



Town of Chino Valley

MEETING NOTICE TOWN COUNCIL

REGULAR MEETING
Tuesday, June 26, 2012
6:00 P.M.

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

AGENDA

ADDENDUM - 6/22/12

Item 6c	Adds attachment - Ordinance 12-759 Court Town Code amendment
Item 6d	Adds attachments - Memo and Draft Town Manager Employment Agreement
Item 7a	Adds attachments - Final Budget Summary and Exhibits
Item 7c	Adds attachments - NACOG EDC Minutes and Agenda

ADDENDUM - 6/25/12

Item 6c	Adds attachments - Ordinance 12-759 Court Town Code amendment with 2nd Town Attorney revisions, <i>and</i> clean version
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- 1) **CALL TO ORDER, INVOCATION; 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 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 speaker remarks.

- 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) Report on Spring 2013 Regular Election, HB 2826, and Home Rule. (Jami Lewis, Town Clerk)
- b) Report regarding status of Public Safety Retirement Board. (Cecilia Watts, General Services Director)

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 accept resignation of Dee Fry from Senior Center Advisory Board, effective June 13, 2012. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to reappoint Geoffrey Brown and appoint Marti Klein to the Board of Adjustment for 3 year terms starting August 1, 2012; appoint Carrie Barnes, Todd League, and James Justice to the Parks and Recreation Advisory Board for 2 year terms starting July 1, 2012; and re-appoint Kyle Herman to the Senior Center Advisory Board for a 2 year term starting July 1, 2012. (Jami Lewis, Town Clerk)
- c) Consideration and possible action to approve Ordinance No. 12-759, amending the Chino Valley Town Code Chapter 34: Court, General Provisions, Sections 34.01: Magistrate Court Established; Jurisdiction and 34.02: Presiding Officer. (Magistrate Evaluation Committee)
- d) Consideration and possible action to approve Employment Agreement for Presiding Magistrate with John Walker in the amount of \$85,500 for a three-year term effective June 20, 2012 and ending June 30, 2015, in the amount of \$85,500 for each of the first two years of this Agreement, with a possible increase for the third year of this Agreement. (Tom Kack, Town Attorney)
- e) Consideration and possible action to approve Employment Agreement for Town Manager with Robert Smith in the amount of \$120,000 for a three-year term starting in August 2012. (Tom Kack, Town Attorney)

7) ACTION ITEMS

- a) PUBLIC HEARING and consideration and possible action to approve Resolution No. 12-994 adopting a Final Budget for fiscal year 2012-2013, and proposed expenditure limitation for the same year, in the amount of \$15,248,485, which includes the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts. (Robert Smith, Interim Town Manager)

PUBLIC HEARING and consideration and possible action to approve Resolution No. 12-995 adopting the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts, which shall constitute the budgets of the Districts for fiscal year 2012-2013, pursuant to sections 48-616 and 42-17101 et seq., Arizona Revised Statutes, as amended. (Robert Smith, Interim Town Manager)

Recommended Action: Approve Resolution No. 12-994 adopting a Final Budget for fiscal year 2012-2013, and proposed expenditure limitation for the same year, in the amount of \$15,248,485, including the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts

or

Postpone action on the Final Budget per Council discussion;

and

Approve Resolution No. 12-995, adopting the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts, which shall constitute the budgets of the Districts for fiscal year 2012-2013, pursuant to sections 48-616 and 42-17101 et seq., Arizona Revised Statutes, as amended.

- b) Consideration and possible action to award the Community Development Block Grant Project to CLM Earthmovers in an amount not to exceed \$207,323.44 for the Base Bid and \$94,964.60 for the Alternative Bid for the Box Culvert at Center Street for a total contract amount of \$302,288.04; and authorize the Mayor to sign the associated contract. Funds to come from CDBG Grants Fund capital expenditures construction costs line. (Ron Gritman, Town Engineer)

Recommended Action: Award the Community Development Block Grant Project to CLM Earthmovers in an amount not to exceed \$207,323.44 for the Base Bid and \$94,964.60 for the Alternative Bid for the Box Culvert at Center Street for a total contract amount of \$302,288.04; and authorize the Mayor to sign the associated contract.

- c) Consideration and possible action to appoint a representative to the NACOG Economic Development Committee (EDC). (Councilmember Hatch; Mayor Marley)

Recommended Action: Appoint representative to EDC per council discussion.

- d) Consideration and possible action to approve the May 17, 2012 Study Session minutes. (Absent: Councilmembers Echols and Turner) (Jami Lewis, Town Clerk)

Recommended Action: Approve the May 17, 2012 Study Session minutes.

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).

9) ADJOURNMENT

Dated this 21st day of June, 2012.

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 636-1787 (TDD) 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/clerk/townagenda.shtml>, 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 Town Hall, Chino Valley Post Office, and Chino Valley Aquatic Center 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

Item No. **6. a.**

Meeting Date: 06/26/2012
Contact Person/Dept: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
Item Type: Consent
**Estimated length
of staff presentation:** None
Physical location of item: Senior Center

AGENDA ITEM TITLE:

Consideration and possible action to accept resignation of Dee Fry from Senior Center Advisory Board, effective June 13, 2012.

RECOMMENDED ACTION:

Accept resignation of Dee Fry from Senior Center Advisory Board.

SITUATION AND ANALYSIS:

Dee Fry has submitted her resignation from the Senior Center Advisory Board, as of June 13, 2012.

Other Pertinent Documents Available Upon Request:

Resignation letter

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. b.**

Meeting Date: 06/26/2012
Contact Person/Dept: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to reappoint Geoffrey Brown and appoint Marti Klein to the Board of Adjustment for 3 year terms starting August 1, 2012; appoint Carrie Barnes, Todd League, and James Justice to the Parks and Recreation Advisory Board for 2 year terms starting July 1, 2012; and re-appoint Kyle Herman to the Senior Center Advisory Board for a 2 year term starting July 1, 2012.

RECOMMENDED ACTION:

Reappoint Geoffrey Brown and appoint Marti Klein to the Board of Adjustment for 3 year terms starting August 1, 2012; appoint Carrie Barnes, Todd League, and James Justice to the Parks and Recreation Advisory Board for 2 year terms starting July 1, 2012; and re-appoint Kyle Herman to the Senior Center Advisory Board for a 2 year term starting July 1, 2012.

SITUATION AND ANALYSIS:

Staff has been recruiting for positions on several of the Town's public bodies. All of these positions are due to expire on June 30 or July 31.

On June 19, 2012, the Council Appointments Committee reviewed the applications received and are making the following recommendations:

- Board of Adjustment: Reappoint Geoffrey Brown and appoint Marti Klein to 3 year terms starting August 1, 2012. As there are 3 openings, this board still needs to fill 1 position.
- Parks and Recreation Advisory Board: Appoint new applicants Carrie Barnes, Todd League, and James Justice to 2 year terms starting July 1, 2012. Approving these 3 applicants will fill all positions on this board.
- Senior Center Advisory Board: Re-appoint Kyle Herman to a 2 year term starting July 1, 2012. As there were 4 openings and a recent resignation, this board still needs to fill 4 positions.

- Roads and Streets Committee: Staff received no applications for 3 positions. The Appointments Committee members suggested having a discussion regarding possibly reducing the number of members on this committee.
- Municipal Property Corporation: Staff received no applications for 2 positions. The Appointments Committee members suggested that staff contact former Council members to possibly apply for this board.

Per state statute, persons whose terms have expired may remain on their public body until their positions have been filled, but it is not required. So, staff liaisons whose boards still have vacancies may contact their members whose terms were expiring about remaining on their board until a new person is appointed. The Appointments Committee also offered some suggestions about bringing these needs to the public's attention, such as making more frequent announcements at Council meetings and having staff liaisons give a report on what their public bodies do. Staff intends to schedule such reports on July 10.

Other Pertinent Documents Available Upon Request:

Public body applications

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. c.**

Meeting Date: 06/26/2012
Contact Person/Dept: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
Item Type: Consent
**Estimated length
of staff presentation:** None
Physical location of item: Magistrate Court

AGENDA ITEM TITLE:

Consideration and possible action to approve Ordinance No. 12-759, amending the Chino Valley Town Code Chapter 34: Court, General Provisions, Sections 34.01: Magistrate Court Established; Jurisdiction and 34.02: Presiding Officer.

RECOMMENDED ACTION:

Adopt Ordinance No. 12-759, amending Town Code Sections 34.01 and 34.02.

SITUATION AND ANALYSIS:

During the evaluation process of the Town Magistrate, it was discovered by the Magistrate Evaluation Committee (MEC) that the Town Code sections pertaining to the magistrate and magistrate court were inconsistent with current Arizona Revised Statutes, rules, magistrate court practices, and recommendations of the Arizona Supreme Court. This Ordinance updates sections 34.01 and 34.02 of the Town Code. The revisions of Section 34.02 are necessary in order to offer the Magistrate a three year contract as the current code permits only a 2 year or a 4 year contract.

