no sewer line nearby. The subdivision would have two points of access.
- *Recommendation:* The Planning and Zoning Commission recommended approval with conditions related to water, sewer, streets, sidewalks, drainage, and grading. Further discussion was needed on sidewalks and a request for a wall on two lots. Due to concerns about noise and lights impacting two neighboring properties, neighbors asked for a six-foot wall across two of the lots. Staff recommended that the ordinance be modified to specify the two lots. Staff also recommended removing the MR-1 zoning since none was being proposed.

Staff and Council discussed the following in more detail:

- *Wall:* A wall was not required for the whole development as walls were not typically required for larger lot subdivisions and residents of large lots had not asked for them in the past.
- *Site plan condition:* Council could attach the site plan to the ordinance, but it could still be changed afterwards. Council had less latitude with a straight rezoning than they did with a PAD. However, with a straight rezoning, all the conditions of the Code would apply. Council could impose nominal conditions to mitigate negative impacts through the zoning case process.

Public comment:

- Wayne Moyer, resident, spoke in favor of the wall, as the proposed development's property line was within 25 feet of his buildings and the wall would keep his property from depreciating.
- Robert Schoon, resident, spoke in favor of the wall, as walls had been used in cases when new development impacted existing residences, the current landscaping buffer was not being well maintained and would not block noise and light, and the wall will not require maintenance.

Tony Cordovana, representing the applicant, stated that the current landscaping was planted 15-20 years ago before anyone lived there. The developer will be required to develop a landscape plan and they believed that they could address the concerns of the residents with a mix of fencing and landscaping, and changing the angle of the driveway. As such, they requested that the wall stipulation be removed from the Ordinance and the issue be addressed through the plat approval process.

Council and staff discussion:

- *Wall stipulation:* While something might be needed to protect the two existing lots, the wall might not be the only option. They discussed retaining the stipulation for a wall in the ordinance versus addressing it during the plat phase. Town Attorney McGuire advised that, while the Town could stipulate conditions up though the building permit phase, the Town's discretion was greatest during the rezoning phase. Mr. Sanks added that staff initially did not recommend the wall. The Commission added it as a stipulation due to public response. If Council desired to strike the requirement in the ordinance, but their intent was to continue to work with the neighbors, they could stipulate that staff will continue to work to straighten the roadway and enhance landscaping to mitigate impacts of traffic, light, and noise.

- *Sidewalks stipulation:* This requirement matched the Town's street standards and should be retained.
- *Generally:* While Council supported SR-1 zoning, there were some concerns to address going forward.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Mike Best to adopt Ordinance No. 18-848, to rezone Assessor's Parcel Nos. 306-05-030R, 306-05-031V and 306-05-031T, approximately 75 acres of real property as follows: 15.9 acres from CL/MR-PAD to 6.42 acres of SR-1 and 9.49 acres of CL; and the remaining 59 acres from AR-5 to SR-1, with the conditions as recommended and discussed, except for the portion that requires a six-foot wall across 600 feet and have the applicant work with Development Services to use some type of fencing and landscaping to provide a barrier for light and sound.

Vote: 6 - 0 PASSED - Unanimously

c) Consideration and possible action to adopt Ordinance No. 18-849 rezoning Assessors Parcel No. 306-21-004C, approximately 5.71 acres of real property generally located approximately 1,000 feet west of the northwest corner of West Road 1 North and North Road 1 West at 1190 West Road 1 North, from AR-5 (Agricultural Residential–5 acre minimum) zoning district to SR-1 (Single Family Residential–1 acre minimum) zoning district. Owner/Applicant: Charles & Debbie Harper. (Alex Lerma, Associate Planner)

Recommended Action: Adpot Ordinance No. 18-849 rezoning APN 306-21-004C, approximately 5.71 acres of real property addressed as 1190 West Road 1 North, from AR-5 zoning district to SR-1 zoning district.

Mr. Lerma presented on this item:

- *Proposal:* The owner proposed to split the property into three parcels. Legal access would be through a 50-foot easement abutting Poco Lane. There was an issue with regard to power lines, but the owner was working with APS on it. The middle acre would have two points of access, while the two one-acre parcels would have one each.
- *Current condition:* The property contained a single family residence, guest home, and workshop. Its General Plan designation was medium density residential. Most of the surrounding properties were zoned SR-1.
- *Public comment:* During the neighborhood meeting, most of the discussion revolved around a description of the proposal. During the Planning and Zoning Commission public hearing, there was a question about the split creating a landlocked parcel. Mr. Lerma clarified that the 50-foot easement would provide access to all three parcels.
- *Recommendation:* The Commission and staff recommended approval.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Mike Best to adopt Ordinance No. 18-849 rezoning APN 306-21-004C, approximately 5.71 acres of real property addressed as 1190 West Road 1 North, from AR-5 zoning district to SR-1 zoning district.

Vote: 6 - 0 PASSED - Unanimously

d) Consideration and possible action to approve the Third Amendment to Accountability Contract and Scope of Services between the Town of Chino Valley and the Chino Valley Area Chamber of Commerce for FY 18/19 in the amount of $55,000 of general support, a match up to $3,000 if approved for an Arizona Office of Tourism Grant, and split the costs of a second year of the Vista volunteer program as described in the Third Amendment. (John Coomer, Economic Development Project Manager)

Recommended Action: Approve the Third Amendment to Accountability Contract and Scope of Services between the Town of Chino Valley and the Chino Valley Area Chamber of Commerce for FY 18/19 in the amount of $55,000 of general support, a match up to $3,000 if approved for an Arizona Office of Tourism Grant, and split the costs of a second year of the Vista volunteer program as described in the Third Amendment.

