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

TUESDAY, JUNE 25, 2013
6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, June 25, 2013.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Linda Hatch; Councilmember Pat McKee; Councilmember Lon Turner; Councilmember Don Wojcik

Staff Present: Town Manager Robert Smith; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Police Lieutenant Vince Schaan; Police Detective Mike Knittle; Magistrate John Walker; Town Engineer/Public Works Director Ron Grittman; Building Official Dan Trout; Associate Planner Dennis Price; Town Clerk Assistant Liz Hart; Town Clerk Jami Lewis (recorder)

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

Mayor Marley called the meeting to order at 6:02 p.m.

Councilmember McKee participated via conference phone.

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

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

Town Attorney Phyllis Smiley advised that she had made a change in the agenda language under Call to the Public to conform to state law, which only permitted Councilmembers to respond to criticism, not all remarks.

Ronald Maines, resident, spoke about a disagreement during the June 18 Planning and Zoning Commission meeting with regard to staff's recommendation. He asked where staff had the authority to make such recommendations.

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.

a) Funding source used to eliminate the employee furlough, as proposed in the fiscal year 2013/2014 budget.

Mayor Marley reported that this matter will be addressed by the finance director during his budget presentation under item 7b.

b) Council consideration of alternate route to the highway for the proposed Road 1 East extension.

Mayor Marley reported that the speaker, Steve Chontos, had indicated that he would be approaching councilmembers to place this item on a future agenda.

5) CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

Councilmember Hatch reported on the Northern Arizona Council of Governments seeking photos of Town events.

Councilmember Turner reported on the 4th of July celebration at the Community Center and the fireworks being funded by an anonymous donor.

Mayor Marley reported on a scheduled recess before item 8a to observe Councilmember Turner's birthday.

a) Status update on the SR 89 improvements project. (Ron Grittman, Town Engineer)

Mr. Grittman reported on the status of the SR 89 road widening project and ADOT holding a public meeting on June 27 for business owners and other citizens to address left turn elimination issues.

b) Status update on legislative conference calls held Monday, June 24, 2013. (Joe Duffy, Finance Director; Jami Lewis, Town Clerk)

Mr. Duffy had nothing to report and he will have the Town's tax auditor give a presentation on HB 2111 relating to TPT Task Force matters at a future meeting. Ms. Lewis then reported on new election laws relating to the use of public resources in influencing elections and consolidated elections.

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.

At staff's request, Council removed items 6b and 6c from the agenda.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Consent Agenda items 6a, d, e, f and g.

Vote: 7 - 0 PASSED - Unanimously

a) Consideration and possible action to extend the existing month-to-month lease for the Food Bank an additional 90 days. (Robert Smith, Town Manager)

b) ~~*Postponed from June 11, 2013:* Consideration and possible action to approve Agreement for Professional Consulting Services between the Town of Chino Valley and Mayday Consulting, LLC for HUD Home Owner Occupied Housing Rehabilitation Program and Consulting Services for fiscal year 2013/2014. Funds to come from Contingency. (Cecilia Watts, General Services Director)~~

c) ~~*Postponed from June 11, 2013:* Consideration and possible action to adopt Resolution No. 13-1013 authorizing the Town of Chino Valley to submit an application for State Housing Funds and certifying that said application will meet the Community's Housing and Community Development needs and the requirements of the State Housing programs, and authorizing all actions necessary to implement and complete the activities outlined in said application. (Cecilia Watts, General Services Director)~~

d) Consideration and possible action to approve Financial Report for the month ended May 31, 2013. (Joe Duffy, Finance Director)

e) Consideration and possible action to approve recommended budget adjustments for the Fiscal Year Ending June 30, 2013, resulting in the Contingency Budget being reduced from $323,047 to $252,047. (Joe Duffy, Finance Director)

f) Consideration and possible action to approve the yearly Indigent Legal Services Contracts for court misdemeanors between the Town of Chino Valley Municipal Court and Emily C. Dolan and Ingrid Blasik, in the amount of $7,500 per contract, for a total of $15,000. Funds to come from Court professional services line. (Ronda Apolinar, Court Administrator)

g) Consideration and possible action to approve the purchase of Driveable Grass from Soil Retention Products Inc., in the amount of $20,924.80 and approve change orders 1, 2, and 3 to the contract with R. Blume Underground in the amount of $50,786.08 for the Road 3 North stormwater project. These change orders and the purchase of this material, along with the deletion of the shotcrete, will reduce the project total from $270,152.01 to $256,864.49. (Ron Grittman, Town Engineer)