Other Pertinent Documents Available Upon Request:

Ordinance No. 12-759, currently being drafted by the Town Attorney, will be attached upon completion.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Ordinance 12-759 with Town Attorney revisions

Ordinance 12-759 with 2nd revisions by Town Attorney

Ordinance 12-759 - clean final draft

ORDINANCE NO. 12-759

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, AMENDING THE TOWN OF CHINO VALLEY, ARIZONA, TOWN CODE, CHAPTER 34: "COURT," GENERAL PROVISIONS SECTIONS 34.01: "MAGISTRATE COURT ESTABLISHED; JURISDICTION" AND 34.02: "PRESIDING OFFICER"

WHEREAS, During the evaluation process of the Town Magistrate, it was discovered by the Magistrate Evaluation Committee that the Town Code sections pertaining to the magistrate and magistrate court were inconsistent with current Arizona Revised Statutes, rules, magistrate court practices, and recommendations of the Arizona Supreme Court; and

WHEREAS, This Ordinance updates Town Code Sections 34.01 and 34.02 to bring the Code into alignment with the other regulations; and

WHEREAS, revisions to Section 34.02 will permit more latitude with regard to offering the Magistrate a two, three, or four year contract;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

Section 1. The text of Town Code, Chapter 34, "COURT," Section 34.01, entitled "MAGISTRATE COURT ESTABLISHED; JURISDICTION" is hereby deleted in its entirety and the following language substituted in its place:

CHAPTER 34 COURT

GENERAL PROVISIONS

§ 34.01 MAGISTRATE COURT ESTABLISHED; JURISDICTION

There is hereby established in the town a ~~Magistrate's~~ MAGISTRATE Court which shall have jurisdiction of all CHARGED UNDER this code., ~~and jurisdiction concurrently with justices of the peace of precincts in which the town is located of violation of laws of the state committed within the limits of the town.~~ THE COURT SHALL HAVE CONCURRENT JURISDICTION WITH THE JUSTICE OF THE PEACE COURT WITHIN WHOSE PRECINCT THE TOWN IS LOCATED, FOR ALL MISDEMEANOR, CIVIL TRAFFIC, AND PETTY OFFENSES COMMITTED WITHIN THE TOWN LIMITS OF CHINO VALLEY AND IN VIOLATION OF ARIZONA REVISED STATUTES.

Section 2. The text of Town Code, Chapter 34, "COURT," Section 34.02, entitled "PRESIDING OFFICER" is hereby amended as follows:

CHAPTER 34 COURT

GENERAL PROVISIONS

§ 34.02 PRESIDING OFFICER

(A) ~~Town Magistrate~~ PRESIDING MAGISTRATE

~~(1) The presiding officer of the Magistrate Court shall be appointed by the Council. The Magistrate shall serve for a minimum term of 2 years upon initial appointment. After the initial 2 year term, the Council may reappoint for subsequent terms of 2 or 4 years.~~ THE COUNCIL SHALL APPOINT A PRESIDING MAGISTRATE OF THE COURT WHO SHALL SERVE A MINIMUM TERM OF TWO (2) YEARS UPON INITIAL APPOINTMENT. THEREAFTER, THE COUNCIL MAY REAPPOINT THE PRESIDING MAGISTRATE FOR TERMS OF NOT LESS THAN TWO (2) NOR MORE THAN FOUR (4) YEARS. The beginning and end of the EACH term ~~is to~~ SHALL be specified at the time of appointment or reappointment. ~~During any such term, a Magistrate may be removed only for cause.~~ THE COUNCIL SHALL REMOVE THE PRESIDING MAGISTRATE ONLY FOR CAUSE, IN ACCORDANCE WITH THE ARIZONA CONSTITUTION AND ARIZONA LAW.

~~(2) The presiding officer of the Magistrate Court may appoint the qualified pro tem judges, ASSOCIATE MAGISTRATES, SPECIAL magistrates, and hearing officers as are deemed necessary for the efficient AND CONTINUING operation of the Court. THOSE PERSONS WHO ARE APPOINTED SHALL to provide services FOR THE COURT in the absence OR DISABILITY of the PRESIDING Magistrate or for AND IN those cases wherein the Magistrate may not act due to a change of judge. WHERE THE PRESIDING MAGISTRATE IS RECUSED FROM ANY MATTER OR PROCEEDING. by the Magistrate must be ANY ASSOCIATE MAGISTRATE OR SPECIAL MAGISTRATE SHALL BE A sitting or retired judge, judge pro TEMPORE, magistrate, or hearing officers, except that any other candidate for judge pro tem, magistrate or hearing officer not holding a judicial office must ANY HEARING OFFICER WHO DOES NOT MEET THE QUALIFICATIONS OF AN ASSOCIATE OR SPECIAL MAGISTRATE SHALL be approved by the Council prior to appointment by the Magistrate.~~

~~(3) Pro tem judges magistrates and hearing officers~~ ASSOCIATE OR SPECIAL MAGISTRATES AND HEARING OFFICERS appointed by the Court PRESIDING MAGISTRATE serve on a case-by-case basis or for specific periods of time as assigned ~~by the Magistrate.~~ They may serve on a voluntary basis or are eligible for

compensation from the "other professional services" account of the Court, subject to the policies and rates of pay established by the Court.

Section 3. All other Chapters and Sections of the Town Code, not herein amended or abrogated, shall remain in full force and effect.

Section 4. If any provision of this Ordinance is held invalid by a Court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 26th day of June, 2012.

Chris Marley, Mayor

ATTEST:

APPROVED AS TO FORM:

Jami C. Lewis, Town Clerk

Musgrove Drutz & Kack, P.C.
Town Attorney

ORDINANCE NO. 12-759

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, AMENDING THE TOWN OF CHINO VALLEY, ARIZONA, TOWN CODE, CHAPTER 34: "COURT," GENERAL PROVISIONS SECTIONS 34.01: "MAGISTRATE COURT ESTABLISHED; JURISDICTION" AND 34.02: "PRESIDING OFFICER"

WHEREAS, During the evaluation process of the Town Magistrate, it was discovered by the Magistrate Evaluation Committee that the Town Code sections pertaining to the magistrate and magistrate court were inconsistent with current Arizona Revised Statutes, rules, magistrate court practices, and recommendations of the Arizona Supreme Court; and

WHEREAS, This Ordinance updates Town Code Sections 34.01 and 34.02 to bring the Code into alignment with the other regulations; and

WHEREAS, revisions to Section 34.02 will permit more latitude with regard to offering the Magistrate a two, three, or four year contract;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

Section 1. The text of Town Code, Chapter 34, "COURT," Section 34.01, entitled "MAGISTRATE COURT ESTABLISHED; JURISDICTION" is hereby deleted in its entirety and the following language substituted in its place:

CHAPTER 34 COURT

GENERAL PROVISIONS

§ 34.01 MAGISTRATE COURT ESTABLISHED; JURISDICTION

There is hereby established in the town a ~~Magistrate's~~ MAGISTRATE Court which shall have jurisdiction OVER all CASES ARISING UNDER this code., ~~and jurisdiction concurrently with justices of the peace of precincts in which the town is located of violation of laws of the state committed within the limits of the town.~~ THE COURT SHALL HAVE JURISDICTION CONCURRENTLY WITH JUSTICES OF THE PEACE OF THE PRECINCT IN WHICH THE TOWN OF CHINO VALLEY IS LOCATED, OF VIOLATIONS OF THE LAWS OF THE STATE OF ARIZONA COMMITTED WITHIN THE LIMITS OF THE TOWN OF CHINO VALLEY.

Section 2. The text of Town Code, Chapter 34, "COURT," Section 34.02, entitled "PRESIDING OFFICER" is hereby amended as follows:

CHAPTER 34 COURT

GENERAL PROVISIONS

§ 34.02 PRESIDING OFFICER

(A) ~~Town Magistrate~~ PRESIDING MAGISTRATE

~~(1) The presiding officer of the Magistrate Court shall be appointed by the Council. The Magistrate shall serve for a minimum term of 2 years upon initial appointment. After the initial 2 year term, the Council may reappoint for subsequent terms of 2 or 4 years.~~ THE COUNCIL SHALL APPOINT A PRESIDING MAGISTRATE OF THE COURT WHO SHALL SERVE A MINIMUM TERM OF TWO (2) YEARS UPON INITIAL APPOINTMENT. THEREAFTER, THE COUNCIL MAY REAPPOINT THE PRESIDING MAGISTRATE FOR TERMS OF NOT LESS THAN TWO (2) NOR MORE THAN FOUR (4) YEARS. The beginning and end of the EACH term is to SHALL be specified at the time of appointment or reappointment. ~~During any such term, a Magistrate may be removed only for cause.~~ THE COUNCIL SHALL REMOVE THE PRESIDING MAGISTRATE ONLY FOR CAUSE, IN ACCORDANCE WITH THE ARIZONA CONSTITUTION AND ARIZONA LAW.

~~(2) The presiding officer of the Magistrate Court may appoint the qualified pro tem judges, ASSOCIATE MAGISTRATES, SPECIAL magistrates, and hearing officers as are deemed necessary for the efficient AND CONTINUING operation of the Court. THOSE PERSONS WHO ARE APPOINTED SHALL to provide services FOR THE COURT in the absence OR DISABILITY of the PRESIDING Magistrate or for AND IN those cases wherein the Magistrate may not act due to a change of judge. WHERE THE PRESIDING MAGISTRATE IS RECUSED FROM ANY MATTER OR PROCEEDING. by the Magistrate must be ANY ASSOCIATE MAGISTRATE OR SPECIAL MAGISTRATE SHALL BE A sitting or retired judge, judge pro TEMPORE, OR magistrate, or hearing officers, except that any other candidate for judge pro tem, magistrate or hearing officer not holding a judicial office must ANY HEARING OFFICER WHO DOES NOT MEET THE QUALIFICATIONS OF AN ASSOCIATE OR SPECIAL MAGISTRATE SHALL be approved by the Council prior to appointment by the Magistrate.~~

~~(3) Pro tem judges magistrates and hearing officers~~ ASSOCIATE OR SPECIAL MAGISTRATES AND HEARING OFFICERS appointed by the Court PRESIDING MAGISTRATE serve on a case-by-case basis or for specific periods of time as assigned by the Magistrate. They may serve on a voluntary basis or are eligible for compensation from the "other professional services" account of the Court, subject to the policies and

rates of pay established by the Court.