Mr. Coomer reported that Council had reviewed the contract during a previous meeting. Council did not discuss it further.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Cloyce Kelly to approve the Third Amendment to the Accountability Contract and Scope of Services between the Town of Chino Valley and the Chino Valley Area Chamber of Commerce for FY 18/19 in the amount of $55,000 of general support, a match up to $3,000 if approved for an Arizona Office of Tourism Grant, and split the costs of a second year of the Vista volunteer program as described in the Third Amendment.

Vote: 6 - 0 PASSED - Unanimously

e) Consideration and possible action to approve Resolution No. 18-1121, approving a Tentative Budget for the fiscal year 2018-2019 and proposed expenditure limitation for the same year, in the amount of $24,525,200 and setting a public hearing date of June 26, 2018 on the tentative budget and adoption of the final budget. (Joe Duffy, Finance Director)

Recommended Action: Approve Resolution No. 18-1121, approving a Tentative Budget and proposed expenditure limitation for FY 2018-2019, in the amount of $24,525,200 and setting June 26,2018 as the date for the public hearing on the tentative budget and for adoption of the final budget for FY 2018-2019.

Mr. Duffy reported that this action would set the expenditure limit, which, after approval, could be reduced, but not increased. The public hearing will be on June 26. Staff recommended adoption of the tentative budget.

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Mike Best to approve Resolution No. 18-1121, approving a Tentative Budget and proposed expenditure limitation for FY 2018-2019, in the amount of $24,525,200 and setting June 26, 2018 as the date for the public hearing on the tentative budget and for adoption of the final budget for FY 2018-2019.

Vote: 6 - 0 PASSED - Unanimously

8) 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.

9) ACTION ITEMS RESUMED

After the Executive Session, Council will reconvene the Regular Meeting.

10) ADJOURNMENT

MOVED by Councilmember Annie Lane, seconded by Councilmember Mike Best to adjourn the meeting at 7:00 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 Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 22nd day of May, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12th day of June, 2018.

_____
Jami C. Lewis, Town Clerk

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **7.a.**

Meeting Date:	06/12/2018
Contact Person:	Alex Lerma, Associate Planner
	Phone: 928-626-4427 x-1295
Department:	Development Services
Item Type:	Action-Presentation
Estimated length of staff presentation:	5 minutes
Physical location of item:	located approximately .25 mile north of the northwest corner of Center Street and State Route 89 intersection at 246 North State Route 89

AGENDA ITEM TITLE:

Consideration and possible action to adopt Conditional Use Permit (CUP18-004) for approximately 1.38 acres of real property located approximately .25 mile north of the northwest corner of Center Street and State Route 89 intersection at 246 North State Route 89, to allow a food truck court in the CL (Commercial Light) zoning district. (Alex Lerma, Associate Planner)

RECOMMENDED ACTION:

Staff has requested a continuation of this item for the scheduled July 24, 2018 Town Council Meeting date.

SITUATION AND ANALYSIS:

Staff has requested a continuation of this item for July 24, 2018. Staff will renotify the public with the new public hearing dates.

Fiscal Impact

Fiscal Impact?:	None
If Yes, Budget Code:	
Available:	
Funding Source:	

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **7.b.**

Meeting Date:	06/12/2018
Contact Person:	Alex Lerma, Associate Planner
	Phone: 928-626-4427 x-1295
Department:	Development Services
Item Type:	Action-Presentation
Estimated length of staff presentation:	5 minutes
Physical location of item:	Located approximatley 1,000 feet south of the southwest corner of East Road 2 North and North Road 1 East at 784 North Road 1 East.

AGENDA ITEM TITLE:

Consideration and possible action to adopt a Conditional Use Permit (CUP18-003) for approximately 4.55 acres of real property located approximately 1,000 feet south of the southwest corner of East Road 2 North and North Road 1 East at 784 North Road 1 East. Approval of the Conditional Use Permit will allow the applicant to continue the operation and maintenance of a well drilling business consisting of storage of vehicles, machinery and supplies in the AR-5 zoning district. (Alex Lerma, Associate Planner)

RECOMMENDED ACTION:

Staff and Planning and Zoning Commission forward a recommendation of approval to Town Council for a Conditional Use Permit for APN 306-23-007B to allow the continuation of the operation and maintenance of a well drilling business consisting of storage of vehicles, machinery and supplies in the AR-5 (Agricultural Residential- 5 Acre Minimum) zoning district, subject to the condition recommended by staff and Planning and Zoning Commission.

SITUATION AND ANALYSIS:

See attached Staff Report.

Fiscal Impact

Fiscal Impact?:	None
If Yes, Budget Code:	
Available:	
Funding Source:	

Attachments

MaGee Staff Report

MaGee CUP Letter (Draft)
MaGee Site Plan

TOWN COUNCIL
STAFF REPORT

APPLICATION SUMMARY

File Number:	C18-000003
Assessor's Parcel Number:	306-23-007B
Site Location:	Located approximately 1,000 feet south of the southwest corner of East Road 2 North and North Road 1 East at 784 North Road 1 East.
Property Owner:	Mitchell McGee
Applicant:	Mayday Consulting PLLC
Request:	Request to approve a Conditional Use Permit for the operation and maintenance of a well drilling business consisting of storage of vehicles, machinery and supplies in the AR-5 zoning district.

