

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

**TUESDAY, JUNE 28, 2011
6:01 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, June 28, 2011.

Mayor Marley called the meeting to order at 6:01 p.m.

Council Present: Mayor Chris Marley, Vice-Mayor Carl Tenney, and Councilmembers Mike Best, Darryl Croft, Dean Echols, Linda Hatch, and Lon Turner.

Staff Present: Town Manager Michael Scannell, General Services Director Cecilia Watts, Town Attorney Tom Kack, Finance Director Vera Smith, Police Chief Pat Huntsman, Police Commanders Mark Garcia and Chuck Wynn, Sergeant Vince Schaan, Dispatch Supervisor Laurie Whisenand, Development Services Director Pat Clingman, Town Engineer/Public Works Director Ron Gritman, Transit Consultant Jason Kelly, and Town Clerk Jami Lewis (recorder).

Councilmember Best gave the invocation and Councilmember Tenney led the pledge of allegiance.

2) Introductions, Presentations and Proclamations

2a) Presentation regarding the Patriot Guard Riders by John Moffitt, Assistant State Captain.

Mr. Moffitt presented a video about the Patriot Guard Riders, spoke about the program and encouraged citizens to volunteer.

2b) Update on the progress of the Solar Facility Project, situated at the Town of Chino Valley Wastewater Treatment Plant, located at Old Home Manor, 2190 Rodeo Drive.

Town Engineer Ron Gritman reviewed the history of the project:

- The project was being funded through two associated grants through the Department of Commerce with ARRA (American Recovery and Reinvestment Act) funds for \$91,000 and \$93,000.
- On August 31, 2010 the Town entered into a donation contract with TUV Rheinland, allowing for the perpetual donation of 20 kW worth of solar panels.
- The bid process began January 12, 2011.
- On January 10, 2011 the Town was informed that the donated panels did not qualify as American made; however, Commerce granted the town a waiver on the requirement for the particular component, and the project was redesigned into two components.
- The project went to bid and Sky Engineering was awarded the low bid contract of \$170,000 on April 26, 2011. The preconstruction meeting was held June 6, 2011.
- Sky Engineering submitted the final construction documents to APS on June 28, 2011. APS' review time will be six to eight weeks.
- While the project will not completely offset electrical costs, it will have at least 10 years of capacity and will offset 50 percent of the plant's power consumption, and will result in savings to the Sewer Enterprise fund.

Council expressed concern over grant fund deadlines. Mr. Gritman assured that the funds were secured.

3) Call to the Public

Corey Mendoza, owner of C&R Trucking, spoke about the effect the economy had on his company and the Police Departments' plans to create more jobs. As this topic was on this agenda, Council asked him to hold further comment until Item 8.

Candy Blakeslee, resident, spoke about ways to bring the Council and citizens together.

Vern Haverfield, resident, asked Council to suspend the solar plant installation on the south end of town until further study could be done, as he was concerned about ground soils getting into the aquifer from grading activity.

4) Mayor/Council/Manager Report

Councilmember Croft reported on the Prescott Valley Days parade on June 25 and Prescott Frontier Days parade on July 2.

Councilmember Hatch reported on the grand opening of the Drake Cement Plant on June 17 and new laws passed by the legislature related to sewer fees and liens, sprinklers in new residential buildings, and campaign signs.

Councilmember Best reported on his desire to schedule another tumbleweed clearing day.

Mayor Marley reported on:

- Council instituting a Response to the Public as part of Call to the Public to respond to comments made during Call to the Public.
- A celebration of life observance for Chief of Police Patricia Huntsman's late husband.
- The formation of new citizen committees related to economic development, flood control, water stewardship, and budget.

4a) Update by the Town Manager regarding the Town's Transit Program.

Town Manager Michael Scannell reported that:

- The Transit Program had been in operation since November 2010, was run mostly through volunteer effort, and was funded through the federal government. Transit Consultant Jason Kelly was the liaison for reporting requirements to ADOT.
- While ridership was not up to anticipated numbers, it was increasing, and was now at 1.25 per hour. Per the transit study, it needed to be at 2.0 per hour by August.
- The Transit Advisory Committee had expressed an interest in possibly expanding the route to interest the population. This would result in increased fuel cost and other incidentals.