Section 3. All other Chapters and Sections of the Town Code, not herein amended or abrogated, shall remain in full force and effect.

Section 4. If any provision of this Ordinance is held invalid by a Court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 26th day of June, 2012.

Chris Marley, Mayor

ATTEST:

APPROVED AS TO FORM:

Jami C. Lewis, Town Clerk

Musgrove Drutz & Kack, P.C.
Town Attorney

ORDINANCE NO. 12-759

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, AMENDING THE TOWN OF CHINO VALLEY, ARIZONA, TOWN CODE, CHAPTER 34: "COURT," GENERAL PROVISIONS SECTIONS 34.01: "MAGISTRATE COURT ESTABLISHED; JURISDICTION" AND 34.02: "PRESIDING OFFICER"

WHEREAS, During the evaluation process of the Town Magistrate, it was discovered by the Magistrate Evaluation Committee that the Town Code sections pertaining to the magistrate and magistrate court were inconsistent with current Arizona Revised Statutes, rules, magistrate court practices, and recommendations of the Arizona Supreme Court; and

WHEREAS, This Ordinance updates Town Code Sections 34.01 and 34.02 to bring the Code into alignment with the other regulations; and

WHEREAS, revisions to Section 34.02 will permit more latitude with regard to offering the Magistrate a two, three, or four year contract;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

Section 1. The text of Town Code, Chapter 34, "COURT," Section 34.01, entitled "MAGISTRATE COURT ESTABLISHED; JURISDICTION" is hereby deleted in its entirety and the following language substituted in its place:

CHAPTER 34 COURT

GENERAL PROVISIONS

§ 34.01 MAGISTRATE COURT ESTABLISHED; JURISDICTION

There is hereby established in the town a ~~Magistrate's~~ MAGISTRATE Court which shall have jurisdiction OVER all CASES ARISING UNDER this code., ~~and jurisdiction concurrently with justices of the peace of precincts in which the town is located of violation of laws of the state committed within the limits of the town.~~ THE COURT SHALL HAVE JURISDICTION CONCURRENTLY WITH JUSTICES OF THE PEACE OF THE PRECINCT IN WHICH THE TOWN OF CHINO VALLEY IS LOCATED, OF VIOLATIONS OF THE LAWS OF THE STATE OF ARIZONA COMMITTED WITHIN THE LIMITS OF THE TOWN OF CHINO VALLEY.

Section 2. The text of Town Code, Chapter 34, "COURT," Section 34.02, entitled "PRESIDING OFFICER" is hereby amended as follows:

CHAPTER 34 COURT

GENERAL PROVISIONS

§ 34.02 PRESIDING OFFICER

(A) ~~Town Magistrate~~ PRESIDING MAGISTRATE

~~(1) The presiding officer of the Magistrate Court shall be appointed by the Council. The Magistrate shall serve for a minimum term of 2 years upon initial appointment. After the initial 2 year term, the Council may reappoint for subsequent terms of 2 or 4 years.~~ THE COUNCIL SHALL APPOINT A PRESIDING MAGISTRATE OF THE COURT WHO SHALL SERVE A MINIMUM TERM OF TWO (2) YEARS UPON INITIAL APPOINTMENT. THEREAFTER, THE COUNCIL MAY REAPPOINT THE PRESIDING MAGISTRATE FOR TERMS OF NOT LESS THAN TWO (2) NOR MORE THAN FOUR (4) YEARS. The beginning and end of the EACH term ~~is to~~ SHALL be specified at the time of appointment or reappointment. ~~During any such term, a Magistrate may be removed only for cause.~~ THE COUNCIL SHALL REMOVE THE PRESIDING MAGISTRATE ONLY FOR CAUSE, IN ACCORDANCE WITH THE ARIZONA CONSTITUTION AND ARIZONA LAW.

~~(2) The presiding officer of the Magistrate Court may appoint the qualified pro tem judges, ASSOCIATE MAGISTRATES, SPECIAL magistrates, and hearing officers as are deemed necessary for the efficient AND CONTINUING operation of the Court. THOSE PERSONS WHO ARE APPOINTED SHALL to provide services FOR THE COURT in the absence OR DISABILITY of the PRESIDING Magistrate or for AND IN those cases wherein the Magistrate may not act due to a change of judge. WHERE THE PRESIDING MAGISTRATE IS RECUSED FROM ANY MATTER OR PROCEEDING. by the Magistrate must be ANY ASSOCIATE MAGISTRATE OR SPECIAL MAGISTRATE SHALL BE A sitting or retired judge, judge pro TEMPORE, OR magistrate, or hearing officers, except that any other candidate for judge pro tem, magistrate or hearing officer not holding a judicial office must ANY HEARING OFFICER WHO DOES NOT MEET THE QUALIFICATIONS OF AN ASSOCIATE OR SPECIAL MAGISTRATE SHALL be approved by the Council prior to appointment by the Magistrate.~~

~~(3) Pro tem judges magistrates and hearing officers~~ ASSOCIATE OR SPECIAL MAGISTRATES AND HEARING OFFICERS appointed by the Court PRESIDING MAGISTRATE serve on a case-by-case basis or for specific periods of time as assigned ~~by the Magistrate.~~ They may serve on a voluntary basis or are eligible for compensation from the "other professional services" account of the Court, subject to the policies and

rates of pay established by the Court.

Section 3. All other Chapters and Sections of the Town Code, not herein amended or abrogated, shall remain in full force and effect.

Section 4. If any provision of this Ordinance is held invalid by a Court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 26th day of June, 2012.

Chris Marley, Mayor

ATTEST:

APPROVED AS TO FORM:

Jami C. Lewis, Town Clerk

Musgrove Drutz & Kack, P.C.
Town Attorney



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. d.**

Meeting Date: 06/26/2012
Contact Person/Dept: Tom Kack, Town Attorney
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: Magistrate Court

AGENDA ITEM TITLE:

Consideration and possible action to approve Employment Agreement for Presiding Magistrate with John Walker in the amount of \$85,500 for a three-year term effective June 20, 2012 and ending June 30, 2015, in the amount of \$85,500 for each of the first two years of this Agreement, with a possible increase for the third year of this Agreement.

RECOMMENDED ACTION:

Approve Employment Agreement for Presiding Magistrate with John Walker as recommended by the Magistrate Evaluation Committee.

SITUATION AND ANALYSIS:

The current Employment Agreement with Town Magistrate John Walker, together with the Employment Agreement extension expires on July 4, 2012. This new Agreement would appoint Judge John Walker for a period of 3 years from June 30, 2012 and covers a period of time ending on June 30, 2015, subject to an amendment to the Town Code allowing reappointment for a time period of 2 to 4 years. If the Code is not amended, the Agreement will be for 2 years but it is then subject to being terminated by Judge John Walker.

The agreement generally includes a salary of \$85,500 for each of the first two years with full employment benefits and an opportunity to modify the salary at the end of two years.

Fiscal Impact

Fiscal Impact?: Yes

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Magistrate Employment Agreement

EMPLOYMENT AGREEMENT
PRESIDING MAGISTRATE

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 2012, by and between the Town of Chino Valley, Arizona ("the Town"), acting through its Mayor and Common Council (collectively referred to as "the Council") and John G. Walker (the Presiding Magistrate)

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

SECTION 1. Powers And Duties Of Presiding Magistrate.

The Town agrees to employ John G. Walker as the Presiding Magistrate of the Chino Valley Municipal Court as provided by this Agreement, the Arizona Constitution, Arizona law, and the Town Code of Chino Valley.

SECTION 2. Term of this Agreement

A. The term of this Agreement shall commence effective July 1, 2012, and shall end on June 30, 2015. The parties agree that a condition precedent to the validity and binding of the parties to this agreement for a term in excess of two (2) years is an amendment to the Town Code of Chino Valley, not later than August 1, 2012, which authorizes a three (3) year term

B. Either party to this Agreement may terminate it pursuant to the following terms:

1. The Presiding Magistrate may terminate this Agreement for any reason or no reason at all. The Presiding Magistrate agrees that if he intends to terminate this Agreement, he shall provide written notice of his intent to terminate at least sixty (60) days in advance of the actual termination date.

2. The Council may terminate this Agreement at any time for good cause in accordance with the provisions of the Arizona Constitution and Arizona law, with the affirmative vote of four members of the Council at any regular or special meeting. The Presiding Magistrate shall be given written notice setting forth the Town's grounds for the termination of this Agreement and be afforded all of the protections of due process of law, including but not limited to a hearing, which may be held in public at the discretion of the Presiding Magistrate. The

grounds for good cause in terminating this agreement include: the conviction of the Presiding Magistrate of any crime which involves moral turpitude or the determination of the Town to provide for Municipal Court services for the Town of Chino Valley to provide for a municipal court on a contract or other basis, such as has been done by and between the City of Prescott and Yavapai County for the Prescott Municipal Court and the Prescott Precinct Justice Court (a "Shared Court").