SITE DATA

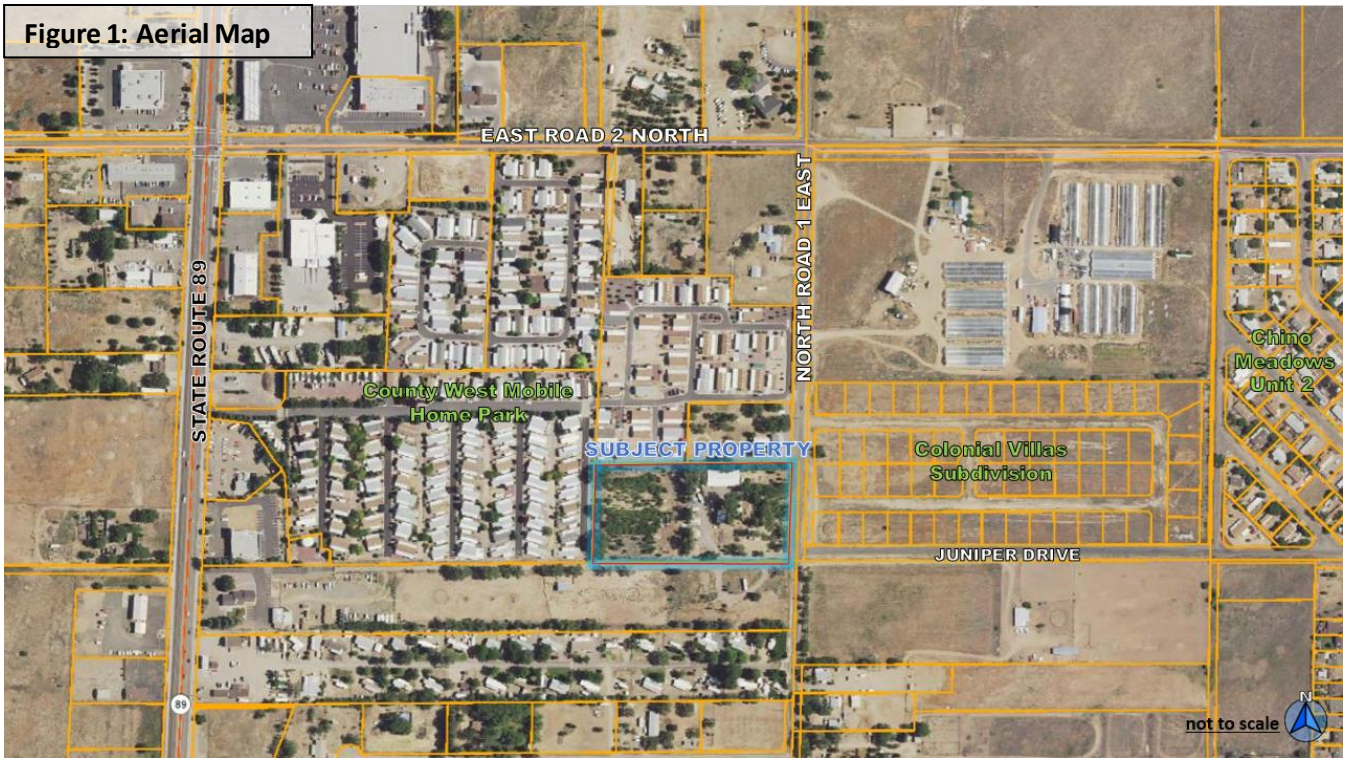
Existing Zoning	AR-5 (Agricultural Residential- 5 Acre Minimum)
Lot Size	4.55 acres (approximately 196,020 sq. ft.)
Subdivision	N/A
General Plan Land Use Designation	Major Community/ Downtown Core
Existing Land Use	Single family residence and well drilling business

BACKGROUND

SITE DESCRIPTION

The subject property is located approximately 1,000 feet south of the southwest corner of East Road 2 North and North Road 1 East at 784 North Road 1 East. The property is accessed by North Road 1 East. The site is identified with an AR-5 (Agricultural Residential- 5 Acre Minimum) zoning district under the Town of Chino Valley UDO (Unified Development Ordinance). The parcel has a General Plan Land Use Designation of Commercial/ Medium Density Residential and Major Community/ Downtown Core under the Town of Chino Valley General Plan Potential Land Use Map. Existing improvements on the property include a 1802 sq. ft. single family residence, 5,000 sq. ft. work shop and three (3) accessory structures. (**See Figure 1. Aerial Map)**

Figure 1: Aerial Map



HISTORY

In 1996, Daniel L McGee applied for a change in zoning on Assessor's Parcel Number 306-23-007B from the then zoning district of AR (Agricultural/ Residential) to CM-1 (Commercial/Light Manufacturing) to allow for the operation of a water well drilling and pump service business, to include the maintenance of equipment, as allowed in conjunction with the residential use of the property. The intention was to locate his water well drilling business and his personal residence on the same site. The business at the time would consist of the storing of vehicles, machinery and supplies needed to conduct business and also allowing for their maintenance.

The CM-1 zoning district at the time was intended to provide for and encourage, commercial and manufacturing facilities that would be attractive in appearance and not cause an inconvenience to adjacent districts. The majority of the CM-1 zoned properties were abutting State Route 89 and were bound by C-1 zoned properties. Staff at the time concluded that the CM-1 zoning was not considered a favorable zoning district in the immediate area although the General Plan at the time designated the area for high intensity uses.

Although surrounding property owners were in favor of the request, the Commission expressed reservations regarding any potential future uses of the property once the rezoning was in place. To lessen the impact the CM-1 zoning would have on surrounding properties the attorney at the time recommended the applicant apply for a CUP on the AR zoning district.

On December 2, 1996 Town Council approved Ordinance No. 297 granting a conditional use permit for the operation and maintenance of a well drilling business consisting of storage of vehicles, machinery and supplies in the AR zoning district with the condition that the use permit would be granted for a five (5) year period effective upon adoption of the Ordinance. The Commission forwarded a recommendation of approval to Town Council. **Vote:** 7-0 Passed- Unanimously

The item was originally scheduled to go before Town Council on May 22, 2018. The applicant put in a formal request for the item to be rescheduled for the scheduled June 12 Town Council meeting. A new notification was sent out to the public with the items new Town Council hearing date on May 27th.

PROJECT DESCRIPTION

The purpose of the application is to renew an expired Conditional Use Permit (CUP) issued by the Town of Chino Valley upon the approval of Ordinance No. 297 on December 2, 1996. Since that time, McGee Well Drilling has been operating at this location without incident.