7) ACTION ITEMS

a) Consideration and possible action to adopt Ordinance No. 13-770 approving the issuance of a Conditional Use Permit to allow a Light Emitting Diode (LED) Message Reader Board for Assessor's Parcel Number 306-14-007E, located at 2062 N. State Route 89 in Chino Valley. Property Owner: St. Catherine Laboure Catholic Church. Applicant: St. Catherine Laboure Catholic Church and Signs Plus. (Dennis Price, Associate Planner)

Mr. Price reported that:

- St. Catherine's was proposing to replace its existing freestanding monument sign with a new 32 square-foot sign which featured a 16 square-foot Light Emitting Diode (LED) message reader board. Such signs were prohibited by the Town's Unified Development Ordinance except as sanctioned by a Conditional Use Permit.
- No other sign changes or additions were proposed for the premises.
- Under the citizen participation protocol, the applicant held a neighborhood meeting on May 15 and comment letters were sent to neighboring properties. No neighbors attended the May 15 meeting, and staff received one support letter following the Planning and Zoning Commission meeting.
- On May 25, the Commission heard testimony and voted 4-0 to recommend approval.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to adopt Ordinance No. 13-770 approving the issuance of a Conditional Use Permit (CUP) to allow a Light Emitting Diode (LED) Message Reader Board for Assessor's Parcel 306-14-007E.

Vote: 7 - 0 PASSED - Unanimously

b) PUBLIC HEARING and consideration and possible action to approve Resolution No. 13-1015 adopting a Final Budget for fiscal year 2013-2014, and proposed expenditure limitation for the same year, in the amount of $16,769,266, which includes the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts. (Joe Duffy, Finance Director)

Mr. Duffy presented the proposed final budget for fiscal year 2013-2014. Key points were:

- Since one year ago: the Town's fiscal condition was stable, the general fund deficit was on the road to recovery, and the utility funds' ongoing deficit had been reduced.
- This resulted from: developing a strategic financial plan, conducting a community survey, evaluating the Town's programs, revising financial policies, and approving a new utility rate plan, sales tax rate increase, and new user fee study.
- Budget goals: develop a comprehensive document to clearly communicate the Town's financial information to the community, Council, Town staff, and other users; and submit it to the Government Finance Officers Association Distinguished Budget Presentation Awards Program.
- Budget approach: The budget was developed conservatively, with estimated revenues at only 2% growth and no new housing or utility customers, and estimated expenses at 3% growth and a 7% deficit in the general fund this fiscal year.
- Major initiatives: eliminate employee furloughs; reclassify police officers based on Compensation and Classification plan; increase road maintenance by $200,000; three new roads projects at $1 million; Chino Meadows 5 drainage project; and SR 89 water and sewer project design.
- Funding sources to eliminate the employee furlough: $185,000 from the general fund; $55,000 from Highway User Revenue Fund; $15,000 from the water fund; and $15,000 from the sewer fund. This will increase payroll by 4.52%.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to open the public hearing and consider Resolution No. 13-1015 adopting a Final Budget and proposed expenditure limitation for fiscal year 2013-2014 in the amount of $16,769,266.

Vote: 7 - 0 PASSED - Unanimously

Mike Edmonds asked about the carryover. Mr. Duffy related that it was money left over an the end of one fiscal year that was carried over to use in the next and was akin to a savings account.

Council asked about changes to work hours as a result of eliminating the furlough. Town Manager Robert Smith reported that each department was considering that independently, and he will provide a report to Council as soon he had the hours proposed by each department. Changes will start on July 6.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to close the public hearing.

Vote: 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Resolution 13-1015, adopting a Final Budget and proposed expenditure limitation for fiscal year 2013-2014 in the amount of $16,769,266.