3. In the event that the Town notifies the Presiding Magistrate of its intent to terminate this Agreement on the grounds that it shall proceed with a Shared Court to provide a Municipal Court for the Town of Chino Valley, the date of termination of this Agreement shall be the date that the Judge of the Shared Court is legally allowed to act as the Town's Magistrate or otherwise allowed to hear and determine matters that would otherwise be heard by the of Chino Valley Magistrate Court. The Town shall provide six (6) months prior notice to the Presiding Magistrate of the Town's intent to terminate this Agreement on the above ground, and the Town may not terminate this Agreement on this ground prior to June 30, 2014.

C. On the date of the termination of this Agreement, all compensation payable to the Presiding Magistrate under this Agreement shall cease, except that the Town shall pay to the Presiding Magistrate all compensation earned but not paid as of the date of termination. Upon termination of this Agreement, the Town shall pay to the Presiding Magistrate all amounts due and owing for vacation leave for his accrued but unused vacation leave and his accrued but unused sick leave under the terms and conditions which apply to other Town employees pursuant to the Town's personnel policies and procedures as they existed on the effective date of this Agreement. The Town shall make such payments not later than seven (7) days after the date of termination of this Agreement.

SECTION 3: Compensation: The Town agrees to pay the Presiding Magistrate an annual compensation of \$85,500.00 for each of the first two (2) years of this Agreement. Prior to June 30, 2014, John G. Walker and the Council will meet and confer about a potential increase in his compensation for the third year of this Agreement. Additionally, from time to time during the period this Agreement is in effect, the Council may, within its sole discretion, grant the Presiding Magistrate such increases in compensation as the Council deems appropriate. Payment of the Magistrate's compensation shall be made on a bi-weekly basis, commencing with the first pay period provided for within the term of this Agreement.

SECTION 4. Presiding Magistrate's Duties. The Presiding Magistrate shall be responsible and shall perform all of the following duties:

General Duties Statement:

The Presiding Magistrate is recognized by the Arizona Supreme Court as the Chief Executive Officer of the judicial branch of government for the Town of Chino Valley. As such, the Presiding Magistrate is responsible both to the Arizona Supreme Court and to the Chino Valley Town Council as the legislative branch of government. Therefore, the position of Presiding Magistrate requires the ability to accommodate, coordinate, and balance the interests of preserving the independence of the Court as an integral part of the state judiciary, with the practical necessities of being an integral part of the government for the Town of Chino Valley.

Essential Duties:

- Overall management and administration of the Court and the supervision of the judicial employees who comprise the court staff.
- Presides over and adjudicates cases involving alleged violations of Arizona Revised Statutes (primarily Title 13 and Title 28), and the Town Code of Ordinances.
- Presides over and adjudicates orders of protection and injunctions against harassment.
- Conducts initial appearances, arraignments, pretrial disposition conferences, change of plea hearings, sentencing, order to show cause hearings, motion hearings, traffic hearings, jury and non-jury trials, restitution hearings, payment review hearings, juvenile civil traffic arraignments and hearings and all other hearings as may be required.
- Authorizes and issues criminal arrest warrants, search warrants, and felony complaints on behalf of the Prescott Justice Court.
- Issues oral and written order orders and opinions as may be necessary.
- Performs legal research and maintains currency with developments in Arizona statutes, Rules and case law.
- Complies with the Town's Personnel Policies and Procedures in the administration of the court.

- Complies with the Arizona Supreme Court's administrative orders and its Opinions expressed in its Municipal Court Questions and Answers, and the directives of the Administrative Office of the Court.
- Prepares and submits the Court's annual budget to the Town Council, and manages the approved budget.
- Provides oral or written quarterly reports to the Town Council on the state of the judicial branch.
- The Magistrate shall additionally be responsible for maintaining reasonable, regular business hours for the Court. Those hours are presently 8:00 a.m. to 4:30 p.m., Monday through Thursday of each week, excluding holidays. The Magistrate shall have flexibility in adjusting the operating hours of the Court each day of the week to facilitate the Court's administration and services to the public, to include, for example, rescheduling to provide for night Court.
- While not a function of the Town's Magistrate Court, John Walker also agrees to act as the Hearing Officer regarding the imposition of sewer liens.

SECTION 5. Benefits.

- A. Arizona State Retirement. The Presiding Magistrate shall be eligible to participate in the Arizona State Retirement System.
- B. Insurance Coverage.
 - 1. The Presiding Magistrate shall be covered by the same family medical and dental plans as full time employees of the Town.
 - 2. The coverages provided for herein shall be subject to such changes as the Town or its insurance carrier may make from time to time applicable to full time employees of the Town. Additionally, any other coverage that may be added by the Town in the future and which are applicable to full time employees of the Town will be made available to the Presiding Magistrate on the same terms and conditions extended to such other employees and/or their dependents.
- C. Vacation Leave. The Presiding Magistrate shall be entitled to accrue and use vacation leave at the rate and under the terms and conditions which apply to full time Town employees pursuant to the Town's Personnel Policy as it exists on the effective date of this Agreement.

D. Sick Leave. The Presiding Magistrate shall be entitled to accrue and use sick leave, to participate in the sick leave bank, and upon the termination of this Agreement shall be paid for unused sick leave at the rates and under the terms and conditions set forth in the Personnel Policy as it existed on the effective date of this Agreement.

E. Holidays. The Presiding Magistrate shall also be afforded with paid holidays according to the Chino Valley Personnel Policy.

SECTION 6. Notices. Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, or through overnight carrier service, addressed as follows or at such address may be changed from time to time upon notice to the other.

Town: Mayor
Town of Chino Valley
P.O. Box 406
Chino Valley, Arizona 86323
and

Human Resources Director:

Town of Chino Valley
P.O. Box 406
Chino Valley, Arizona 86323

Magistrate Judge: John G. Walker
466 Brady Road
Prescott, Arizona 86305

John G. Walker
Presiding Magistrate
Chino Valley Municipal Court
P.O. Box 406
Magistrate Court Judge
1988 N. Road 1 West
Chino Valley, Arizona 86323

SECTION 7. General Provisions.

A. Entire Agreement. The text of this Agreement constitutes the entire agreement between the parties. Any representations, statements,

promises or understandings not contained herein shall be of no continued force, effect or validity.

B. Severability. The invalidity in whole or part of any provision hereof shall not affect the validity of any other provision hereof and this Agreement shall remain in full force and effect except as to such invalid provision, with the exception of the provisions of SECTION 2 (A) Term of This Agreement. If the Town Code is not amended to authorize a three (3) year term for the Presiding Magistrate by August 1, 2012, then it shall be deemed that John Walker's appointment as Presiding Magistrate was simply extended to August 1, 2012, and the balance of this entire Agreement shall be null and void.

C. Conflict of Interest. Pursuant to A.R.S. § 38-511, the Town may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the Town is, at any time while the agreement or any extension of the agreement is in effect, an employee or agent of any other party to the agreement in any capacity or a consultant to any other party of the agreement with respect to the subject matter of the agreement. In the foregoing event, the Town further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town of Chino Valley from any other party to the agreement arising out of this Agreement.

D. Modification or Amendment. Nothing herein shall prohibit the parties from modifying or amending the terms and conditions of this Agreement; provided, however, such amendment or modification is made in a separate writing that is executed by the parties and supported by reasonable and sufficient consideration.

E. Governing Law. This Agreement shall be governed by the laws of the State of Arizona, and any suit to enforce or interpret any provision hereof or to obtain any remedy with respect hereto may be sought only in the superior court for Yavapai County, Arizona. Each party irrevocably consents to jurisdiction and venue in said court.

F. Waiver. Failure of party to exercise any of its rights with respect to a breach of this Agreement shall not constitute a waiver of any right that the party may have with respect to any other breach.

IN WITNESS THEREOF, the Town of Chino Valley has caused this Agreement to be signed and executed in its behalf by its Mayor and duly

attested by its Town Clerk, and the Presiding Magistrate has signed and executed this Agreement, both in duplicate, the day and year first written above.

John G. Walker

Chris Marley, Mayor

Attest:

Approved as to form:

Jami Lewis, Town Clerk

Thomas P. Kack,
Musgrove, Drutz & Kack, PC, Town
Attorney



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. e.**

Meeting Date: 06/26/2012
Contact Person/Dept: Tom Kack, Town Attorney
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve Employment Agreement for Town Manager with Robert Smith in the amount of \$120,000 for a three-year term starting in August 2012.

RECOMMENDED ACTION:

Approve Employment Agreement for Town Manager with Robert Smith in the amount of \$120,000 for a three-year term effective August ____, 2012.

SITUATION AND ANALYSIS:

The Employment Agreement for Town Manager was based on the contract bullet points approved by Council on June 19, 2012.

Other Pertinent Documents Available Upon Request:

The Employment Agreement with Robert Smith currently being drafted by the Town Attorney will be attached upon completion.