McGee Well Drilling is a family-owned and operated well drilling and pump repair service. The site includes a 50 X 100 structure that houses the administrative office, parts and equipment storage, and their work consist of repairing pumps, pipe, and related materials. Vehicles are stored on-site in close proximity to the building and are generally naturally screened from public view by native vegetation; they are parked behind the single family residential dwelling to lessen any visual impact they may have on surrounding properties. **(See Exhibit A: Site Plan)**

Outdoor storage includes pipe/well casings and other related materials. These items are kept neatly stacked and, as with the trucks, screened from public view by structures on the site and natural vegetation found along the periphery of the property.

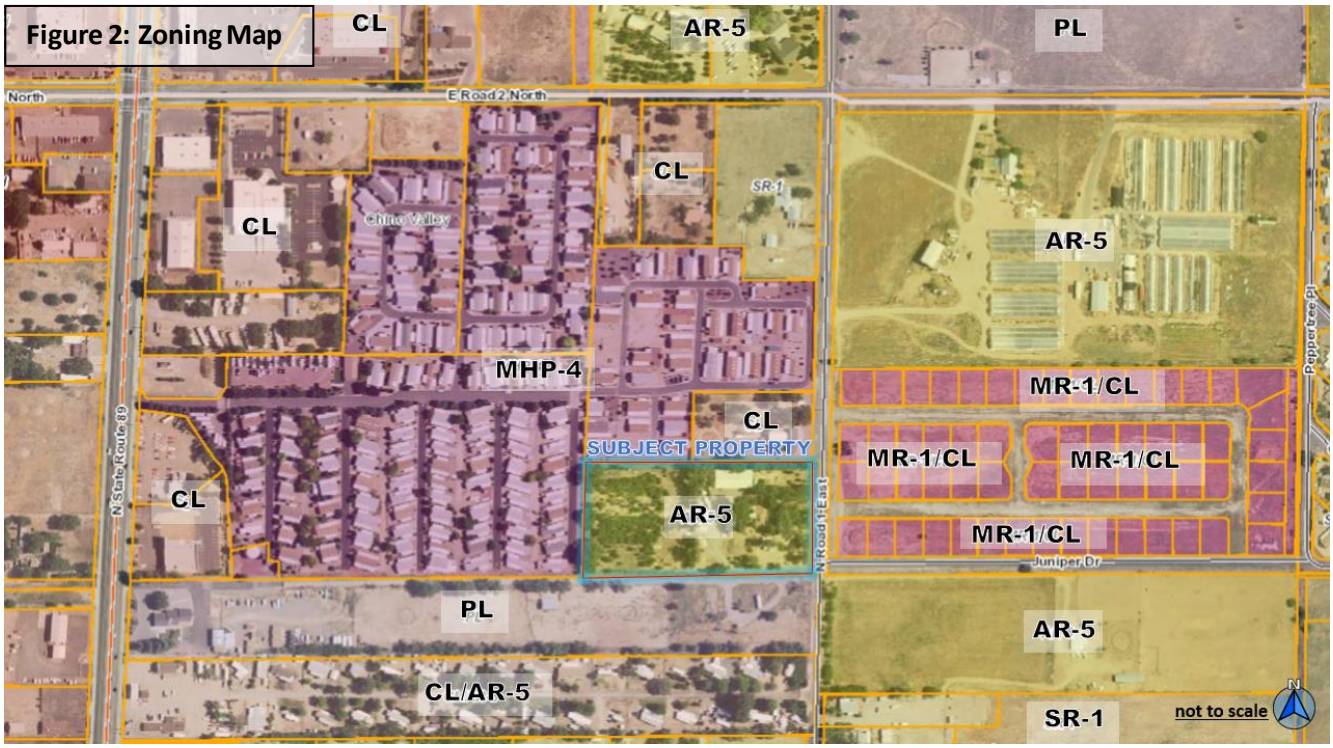
Mr. McGee recently inherited the property from his father and was unaware that the business was operating under an expired CUP. It is his intent to continue to operate the business as it has been since 1996.

SURROUNDING PROERTIES ZONING AND LAND USES

The area is predominantly made up of a mix of commercial and residential areas. The properties directly north have a zoning district of State (State Land) and is currently vacant. To the west, properties are zoned I (Industrial), State, and AR-4 (Agricultural Residential- 4 Acers Minimum). Directly west of the parcel is currently vacant, further west properties are vacant. To the south properties are zoned SR-1 (Single-Family Residential-1 Acre Minimum) and STATE, these areas are currently vacant and undeveloped. To the east, properties are within Yavapai County's jurisdiction and have a County zoning of RCU-2A (Residential, Single-Family, Rural). Directly east of the subject property the parcel is vacant and further along in a southeast direction is the Haystack Ranches Subdivision. **(See Figure 2: Zoning Map)**

AREA	ZONING	GENERAL PLAN LAND USE DESIGNATION	EXISITING LAND USE
North	CL, MHP-4	Commercial/ Multi-Family Residential and Major Community/ Downtown Core	Single Family Residence Country West Mobile Home Park
West	MR-1/CL, AR-5	Medium Density Residential (2 ac or less)	Colonial Villas Subdivision (undeveloped) Bonnie Plants greenhouses
South	PL, AR-5, CL/AR-5	Commercial/ Multi-Family Residential Medium Density Residential (2 ac or less)	Chino Valley Ranger Station Mobile Home Park

East	MHP-4	Commercial/ Multi-Family Residential and Major Community/ Downtown Core	Country West Mobile Home Park



PUBLIC REVIEW PARTICIPATION

The Town Staff notified property owners within a 300' radius, resulting in twelve (9) letters to surrounding property owners. Property owners received information regarding the applicant's request to renew an expired CUP on the AR-5 (Agricultural Residential- 5 Acre Minimum) zoning district. To date, no responses to those letters have been received by the Town.

The neighborhood meeting was held on April 16, 2018. At said meeting, there were no property owners who attended.