Council clarified that the Transit Advisory Committee was not yet a standing, established committee, but formal appointments to the committee would be made after the program's 90-day review period was completed.

Mike Tobey, transit volunteer, spoke about the Committee's need to have latitude with decisions. The Committee voted on a new route two weeks ago but had to wait for Council to review the matter. As they lost time by having to come to Council for every change, they requested having a member of Council as

liaison to the group. They had also scheduled an open house on July 14 to get input from the general public.

Council asked for more details about the grant, Council's timeframe for approving continuance of the program, target ridership timeframes, and what the committee wanted Council to do. Mr. Scannell and Mr. Tobey related that:

- Grant: The grant money would run out a year from August.
- Continuance: Council needed to do a risk/reward analysis. If placed on the July 12 agenda, Mr. Tobey would lose another two weeks to market the new route. The grant for the current period would end September 30, and near late August, the Town would be asked to sign onto the grant for new federal fiscal year. Staff had asked ADOT about the possibility of extending that by two weeks to give Council time to assess the plan. Council was slated to review this item again on August 23. If the route expansion was allowed to occur, and ADOT agreed to extend the deadline, in theory, the evaluation of the program could be delayed by a couple of weeks. If the trend lines continued, an increase in ridership would help Council make the decision of whether to extend the program.
- Ridership Timeframes: If ridership was at 2.0 per hour by August, then Council may want to continue the program. Original assumptions on local interest had not come to fruition, and local ridership was not as expected, while regional ridership was higher. Chino Valley shoppers were mostly older people who felt Chino Valley shopping was too limited.
- Committee request: If route modifications were not considered as material, Council could grant the Committee the authority to make insignificant changes, or authorize Mr. Scannell to work with the group and permit changes to the route. The group was thoughtful and mindful of budget constraints.

Council Comments:

- The group should be allowed to do what they needed to complete the circuit until Council made a decision on whether or not to extend the program.
- The hospital was an important stop.
- The Town needed to take care of its seniors and what little freedom they had.
- It might be worthwhile to direct the Town Manager to work with the group.
- Council asked for an accounting of the cost of the program and its objectives since its inception.

Consent Agenda

Council set down item 5.

- 5) Consideration and possible action to approve a Transient Merchant License for PicQuic Food Stores, Inc. to permit the business activity of selling fireworks from July 1–5, 2011 at Lively Shopping Center, located at 316 W. Perkinsville Road. (Applicant: Cesar Lizarraga)

The staff report by Town Clerk Lewis stated that:

- Cesar Lizarraga, CEO/President of PicQuic Food Stores, Inc., submitted the requisite application and documentation for a transient merchant license to set up a stand to sell fireworks for five days from July 1–5, 2011. The application was reviewed and approved by the Building, Zoning, and Business Licensing Divisions, as well as the Chino Valley Fire Marshal. The Fire Marshal will inspect the stand and the fireworks once the stand is set up.
- The Town Code Section 112 permitted a transient merchant to conduct a business activity for no more than three days in any consecutive 30 day period upon (i) compliance with all applicable

provisions of the Town's business regulations, (ii) obtaining permission from the landowner; and (iii) upon proper payment of daily fees.

- A Transient Merchant License for a transient merchant intending to conduct a business activity for more than three days during any consecutive 30 day period must be approved by Council.

Development Services Director Pat Clingman added that the Town could not ban the sale of fireworks, but it could ban their use. Most enforcement was done through fire departments, which the Town did not have.

Mike Tobey, county resident and volunteer, spoke in support of an agenda item that would prohibit the sale and use of fireworks in Chino Valley.