Fiscal Impact

Fiscal Impact?: Yes

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Memo to Council from Town Attorney

Draft Employment Agreement - Town Manager

MEMORANDUM

TO: Mayor Chris Marley
Vice-Mayor Carl Tenney
Councilman Echols
Councilwoman Hatch
Councilman Best
Councilman Croft
Councilman Turner

Enclosed herewith is a draft of the Employment Agreement with the Town Manager. If any changes or corrections are needed, you can simply provide direction at the Meeting as to what changes are required.

[Dictated but not read.]

sbd

EMPLOYMENT AGREEMENT

TOWN MANAGER

THIS AGREEMENT ("Agreement") effective as of the ____ day of August 2012 ("Effective Date"), by and between the Town of Chino Valley, Arizona ("the Town"), acting through its Mayor and Common Council (collectively referred to as "the Council"), and Robert Smith, is made upon the following terms and conditions:

WITNESSETH:

WHEREAS, Arizona Revised Statutes ("A.R.S.") § 9-303(A) allows the Town, by ordinance, to create the office of Town Manager; and

WHEREAS, A.R.S. § 9-303(B) allows the Town to specify the powers and duties relating to the affairs of the Town Manager; and

WHEREAS, A.R.S. § 9-303(C) mandates that the person appointed to the Office of Town Manager serve at the pleasure of the Council and may be removed without cause by a majority vote thereof; and

WHEREAS, A.R.S. § 9-239(C) authorizes the Council to provide severance pay by contract with an individual officer; and

WHEREAS, the Town has established an Office of Town Manager pursuant to the Town of Chino Valley, Arizona, Code of Ordinances ("Town Code") § 31.20 ; and

WHEREAS, the Council desires to employ the services of Robert Smith as the Town Manager, as provided for in § 31.20 of the Town Code, and has appointed him to serve in such capacity pursuant to the aforesaid statute and Town Code provisions; and

WHEREAS, it is the intention of the parties to set forth the terms and conditions of the Town's employment of Robert Smith as Town Manager.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

SECTION 1. Powers And Duties Of The Town Manager.

A. The Town hereby agrees to employ; Robert Smith ("the Town Manager") to perform the functions and duties of Town Manager as set forth in the Town Code, as well as such other legally permissible and proper duties and functions required by law, ordinance or code or as the Council shall from time to time assign. The Town Manager shall serve at the pleasure of the Council, shall be subject to the direction, supervision and control of the Council, and may be removed by majority vote of the Council with or without cause as provided for in § 31.20 (F) of the Town Code and A.R.S. § 9-303(C).

B. The job of Town Manager is a salaried position for which the work week is not necessarily limited to 40 hours per week. Moreover, the parties recognize that the Town Manager must devote a great deal of time outside normal office hours to the business of the Town. It is therefore agreed and understood that the Town Manager shall work full time but that the Manager shall be allowed to adjust his office hours as reasonable and necessary to conduct the business and affairs of the Town including, so that Town Manager is able, for example, to attend all board meetings and council meetings.

C. The Town Manager agrees to remain in the exclusive employ of the Town of Chino Valley during this Agreement. The term "exclusive employ," however, shall not be construed to preclude occasional teaching, writing, speaking, or consulting performed on the Town Manager's time off, even if outside compensation is provided for such services. Such activities are expressly allowed, provided there is no activity involving any prohibited conflict of interest with the Town and such activities do not materially detract from the Town Manager's performance of his job for the Town.

SECTION 2. Term.

A. The term of this Agreement shall continue for a period of three years from the effective date unless otherwise terminated in accordance with Section 3 below.

B. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Council to terminate the services of the Town Manager at any time. Because the Town Manager serves at the pleasure of the Council and may be removed without cause as provided in A.R.S. § 9-303(C), nothing herein shall be construed to prevent, limit or otherwise restrict or interfere with the Council's right to terminate the services of the Town Manager at any time without notice, subject only to the provisions of law and Section 3 below.

C. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Town Manager to resign at any time from his position as Town Manager.

SECTION 3. Termination of Agreement.

A. Termination By Either Party. Either party to this Agreement may terminate it pursuant to the following terms:

1. The Town Manager may terminate this Agreement for any reason or no reason at all. The Town Manager agrees that if he intends to terminate this Agreement, he shall provide written notice of his intent to terminate at least sixty (60) days in advance of the actual termination date unless the parties mutually agree to a shorter time period. Once Manager gives such notice, the Town may determine that this Agreement will terminate on the 60th day.

2. The Council may terminate this Agreement at any time with good cause or as provided by statute or ordinance, with the affirmative vote of four members of the Council at any regular or special meeting, and upon written notice setting forth the grounds for and the date of the termination.

3. The Town Council, by the affirmative vote of four members of the Council, at any regular or special meeting, may terminate this Agreement without cause and without notice and shall, in that event, establish a date of termination and pay all benefits to which the Town Manager is entitled.

B. Termination By The Town Manager. If the Town Manager terminates this Agreement, then the following provisions shall apply.

1. On the date of termination all salary payable to the Town Manager under this Agreement shall cease, except that the Town shall pay to the Town Manager all salary earned but not paid as of the date of termination. In addition, the Town shall pay to the Town Manager all amounts due and owing for vacation leave and sick leave. The Town shall make such payments not later than seven (7) days after the date of termination. The Town Manager shall be entitled to no additional compensation or additional benefits after the date of termination other than COBRA benefits.

2. For a period of three (3) months following the effective date of termination, the Town Manager shall make himself available to the Town at reasonably convenient times and places for the purpose of consulting with and assisting the Town in making the transition to a new town manager. However, such consultation and assistance shall not materially impair the Town Manager's ability to seek or perform other employment.

C. Termination By The Town. If the Town terminates this Agreement, it shall comply with the following terms and conditions.

1. Any Separation From Service By The Council. Separation of service may be accomplished through Town Code § 31.20 or by negotiated resignation.

2. Termination for Cause. If the Town terminates this Agreement for good cause, the Town shall only be required to pay such salary as the Town Manager has earned but not been paid as of the date of termination, together with any additional amounts due and owing for accrued vacation leave and sick leave under the Town's personnel policies and procedures then in effect with regard to other full time employees within seven (7) days following the date of termination. The Town Manager shall be entitled to no additional benefits after the date of termination other than COBRA benefits. Good Cause includes material act(s) or omission(s) on the part of the Town Manager which is/are recognizable as a conflict of interest, a criminal act, a violation of law or misconduct or behavior constituting grounds for termination of a contract under Arizona statutes or case law. Good cause shall include the consistent, if intermittent, failure to perform the job of Town Manager in a reasonable and adequate fashion which continues or reoccurs after 10 days written notice such that the failure is willful in nature. Good cause will include the inability to perform the job. The Town Manager shall be deemed unable to perform if Town Manager shall become permanently physically or otherwise disabled or suffer from injury, condition or illness which renders or is expected to render Town Manager, after reasonable accommodation, unable to perform the job of Town Manager for a period of in excess of 120 days.

3. Termination Without Cause Plus Severance Pay/Settlement. In the event the Town Manager is terminated by the Council (or forced to resign) without cause, the Town agrees

to pay the Town Manager a severance payment equivalent to six (6) months of the Town Manager's Annual Gross Salary (less applicable state and federal deductions), herein, either in a lump sum, or in equal monthly payments over six (6) months, as is determined the Council's discretion. The Town Manager shall also be paid any accrued vacation and sick leave due as of the date of termination that a regular classified employee would receive upon separation of service pursuant to the Town's personnel policies and procedures then in effect. The Town Manager shall be entitled to no additional benefits after the date of termination except the right to Cobra benefits.

4. Execution And Delivery Of Settlement Agreement And Release. As a condition precedent to receiving any severance pay, the Town Manager shall execute and deliver to the Town an appropriate severance agreement and release acceptable to both parties, but which shall include the Town Manager's: (i) full release of and an indemnification agreement for the benefit of the Town, the Town Council members, and all agents, representatives and employees of the Town of and from any and all claims and causes of action including, but not limited to, any and all actual or potential claims, demands, damages, causes of action or liability arising out of the Town Manager's employment or termination of employment with/by the Town, including any discrimination claims or actions; and (ii) an agreement not to initiate or cause to be initiated any lawsuit, claim, grievance, proceeding or investigation of any kind against the Town arising out of his employment.

5. For purposes of complying with this section, appropriations held as unencumbered fund balances in any fund or account of the Town shall be deemed to be available and authorized for the transfer to the appropriate salary and benefit expenditure account to ensure fulfillment of the provisions of this Agreement.

SECTION 4. Compensation.

A. The Town agrees to pay the Town Manager an annual gross salary of \$120,000.00 effective as of August 1, 2012 (the "Annual Gross Salary"). From time to time during the period this Agreement is in effect, the Council may, within its sole discretion, grant the Town Manager such increases in salary as the Council deems appropriate, if any. Payment of one 26th of this salary the Effective Date of this Agreement.

B. The Town shall pay Town Manager an additional \$5,229.00 annually. Payment of this compensation shall be prorated and made on a bi-weekly basis, commencing with the first pay period after the Effective Date of this Agreement.

C. The Town shall pay \$10,000.00 annually to the Arizona State Retirement System ("ASRS") for the benefit of Town Manager in addition to the Employer's contribution. (If the direct payment of such sums to the ASRS will trigger adverse tax or other consequences to Robert Smith or the Town, the Town may elect in its sole discretion to pay such sums to Robert Smith.) These sums shall become due and shall be paid on a pro-rata basis with Robert Smith's bi-weekly paychecks.