The item went before the Planning and Zoning Commission on May 1st, 2018. The Commission inquired of why Staff did not recommend a time period grants to the CUP. Staff responded that based on the history of the property and the business being on site for 22 year, Staff did not see fit to add a condition of approval with a time period. Staff noted that because it is a CUP Staff will still be able to monitor and regulated the site.

STAFF ANALYSIS AND RECOMMENDATION

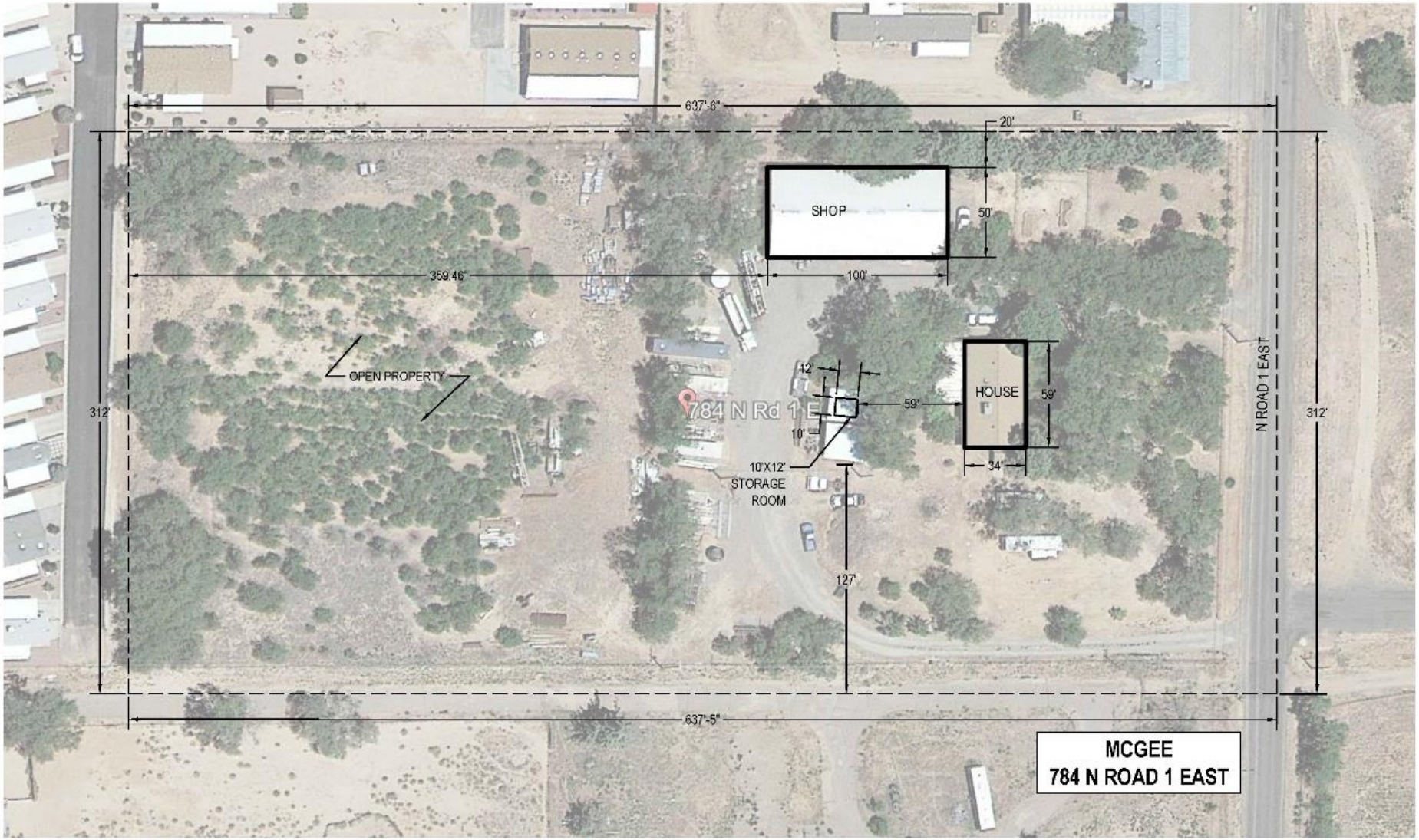
Approval of a conditional use permit will allow the current well drilling business to continue on site and provide flexibility within the AR-5 zoning district. The business activities on site might have a negative impact on surrounding properties as far as noise and ascetics if the business was a new proposed use, but

being that it has been in operation for the past twenty two (22) years, the site has maintained the businesses impact as minimal as possible on surrounding properties. The business activities are conducted within the 5,000 sq. ft. work shop and all storage is screened from public view by structures on the site and natural vegetation found along the periphery of the property. Furthermore, staff has reviewed the site parcel file and has found not prior code enforcement complaint in regards to the well drilling business on site. Based on the type of business that is on site and its location, the conditional use permit will allow the Staff to continue monitoring the site.

Staff and Planning and Zoning Commission forward a recommendation of approval to Town Council for a Conditional Use Permit for APN 306-23-007B to allow the continuation of the operation and maintenance of a well drilling business consisting of storage of vehicles, machinery and supplies in the AR-5 (Agricultural Residential - 5 Acre Minimum) zoning district, subject to the following condition:

1. Property owner will abide by all regulations set forth in "*Section 6: Property Maintenance* of the Unified Development Ordinance."

EXHIBIT A: Site Plan



June __, 2018

Mitchell McGee
P.O. Box 2939
Chino Valley, AZ 86323

RE: Conditional Use Permit (C18-003)
Operation and Maintenance of a Well Drilling Business in the AR-5 zoning district

On June 15, 2018, the Chino Valley Town Council approved a Conditional Use Permit in the above-referenced case for approximately 4.55 acres of property located at 784 North Road 1 East, as shown on Exhibits 1 (legal description) and 2 (map), which are attached hereto and incorporated herein. The minutes from the Town Council meeting are available from the Town Clerk or online at chinoaz.net.