Council discussion:

- Concern was expressed about the fire danger with using fireworks and some desired to discuss the matter further and possibly ban their use in the town limits.
- Councilmembers also did not want to discriminate one business against another, as fireworks were being sold in some local stores.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to approve a Transient Merchant License for PicQuic Food Stores, Inc. to permit the business activity of selling fireworks from July 1–5, 2011 at Lively Shopping Center, located at 316 W. Perkinsville Road. (Applicant: Cesar Lizarraga). The motion PASSED unanimously 7-0.

Action Items

- 6) ZC CASE NO. 10-004. Consideration and possible action to adopt Ordinance No. 11-748 for the zone change of Assessor's Parcel Number 306-29-054E from "AR-5" Agricultural Residential 5 Acre Minimum to "SR-2" Single Family Residential 2 Acre Minimum. The subject property is located at 765 W. Road One South, and consists of approximately 4.08 acres. Applicant/Owner: Donald E. and Marjorie L. Mastin.

Development Services Director Pat Clingman reported that:

- This property currently was zoned "AR-5" Agricultural Residential 5 acre minimum. Mr. and Mrs. Mastin were requesting to rezone the parcel in order to split the property and put the vacant parcel up for sale.
- This was a legal non-conforming lot that was not quite 5 acres, which would be in conformance with SR-2 land uses. The right-of-way dedication would reduce the parcel down to 4 acres.
- A neighborhood meeting was held on December 15, 2010; attendees had no negative comments. Ten letters were mailed out noticing this request; two responses were received, both in favor of the request.

Vice-Mayor Tenney MOVED, seconded by Councilmember Echols, to adopt Ordinance No. 11-748 for the zone change of Assessor's Parcel Number 306-29-054E from "AR-5" to "SR-2" with the findings and stipulations indicated in the proposed Ordinance. The motion PASSED unanimously 7-0.

- 7) Discussion and possible action to define Council's preference regarding the imposition of impact fees and the Town's temporary moratorium on Single and Multi-Family Residential Impact Fees that is scheduled to terminate on June 30, 2011. Impact fee revenues will be affected per Council direction.

Development Services Director Pat Clingman reported in the 14 months that the Town had not had impact fees it had resulted in a revenue loss of \$83,600. Chino Valley was the only municipality in the region without impact fees in place. While the development community had appeared to offer great support for the Town to waive the fees, since that time only seven site-built residences and 13 mobile home building permits had been issued. The homebuilders association took Prescott and Prescott Valley to court for charging impact fees on residential and not commercial. If Council did nothing, the prior ordinance would go into effect, and the Town would start charging impact fees again as of July 1.

Council noted that a new law will require changes to the current impact fee schedule. As the comments made by the builders had not materialized as they had proffered, most of the Council preferred to lift the moratorium and then revise the impact fees to be in compliance with the new law.

Council took no action on the item.

Mayor Marley recessed the meeting at 8:05 p.m. and reconvened it at 8:17 p.m.

- 8) Consideration and possible action to approve the reorganization of the Police Department which entails the elimination of 6.5 Dispatcher positions, reclassification of 2 Dispatcher positions to Civilian Officer positions, and reclassification of an Administrative Assistant position to Management Assistant. This proposal offers an anticipated expenditure reduction of approximately \$64,000.

Commander Wynn and Town Manager Scannell reported that:

- This was a continuance of the dispatch item that previously came before the Council. The department was trying to find a more efficient way to operate. The proposed reorganization was better for the public and would keep officers on the street.
- To assist with budget cost savings, the Police Department had contracted with the Yavapai County Sheriff's Office for dispatching services, thereby eliminating 6.5 Dispatcher positions. Because the Police Department's Dispatchers performed many other functions in addition to dispatching duties, primarily relating to records management and assisting citizens, it was essential to retain two positions to continue to perform those functions. Additionally, reductions of sworn police personnel over the past three years have resulted in over 250 man hours per week being eliminated from the schedule. The recommended reclassification of two Dispatcher positions to Civilian Officer positions will allow these positions to absorb certain tasks currently being done by sworn personnel, allowing the sworn positions to spend more time on patrol. The staff members transitioning into the Civilian Officer positions both had extensive experience in records management. Both were long term employees of the Police Department and possessed the necessary knowledge, skills and abilities to absorb the additional responsibilities of a Civilian Officer.
- Under the department's current organization, there was only one administrative assistant position, which was assigned to the Chief of Police's office. There was no administrative support to the rest of the department's supervisory staff. Due to the recent retirement of the administrative assistant, the department was taking the opportunity to reclassify that position to Management Assistant. The scope and depth of the position had been expanded, thus allowing for the title change. This new position will provide administrative support to all supervisory positions, as well as the department's two Detectives, manage the department's budget and finances, and assume supervisory responsibilities for all civilian positions within the department. The staff member assuming this position had extensive experience in finance and supervision and had provided administrative support to the department's Commanders on an as needed basis for several years. The individual had also taken the initiative to complete her AA in Criminal Justice and possessed the knowledge and skills necessary to transition seamlessly into this position.

- Such reclassification would go into effect on July 1.

Public Comment:

Corey Mendoza, owner of C&R Trucking, spoke about the effect the economy had on his company and asked if any of the reclassified positions would operate the impound yard. Commander Wynn explained the duties of the two reclassified positions with regard to the impound program included the responsibility of conducting the hearings that must take place in order to release vehicles from impound.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to approve the reorganization of the Police Department which entails the elimination of 6.5 Dispatcher positions, reclassification of 2 Dispatcher positions to Civilian Officer, and reclassification of an Administrative Assistant position to Management Assistant and accepting the new organizational chart. The motion PASSED unanimously 7-0.

- 9) Consideration and possible action to approve the Financial Report for ten months ending April 30, 2011 for fiscal year 2010/2011.

Finance Director Vera Smith reported that:

- At 10 months, 83.33% of the fiscal year, the Town had received 77% of budgeted revenues and expended 74% of budget. Net revenues over expenditures was almost \$174,000.
- State Shared Income Tax, State Shared Sales Tax, licenses and permits and fines and forfeitures were over budget, vehicle license taxes and transaction privilege taxes were under budget, with a \$29,000 positive balance.

Town Manager Scannell reported that sales tax leakage was a huge problem. The Town needed an economic development strategy that would encourage retention of taxable transactions, and he suggested that Council develop one.

Councilmember Best asked about taxes on Internet sales. Candy Blakeslee, resident and owner of an Internet company, said that when her products were shipped to towns within the state of Arizona, she collected sales tax.

Vice-Mayor Tenney MOVED, seconded by Councilmember Croft, to approve the Financial Report for ten months ending April 30, 2011 for fiscal year 2010/2011. The motion PASSED unanimously 7-0.

- 10) Presentation, discussion, and possible direction to staff regarding the fiscal year 2011/2012 Proposed Budget.

Finance Director Smith reported that:

- The study session on June 23 addressed budget issues in depth. The Finance committee was meeting tomorrow and will address questions regarding the proposed budget and work on the tentative budget.
- FY 2012 proposed budget: All budgeted funds were decreased from FY 2011 by a total of \$21 million due to lack of unscheduled revenues, such as grants, and going from cash accounting to accrual accounting in the enterprise funds.
- Special funds: Court special revenues, capital asset replacement, and police, parks and recreation, and general government impact fees were all lower than FY 2011. Library, roads, Police special revenues, and Chino Valley Street Lighting Improvement Districts were increased, for a total decrease of \$21.5 million in all funds.

Council took no action.

- 11) Consideration and possible action to adopt Resolution No. 11-961 calling upon the Arizona State Legislature not to further reduce the Highway User Revenue Fund allocations to Arizona cities and towns and to restore funding levels to 2008 beginning fiscal year 2012/2013.