D. The Town shall pay into Robert Smith's ICMA Deferred Compensation Code 457 Account the sum of \$6,000.00 annually. (If the direct payment of such sums to the ICMA Account will trigger adverse tax or other consequences to Robert Smith or the Town, the Town

may elect in its sole discretion to pay such sums to Robert Smith.) These sums shall become due and shall be paid on a pro-rata basis with Robert Smith's bi-weekly paychecks.

E. The Town shall pay a contribution to Robert Smith's Employee ICMA Health Care Account the sum of \$1,200.00 annually. (If the direct payment of such sums to the ICMA Health Care Account will trigger adverse tax or other consequences to Robert Smith or the Town, the Town may elect in its sole discretion to pay such sums to Robert Smith.) These sums shall become due and shall be paid on a pro-rata basis with Robert Smith's bi-weekly paychecks.

SECTION 5. Expense Reimbursement.

A. The Town shall reimburse the Town Manager for reasonable travel, food, lodging and other similar expenses incurred by the Town Manager in the performance of his official duties, in accordance with the same policies and procedures applicable to other employees as such policies and procedures currently exist or are hereafter amended. The Town Manager shall be authorized and allowed to use a Town credit card for purposes of charging reasonable business expenses incurred in conducting Town business. Business travel outside of the State of Arizona must be pre-approved in the Council's sole discretion and the Town Manager shall only be reimbursed and be allowed to charge for reasonable travel, food, lodging and similar expenses related thereto if the Council has, in its sole discretion, approved of such out-of-state travel.

B. The Town also agrees to assist the Town Manager in personal and professional development in his profession and shall annually set aside an amount allocated for the Town Manager's dues and membership fees in three (3) professional organizations such as the International City/ County Management Association ("ICMA") and the Arizona City-County Managers Association ("ACMA"). The Town shall also pay for the Town Manager to attend up to three (3) conferences sponsored or held by such organizations or similar organizations for up to three (3) days for each conference, plus travel time. The Town shall also pay the reasonable costs for the Town Manager to attend relevant or necessary educational conferences and seminars that will advance the business interests or affairs of the Town, or will enhance the Town Manager's professional knowledge, judgment, or performance. Examples of such conferences and seminars are those sponsored or held by the League of Arizona Cities and Towns, the ICMA, ACMA, and such others as the Council may approve.

C. The Town shall provide Town Manager with a vehicle allowance of \$400.00 per month for each month of his employment. The sum shall be paid by separate check each month. There will be a full reimbursement for all of Town Manager's expenses. When travel outside of Arizona for Town business is authorized, Town Manager will be reimbursed at the then current IRS rate after submission by Town Manager of a reimbursement request.

D. The Town will reimburse other reasonable expenses incurred by Town Manager while he is engaged in Town business after submission by Town Manager of a reimbursement request.

SECTION 6. Insurance Coverages.

A. The Town Manager shall be covered by the same family medical and dental plans as all other full time employees of the Town

B. The coverages provided for herein shall be subject to such changes as the Town or its insurance carrier may make from time to time applicable to all full time employees of the Town. Additionally, any other coverage that may be added by the Town in the future and which are applicable to other full time employees of the Town will be made available to the Town Manager on the same terms and conditions extended to such other employees and/or their dependents.

SECTION 7. Other Benefits.

A. Vacation Leave. The Town Manager shall be entitled to accrue and use vacation leave at the rate and under the terms and conditions which apply to other Town employees pursuant to the Town's personnel policies and procedures as they currently exist or may be hereafter amended except that Town Manager shall accrue vacation leave at the rate of 3.08 hours per pay period. As of the Effective Date, the Town Manager will be credited with 40 hours of vacation leave.

Upon termination of employment, the Town shall pay the Town Manager for his accrued but unused vacation leave under the terms and conditions which apply to other Town employees pursuant to the Town's personnel policies and procedures as they currently exist or may be hereafter amended and as set forth in Section 3 herein.

B. Sick Leave. The Town Manager shall be entitled to accrue and use sick leave, to participate in the sick leave bank, and upon the termination of employment shall be paid for unused sick leave at the rates and under the terms and conditions set forth in the Town of Chino Valley Personnel Policy and Administrative Guideline Manual effective as of, as such policies and procedures currently exist or may hereafter be amended and as set forth in Section 3 herein.

The Town Manager shall accrue two (2) weeks of sick leave per year at 3.08 hours per pay period. The accrued sick leave hours may be "banked" or converted into vacation time in accordance with the Town's policies and procedures applicable to other full time employees. On December 31st of each calendar year, an employee who has accrued sick leave in excess of 192 hours may convert such time to vacation in accordance with the terms and conditions of Policy No. 715 of the Town of Chino Valley Personnel Policy and Administrative Guideline Manual (effective 09/12/02).

C. Holidays. The Town Manager shall also be afforded with paid holidays according to the Chino Valley Personnel Policy and Administrative Guideline Manual then in effect.

SECTION 8. Residency Within The Town.

The Town Council believes that Town Manager will be more knowledgeable regarding the needs of the Town and its citizenry and better able to meet those needs if he resides full time within the Town. The Town Manager agrees to reside within the limits of the Town on

a full time basis within six months of the Effective Date of this Agreement and the failure to do so shall be considered good cause for termination.

SECTION 9. Performance Evaluation.

A. The Council shall review and evaluate the performance of the Town Manager on or about the first week of April of each calendar year during the period this Agreement is in effect. The review shall be in accordance with specific criteria developed jointly by the Council and the Town Manager. Said criteria may be added to or deleted as the Council may from time to time determine, in consultation with the Town Manager.

B. Annually, the Council and the Town Manager shall jointly define such goals and performance objectives that they determine necessary for the proper operation of the Town of Chino Valley, Arizona, and in the attainment of the Council's policy objectives and shall further establish a relative priority among those various goals and objectives; said goals and objectives to be reduced to writing.

SECTION 10. Errors and Omissions Insurance and Indemnification.

Throughout the period this Agreement is in effect, the Town shall maintain in force a professional errors and omissions insurance policy, with policy limits of not less than \$1,000,000, insuring the Town Manager against claims arising out of the performance of the Town Manager's duties within the scope of his employment. Except for actions or omissions which are intentional and tortious, or criminal in nature, the Town shall indemnify, defend, and hold the Town Manager harmless from all liability for damages, court costs, litigation expenses, defense costs, and attorneys' fees which arise out of the acts or omissions of the Town Manager committed within the course and scope of the Town Manager's employment. If the Town Manager engages in actions or omissions which are intentional and tortious or criminal in nature, then the Town may, in the sole discretion of the Town Council, indemnify, defend and/or hold the Town Manager harmless from all liability for damages, court costs, litigation expenses, defense costs, and attorneys' fees which arise out of the acts or omissions of the Town Manager committed within the course and scope of the Town Manager's employment.

SECTION 11. Other Terms and Conditions.

The Town, in consultation with the Town Manager, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Town Manager, provided such terms and conditions are not inconsistent with or conflict with the provisions of this Agreement, the Town Code or any other statute, ordinance or regulation.

SECTION 12. Notices Notices pursuant to this Agreement shall be given: by hand delivery to the party receiving notice; or by deposit in the custody of the United States Postal Service, first class postage prepaid or through overnight carrier service, addressed as follows or as such address may be changed from time to time upon notice to the other. Notice shall be deemed given when delivered, mailed or transmitted by overnight carrier as provided above and

shall be deemed received the day it is hand delivered, three business days after being mailed, or one business day after being transmitted by overnight carrier.

Town: Mayor
Town of Chino Valley
P.O. Box 406
Chino Valley, Arizona 86323

and

Thomas P. Kack, Esq.
MUSGROVE, DRUTZ & KACK, P.C.
1135 Iron Springs Road
Prescott, Arizona 86302-2720

Town Manager: Robert Smith
Town of Chino Valley
P.O. Box 406
Chino Valley, Arizona 86323

SECTION 13. General Provisions.

A. Entire Agreement. The text of this Agreement constitutes the entire agreement between the parties. Any representations, statements, promises, or understandings not contained herein shall be of no force, effect, or validity.

B. Severability. The invalidity in whole or part of any provision hereof shall not affect the validity of any other provision hereof and this Agreement shall remain in full force and effect except as to such invalid provision.

C. Conflict of Interest. Pursuant to A.R.S. § 38-511, the Town of Chino Valley may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the Town is, at any time while the agreement or any extension of the agreement is in effect, an employee or agent of any other party to the agreement in any capacity or a consultant to any other party of the agreement with respect to the subject matter of the agreement. In the foregoing event, the Town of Chino Valley further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the Town of Chino Valley from any other party to the agreement arising out of this Agreement.

D. Modification or Amendment. Nothing herein shall prohibit the parties from modifying or amending the terms and conditions of this Agreement; provided, however, such amendment or modification shall only be effective if made in writing that is executed by the parties and supported by reasonable and sufficient consideration.

E. Governing Law. This Agreement shall be governed by the laws of the State of Arizona, and any suit to enforce or interpret any provision hereof or to obtain any remedy with

respect hereto may be sought only in the superior court for Yavapai County, Arizona. Each party irrevocably consents to jurisdiction and venue in said court.