The Use Permit permits the operation and maintenance of a well drilling business consisting of storage of vehicles, machinery and supplies in the AR-5 zoning district. The use and operation permitted by the Use Permit shall substantially conform to the Design Plan, attached hereto and incorporated herein as Exhibit 3.

This Use Permit is subject to the following conditions:

1.) Property owner will abide by all regulations set for in *Section 6: Property Maintenance* of the Unified Development Ordinance.

This Use Permit is subject to all limitations set forth in the Chino Valley Unified Development Ordinance and in this Use Permit, including termination and/or revocation The effective date of this Use Permit is the date upon which conditions 1 through 3, above, have been satisfied, determined by the Development Service Director.

Please ensure that all public hearing notice signs installed on the site, if any, are removed immediately.

If you have any questions regarding this Use Permit, please contact Alejandro Lerma at 928-636-2646 Ext. 1295 or by email at alerma@chinoaz.net.

Sincerely,

_____

Alejandro Lerma
Planner

Enclosure (Exhibits): 1. Legal Description
2. Map
3. Site Plan

Exhibit 1 – Legal Description

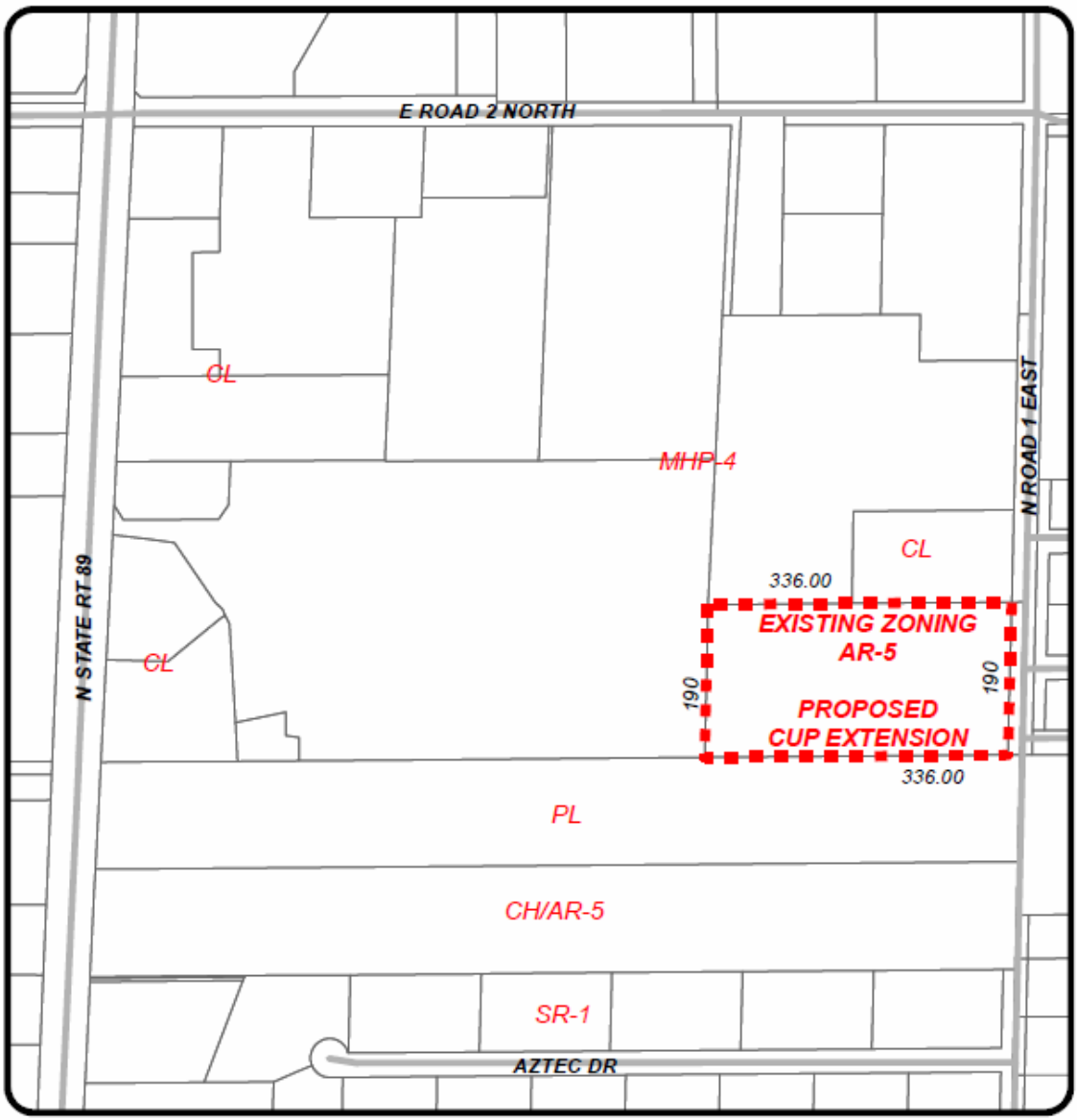
The South, 312 feet of the East one-half of the Northeast Quarter of the Northeast Quarter of Section 22, Township 16 North, Range 2 West of the Gila and Salt River Base and Meridian.

ECEPTING THEREFORM the East 25 feet thereof.

TOGETHER WITH all improvements thereon and appurtenances thereto.

Exhibit 2 – Map

EXHIBIT 2



C18-000003: McGee

Subject Property

Applicant: Mitchell McGee

Request: Continuation of CUP, Ord. 297, expired in 2001 for the operation and maintenance of a well drilling business consisting of storage of vehicles, machinery and supplies in the AR-5 zoning district.