Town Engineer Gritman reported that Kevin Adams with the Rural Transportation Advocacy Council requested that all cities and towns endorse the proposed resolution to cease sweeping of the Highway User Revenue Funds (HURF) from Arizona cities and towns. Between the new census count and raids on the HURF funds, the Town's revenues had dropped \$640,000. The resolution called for the Legislature to restore HURF funds to the 2008 level beginning FY 2012/2013.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to adopt Resolution No. 11-961 calling upon the Arizona State Legislature not to further reduce the Highway User Revenue Fund allocations to Arizona cities and towns and to restore funding levels to 2008 beginning fiscal year 2012/2013. The motion PASSED unanimously 7-0.

- 12) Discussion and possible action to schedule (a) a team building session for members of the Council and applicable staff members, and/or (b) a strategic planning session for the same, and including for both possible dates, location, topics, attendees, moderator, and acceptable expenses for the same.

Town Clerk Lewis reported that as the Town Council was the policy-making body for the Town and gave direction to the staff to implement such policies, it was beneficial for the Council to periodically devote a concentrated block of time to discuss goals and objectives, and community visioning and priorities. Topics discussed at past planning sessions included: departmental overviews, economic development, finance and budget, water resources, capital improvement projects, items of current interest, and 'housekeeping' items such as Council Rules of Procedure, council/manager form of government, and Council goals and planning.

Council and staff discussed doing this soon, having an outside facilitator for team building sessions, and setting up a strategic planning process to discuss a vision for the Town on a number of fronts, such as budget and land use. Staff would research options and seek a facilitator.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to direct staff to research options for scheduling (a) a team-building session and/or (b) a strategic planning session and bring back their findings by July 12, 2011. The motion PASSED unanimously 7-0.

- 13) Consideration and possible action to appoint Mayor and Councilmembers and/or staff members to represent the Town, and appoint alternates, to various entities.

Mayor Marley preferred to defer appointments to the Yavapai County Water Advisory Committee and Technical Advisory Committee, Upper Verde River Watershed Protection Coalition and Technical Advisory Committee, and Northern Arizona Municipal Water User's Association and its Technical Advisory Committee.

Mayor Marley then recommended the following appointments:

- CYMPO – Councilmember Croft;
- NACOG - Councilmember Hatch; Mayor Marley, alternate;
- NACOG Economic Development Committee - Councilmember Hatch; Mayor Marley alternate;
- GAMA, Mayor Marley; Vice-Mayor Tenney, alternate;

- League of Arizona Cities and Towns Resolutions Committee - Councilmember Best; Mayor Marley, alternate;
- Yavapai Regional Medical Center Council of Electors - Councilmember Hatch; Mayor Marley alternate;
- Chino Valley Area Chamber of Commerce - Councilmember Croft; Councilmember Echols, alternate;
- Arizona Municipal Risk Retention Pool - Vice-Mayor Tenney;
- Yavapai Gala Centennial Committee - Councilmember Echols;
- Central Arizona Partnership Economic Development Committee - Councilmember Echols; Councilmember Croft, alternate.

Councilmember Turner expressed an interest in water matters.

Vice-Mayor Tenney MOVED, seconded by Councilmember Best, to appoint Mayor and Councilmembers and/or staff members to represent the Town, and appoint alternates, to various entities per Council discussion as outlined by the mayor. The motion PASSED unanimously 7-0.

- 14) Council may vote to hold an Executive Session pursuant to A.R.S. §38-431.03(A)(3) and (A)(4) to obtain legal advice and consider its position and instruct its attorneys regarding issues on water transportation/pipeline taxes due to the Town from the City of Prescott and negotiations to settle issues regarding the same.

Mayor Marley MOVED, seconded by Councilmember Hatch, to hold an Executive Session pursuant to A.R.S. §38-431.03(A)(3) and (A)(4) to obtain legal advice and consider its position and instruct its attorneys regarding issues on water transportation/pipeline taxes due to the Town from the City of Prescott and negotiations to settle issues regarding the same. The motion PASSED unanimously 7-0 at 9:32 p.m.

Mayor Marley reconvened the regular meeting at 9:51 p.m.

- 15) ADJOURNMENT.

Mayor Marley adjourned the meeting at 9:52 p.m.

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 28th day of June, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of October 2015.



 Jami C. Lewis, Town Clerk