F. Waiver. Failure of party to exercise any of its rights with respect to a breach of this Agreement shall not constitute a waiver of the same or similar breach in the future or any right that the party may have with respect to any other breach.

G. Headings. The headings provided in this agreement are for convenience and shall not affect the interpretation or enforcement of this agreement.

IN WITNESS THEREOF, the Town of Chino Valley has caused this Agreement to be signed and executed in its behalf by its Mayor and duly attested by its Town Clerk, and the Town Manager has signed and executed this Agreement, both in duplicate, the day and year first written above.

Robert Smith

Chris Marley, Mayor

Attest:

Approved as to form:

Jami Lewis, Town Clerk

Musgrove, Drutz & Kack, PC, Town Attorney



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. a.**

Meeting Date: 06/26/2012
Contact Person/Dept: Robert Smith, Interim Town Manager
Phone: 928-636-2646 x-1201
Item Type: Action-Presentation
**Estimated length
of staff presentation:** 30 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

PUBLIC HEARING and consideration and possible action to approve Resolution No. 12-994 adopting a Final Budget for fiscal year 2012-2013, and proposed expenditure limitation for the same year, in the amount of \$15,248,485, which includes the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts.

PUBLIC HEARING and consideration and possible action to approve Resolution No. 12-995 adopting the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts, which shall constitute the budgets of the Districts for fiscal year 2012-2013, pursuant to sections 48-616 and 42-17101 et seq., Arizona Revised Statutes, as amended.

RECOMMENDED ACTION:

Approve Resolution No. 12-994 adopting a Final Budget for fiscal year 2012-2013, and proposed expenditure limitation for the same year, in the amount of \$15,248,485, including the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts.

or

Postpone action on the Final Budget per Council discussion;

and

Approve Resolution No. 12-995, adopting the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts, which shall constitute the budgets of the Districts for fiscal year 2012-2013, pursuant to sections 48-616 and 42-17101 et seq., Arizona Revised Statutes, as amended.

SITUATION AND ANALYSIS:

Please see attached memo from Pat Walker regarding changes from the tentative budget to the proposed final budget.

The final budget *includes* the statements and estimates for the Street Lighting Improvement Districts (SLID). If Council adopts the final budget resolution 12-994, then nothing further is needed for the budget.

However, should Council elect to postpone adoption of Resolution 12-994, it will need to hold a separate public hearing and then adopt the SLID Resolution 12-995 at this meeting in order to meet the statutory and county deadlines for adopting the SLID levy.

Other Pertinent Documents Available Upon Request:

An Executive Summary for the final budget being drafted by Pat Walker will be attached upon completion.

Fiscal Impact

Fiscal Impact?: Yes

If Yes, Budget Code: All

Available:

Funding Source:

Adoption of this item establishes a final budget for the expenditure authorization for FY 2012-2013, and/or adoption of the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts. (Robert Smith, Interim Town Manager)

Attachments

Budget memo to Council

Executive Budget Summary

Executive Summary - Exhibits A & B

Resolution 12-994 final budget

Resolution 12-994 budget forms

Resolution 12-995 SLID final budget

Memo

To: Chino Valley Town Mayor and Council
From: Pat Walker, Pat Walker Consulting LLC
CC: Robert Smith, Interim Town Manager
Date: 6/21/2012
Re: Final 2012/13 Budget

On May 22, 2012, the Town of Chino Valley's Tentative Budget was adopted by the Town Council. According to Arizona State Statutes, once the tentative budget is adopted, it becomes the "expenditure limitation" and can be decreased, but not increased.

After the adoption of the tentative budget, there were a few minor adjustments to the budget, and one last review of the expenditure estimates for the enterprise funds; water and sewer. The net result was that the tentative budget has been reduced by \$12,067 for all funds from \$15,260,552 to \$15,248,485.

Listed below is a list of the changes to the budget resulting in the \$12,067 net decrease.

General Fund

Increased City Clerk's budget by \$3,725 for copier lease payments

Special Revenue Fund - Highway User Fund

Decreased salary line item due to review of market adjustments by \$996 and as a result, fund balance reserve needed in fiscal year 2013 was reduced by \$279 creating a net decrease of \$717 for the fund in 2013.

Enterprise – Water & Sewer Funds

Decreased Water Fund ADWR expenses of \$15,075 for fiscal year 2013 due to recent state legislative changes not requiring cities and towns to pay fees.

I have attached a the revised Auditor General Report and line item detail for consideration at the June 20, 2012 Finance Committee Meeting and the June 26, 2012 final budget adoption meeting. Please let me know if you have any questions.



Executive Budget Summary

To The Honorable Mayor and Town Council:

It is with pleasure that we present to you the fiscal year 2012-13 annual budget for the Town of Chino Valley. This budget continues the commitment of the Town Council and Town staff to provide the highest quality services to our citizens in the most efficient, fiscally responsible manner. As with prior years, Town staff has continued to look for ways to reduce their expenditures in their line items while not comprising service levels, but each year it is becoming more difficult.

The preparation of the budget is a collaborative effort between the Town Manager, Finance Department and Town Staff. The budget process actually began last fall when department's began reviewing their current year budgets to determine what resources were needed to maintain programs in their departments and/or what they could reallocate to meet the priority demands needed in other areas of their budget. Requests were turned into the Finance Office and meetings began between the Finance Director and Department Directors and staff in January and continued through March to develop the proposed budget. Every expenditure line item in the budget was reviewed by looking at the current fiscal year 2012 budget, the year to date expenditures, the projected year end expenditures, and the proposed line item increases or decreases. This information was then discussed with the Interim Town Manager and follow up discussions with departments occurred with agreed upon adjustments to produce the proposed 2012-13 budget presented to Council.

The Town is starting to see slight improvements in the economy. General Fund revenues are up in FY 2011-12 from the prior fiscal year, and the Town is projecting some growth in many revenue categories for next year.

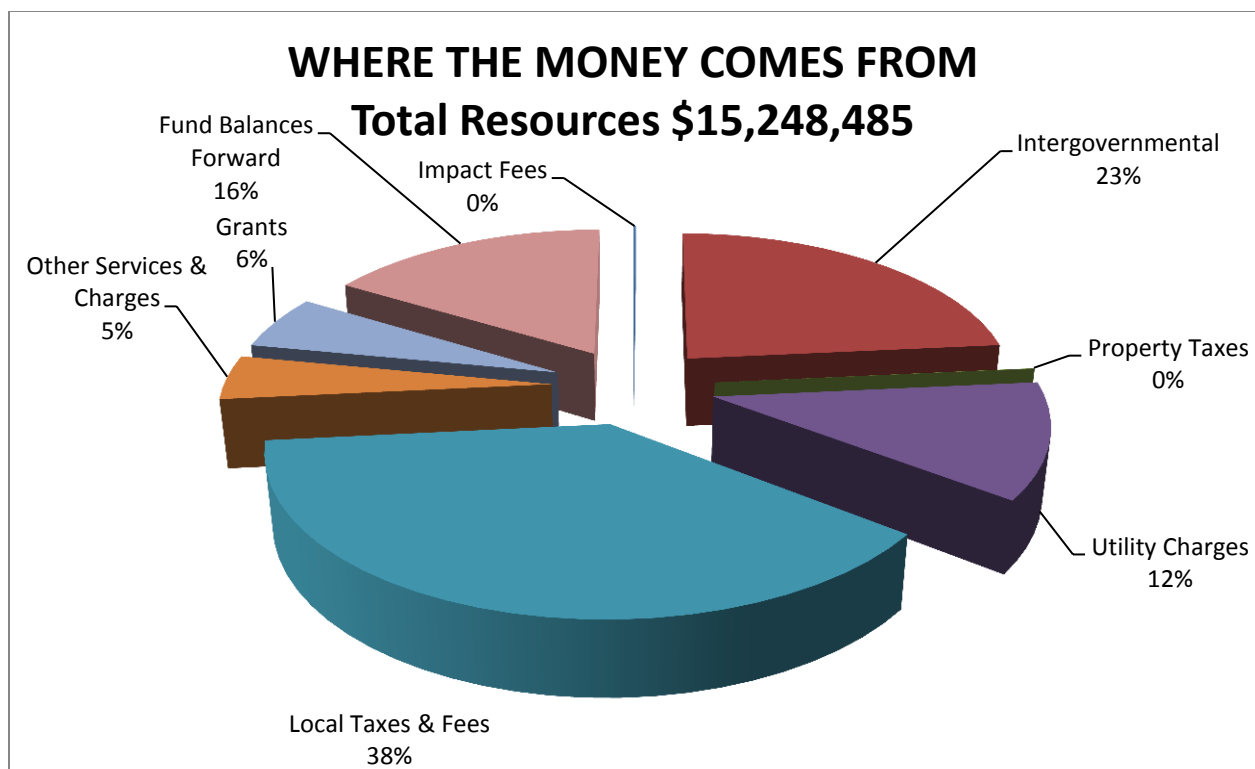
In the beginning of April after the departure of the Town's Finance Director, outside financial consultants were brought in to "fine tune" our proposed fiscal year 2012-13 budget. In order to accomplish this, revenue projections were reviewed and revised, and adjustments were made to the expenditures; primarily with personnel associated costs.