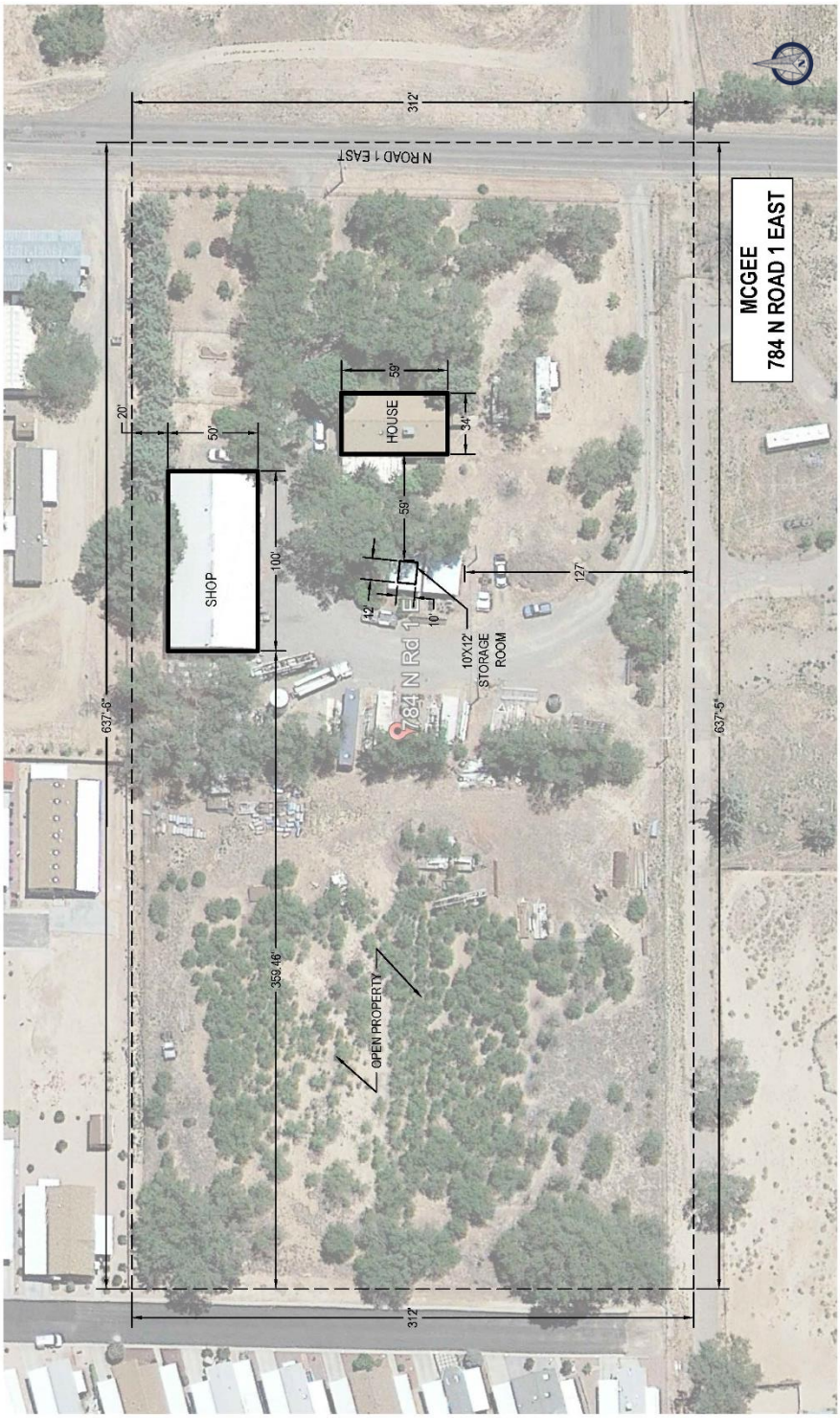
Location: 784 N. Road 1 East Chino Valley, AZ 86323 APN- 306-23-007B