Vote: 7 - 0 PASSED - Unanimously

c) Consideration and possible action to adopt Resolution No. 13-1014, to support the extension and expansion of Town roads using collected and on-hand impact fees that can only be used for expansion of the Town's road network. (Robert Smith, Town Manager)

Mr. Smith reported that:

- In working through some legal conflicts and general planning, the following three road projects needed to be addressed immediately: extend Road 4 South and Center Street eastward and link them via a third road along the Peavine right-of-way.
- The proposed resolution demonstrated to the public that these three projects were in the budget to complete over the next three years using impact fees currently on hand.
- Staff intended to preserve the Peavine walking trail and construct standard dirt roads, chipsealing as much as possible. The Town had the needed rights-of-way on Center Street and owned the Peavine; and staff was currently securing the rights-of-way on Road 4 South.

Mayor Marley clarified that these projects will help satisfy past pre-annexation development agreements and provide for emergency circulation.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to adopt Resolution No. 13-1014.

Vote: 7 - 0 PASSED - Unanimously

d) Consideration and possible action to appoint Councilmembers to Council Committees. (Jami Lewis, Town Clerk)

Mrs. Lewis reported that currently, Council had five committees related to appointments, finance, economic development, public safety, and water and utilities. Each consisted of three council members, with applicable staff liaisons. With new Councilmembers on board, it was necessary to adjust the committees' membership. Council has the discretion to modify, discontinue, or add new committees as needed.

Mayor Marley presented his recommendations for the five committees, which resulted in all councilmembers being on two committees, except for Councilmember Hatch being on three and himself being on one.

Council discussed the mayor's recommendations, Councilmember Hatch's request to withdraw from the Appointments Committee, and Councilmember Best's suggestion to switch his position on the Economic Development Committee with Councilmember

Hatch.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to accept appointments to the Council committees as amended.

Vote: 7 - 0 PASSED - Unanimously

e) Consideration and possible action to update the appointment of Councilmembers and staff to various regional and state entity committees. (Jami Lewis, Town Clerk)

Mrs. Lewis reported that over the years, Council had been asked to appoint Council and/or staff representatives to various intergovernmental or other entity committees. Currently, there were 19 such positions, most of which also had a designated alternate. As some of these positions were held by former councilmembers, new appointments were needed. The town manager was also requesting that Council create a new appointment of liaison to the Chino Valley Fire District Board.

Council discussed the positions and selected councilmembers to fill them.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to appoint Councilmembers and/or staff to fill vacant positions on various entity committees and update existing appointments, as applicable.

Vote: 7 - 0 PASSED - Unanimously

f) Consideration and possible action to cancel the August 27, 2013 regular meeting due to a conflict with the annual League Conference. (Jami Lewis, Town Clerk)

Mrs. Lewis reported that Town Code Section 30.065 permitted Council to cancel or reschedule one regular meeting in any month. Council's second meeting on August 27 was scheduled during the annual League Conference, and there will not be a quorum. Council had traditionally canceled meetings conflicting with this event.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to cancel the August 27, 2013 regular meeting.

Vote: 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to recess the regular meeting at 7:22 p.m.

Vote: 7 - 0 PASSED - Unanimously

Councilmember McKee left the regular meeting at 7:22 p.m.

Mayor Marley called the meeting back to order at 7:38 p.m.

8) EXECUTIVE SESSION

Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the Town's attorneys on any of the above agenda items pursuant to A.R.S. § 38-431.03(A)(3).

a) Consideration and possible action to recess the Regular Meeting and hold an executive session pursuant to A.R.S. § 38-431.03(A)(3) &(4) for discussion or consultation with the Town Attorney for legal advice and in order to consider its position and instruct the Town Attorney regarding the Town's position regarding an intergovernmental agreement with the City of Prescott, Arizona, related to payments for the transportation of water that is the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, including the matter of City of Prescott v. Town of Chino Valley, Yavapai Superior Court No. 46161. (Robert Smith, Town Manager)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to adjourn into executive session to discuss the intergovernmental agreement between the Town of Chino Valley and Prescott at 7:38 p.m.

Vote: 6 - 0 PASSED - Unanimously

Mayor Marley reconvened the meeting into open session at 8:18 p.m.

b) Consideration and possible action to amend or approve the Intergovernmental Agreement between the Town of Chino Valley and the City of Prescott relating to Payments for the Transportation of Water.

Council took no action.

9) ADJOURNMENT

MOVED by Councilmember Linda Hatch, seconded by Vice-Mayor Darryl Croft to adjourn the meeting at 8:19 p.m.

Vote: 6 - 0 PASSED - Unanimously

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 25th day of July, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 13th day of August, 2013.

Jami C. Lewis, Town Clerk