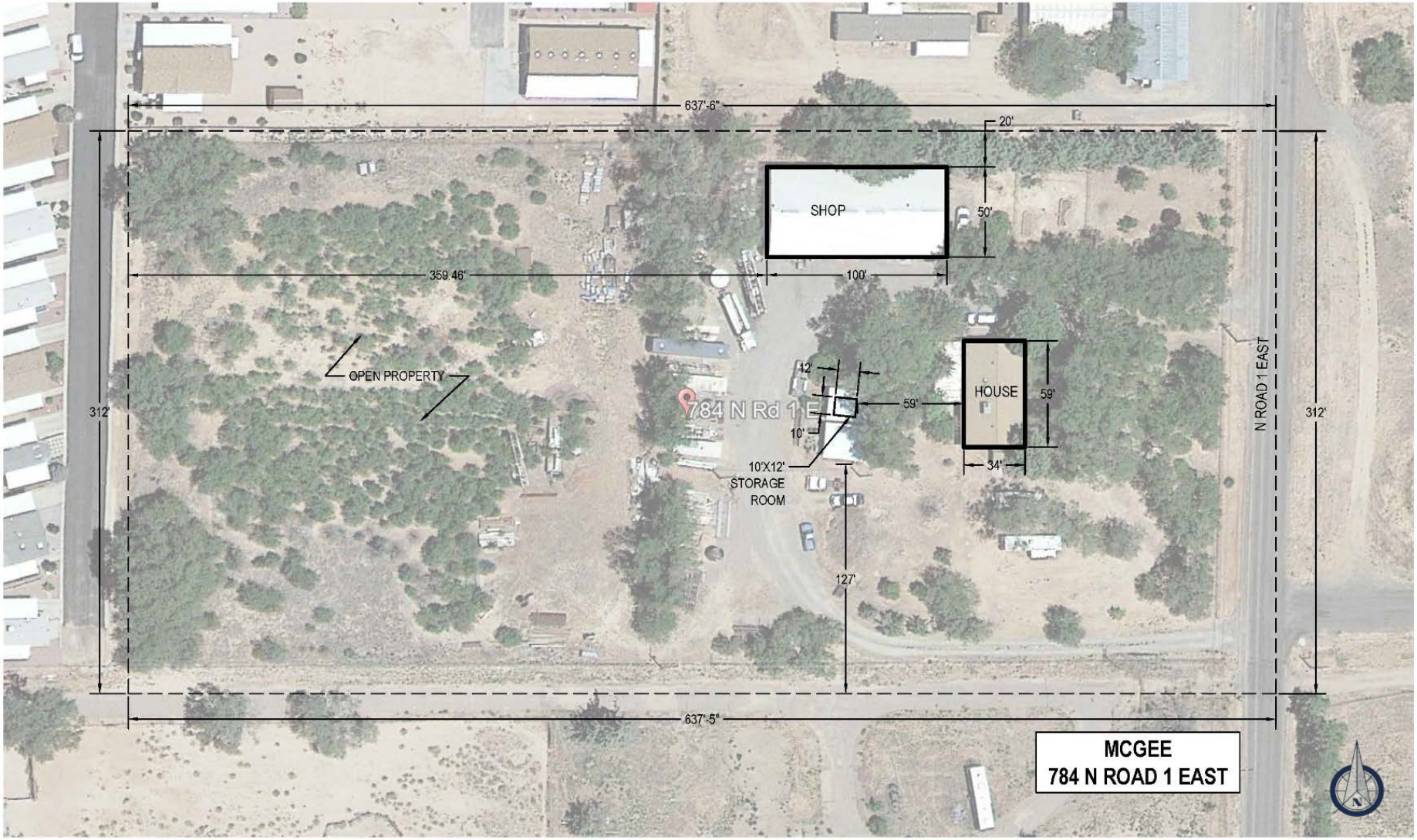
N

Not to Scale

Exhibit 3 – Design Plan

Exhibit 3 – Design Plan




637'-6"
20'
SHOP
50'
359.46'
100'
OPEN PROPERTY
312'
784 N Rd 1 E
12'
59'
HOUSE
59'
10'
34'
10'X12'
STORAGE
ROOM
127'
N ROAD 1 EAST
312'
637'-5"
MCGEE
784 N ROAD 1 EAST

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **7.c.**

Meeting Date:	06/12/2018
Contact Person:	Joe Duffy, Finance Director
	Phone: 928-636-2646 x-1211
Department:	Finance
Item Type:	Action-Presentation
Estimated length of staff presentation:	5 minutes
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve using $300,000 out of the Town's General Fund Contingency Account to reduce the PSPRS unfunded liability amount. (Joe Duffy, Finance Director)

RECOMMENDED ACTION:

Approve using $300,000 from FY 2017/2018 Contingency Funds to reduce the PSPRS unfunded liability.

SITUATION AND ANALYSIS:

The Chino Valley Police Department's Retirement plan is part of the Arizona Public Safety Personnel Retirement System (PSPRS).

Annually PSPRS performs an actuarial valuation of the members covered by PSPRS to measure the funding progress and to determine the contribution rate for the next fiscal year.

Since fiscal year 2017 the funding status of the Chino Valley PSPRS plan has decreased from 63.10% funded to 55.50% funded. Ideally the Town should have the plan 100% funded, however having a funded percentage of over 75% is generally adequate. The Arizona State Retirement System (ASRS) which covers all the Town's employees, except Police Officers, it funded at 77.60%.

In order to increase the funded percentage each year the Town should make additional contributions to the plan. As of June 30, 2017 the Town would need to contribute $1,808,000 to fund the plan at 77.6% equal to the ASRS funding percentage.

Staff is recommending the Town make an extra contribution each year from unused contingency funds in the General Fund. The Town Budgeted $440,000 in Contingency Funds for FY 2017/2018 and anticipates only spending $122,000 before June 30, 2018.

Staff is requesting approval to use $300,000 to reduce the PSPRS unfunded liability.

Staff met with the Town of Chino Valley Public Safety Retirement Board on October 25, 2017 and the

Town of Chino Valley Finance Committee on November 7, 2017. Both groups recommended additional funding to reduce the unfunded liability.

Fiscal Impact

Fiscal Impact?: Yes
If Yes, Budget Code: 01-95-5600
Available: $300,000
Funding Source:
Funding will come from unused Contingency Funds in the General Fund Budget.

Attachments

PSPRS Summary

Town of Chino Valley					
PSPRS Summary Information Pension Only					
				FY 2019 to FY 2018	
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Net Change	% Change
General Information					
Total Employer Contribution	25.79%	33.32%	34.82%	1.50%	4.50%
Percent Funded - Funding Status	63.10%	60.60%	55.50%	-5.10%	-8.42%
Total Value of Pension Obligation	$6,843,735	$7,684,130	$8,177,973	$493,843	6.43%
Value of Assets - Funding Value	$4,321,450	$4,659,184	$4,537,847	-$121,337	-2.60%
Total Unfunded Amount	$2,522,285	$3,024,946	$3,640,126	$615,180	20.34%
Total Covered Payroll (Estimated)	$1,200,000	$1,300,000	$1,300,000	$0	0.00%
Annual Employer Cost	$309,480	$433,160	$449,255	$16,095	3.72%
ASRS Comparison					
Percent Funded	77.50%	76.90%	77.60%		
Additional amount needed to fund PSPRS equal to ASRS	$982,144	$1,249,912	$1,808,260		
Analysis - Impact of additional funding					
Contribute		$100,000	$100,000		
Net Rate		32.66%	34.18%		
Savings Per Year		$8,580	$4,915		
Contribute		$500,000	$500,000		
Net Rate		30.04%	31.61%		
Savings Per Year		$42,640	$38,325		
Contribute		$1,000,000	$1,000,000		
Net Rate		26.76%	28.42%		
Savings Per Year		$85,280	$79,795		
Members					
Active		20	22		
Retirees & Beneficiaries		8	11		
DROP		1	0		
Inactive/Vested		6	6		
		35	39		