As you are aware, hourly staff is now down to a 36 hour work week (with the exception of Police) and salaried staff have received in essence the same impact by working over 40 hours a week but with a 10% pay reduction. The Town will continue to be challenged to stretch our resources even further and become more creative to meet community goals. Even with budget reductions, salary freezes and fewer employees, the Town is committed to provide quality services as best as we can with the limited resources it has.



Fiscal Year 2012-13 Budget

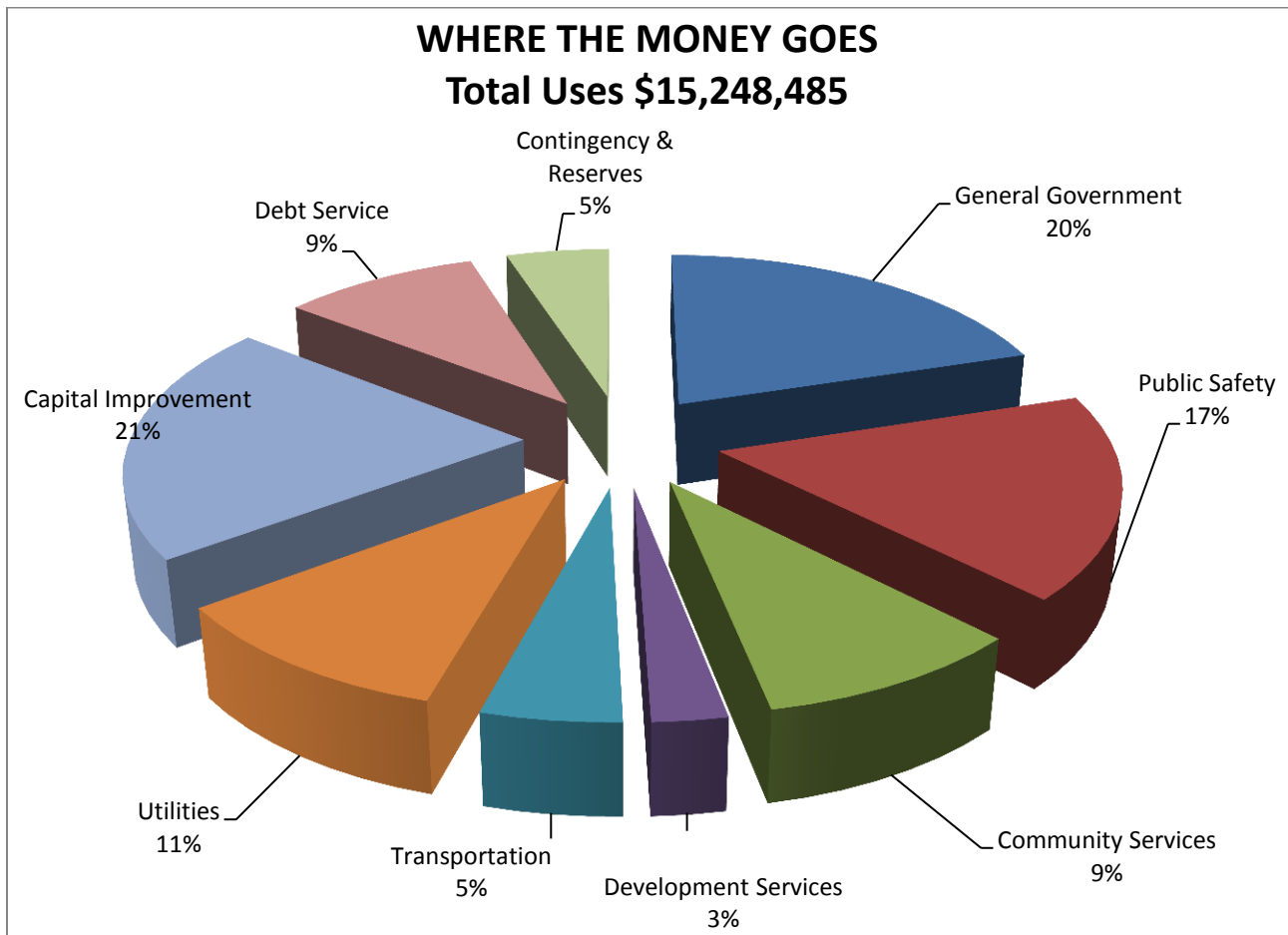
The total budget for the Town of Chino Valley is proposed at \$15,248,845 which is a 0.49% or about a half of a percent increase over the prior year's budget of \$15,174,150. This budget is made of a variety of funding such as General Fund, Enterprise Funds (Water & Sewer), Special Revenue Funds (HURF) Grants, Capital Improvements and Impact Fees. A variety of revenues sources are contained in these funds. The largest category of revenues for the budget are Local Taxes & Fees, Intergovernmental Revenues which includes state shared revenues, and fund balances estimated to be brought forward from the prior fiscal year. The chart presented below titled "Where the Money Comes From" is a breakdown on a percentage basis of the revenue categories for all funds in the Town projected for fiscal year 2012-13.



According to Arizona State Statutes, Towns and Cities must adopt a balanced budget. As a result, the expenditure allocation totals \$15,248,485 and is presented departmental category on the chart titled "Where the Money Goes" presented on the next page. As you can see, the largest category is Capital Improvements at 21% which includes \$1.1 million from the 1% local



sales tax and \$2 million of miscellaneous revenue in the event funds are received and/or needed for a capital improvement. The next largest departmental expenditure category is General Government at 20% which includes administrative departments such as Town Manager, City Clerk, Human Resources, Finance, etc. The Public Safety Category is at 17% which includes Police, Dispatch and Animal Control. A detailed breakout of each department within the departmental category is presented further in this executive budget summary.





GENERAL FUND

GENERAL FUND REVENUES

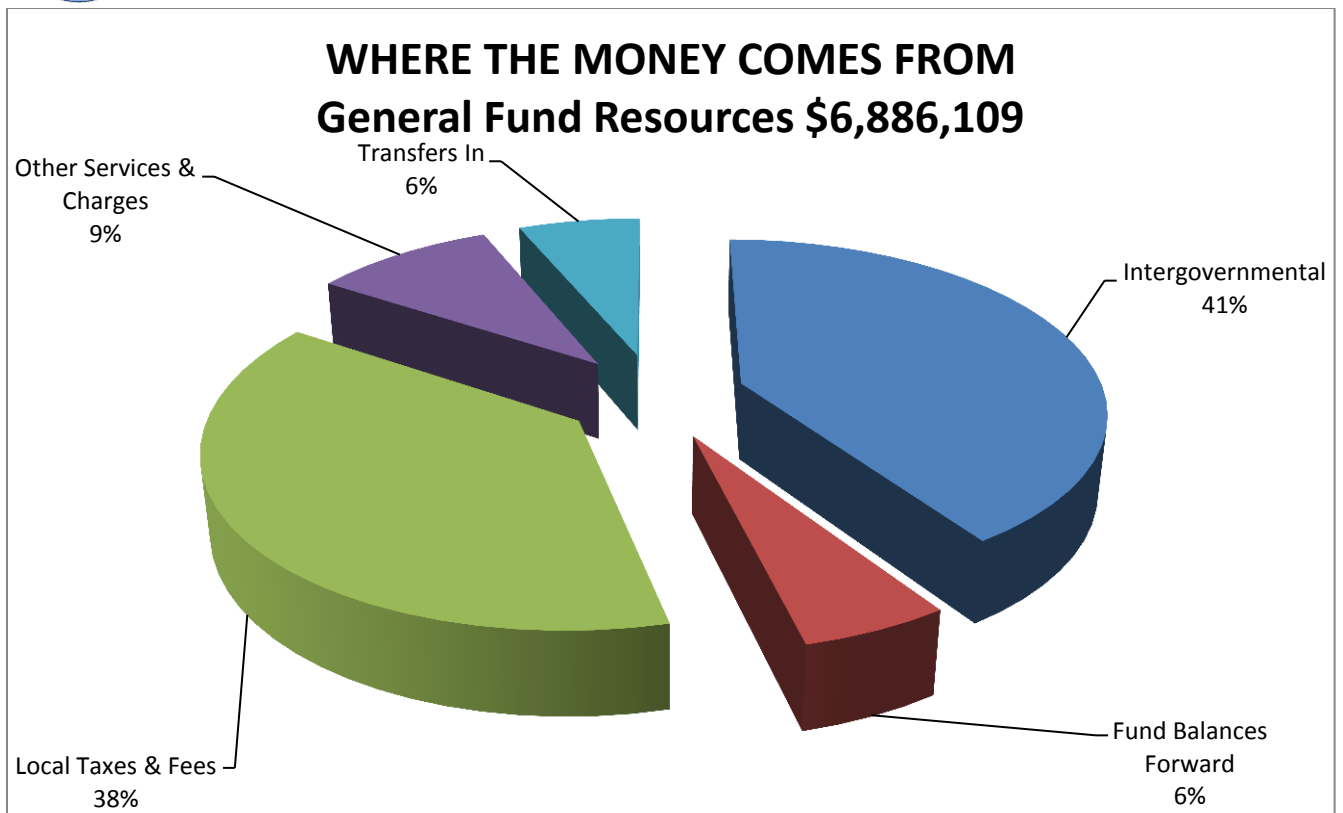
The General Fund, where most of the municipal services are expended, is \$6,886,109 which is 45% of the total Town budget. The primary revenue categories in the general fund are local taxes, which includes sales taxes for retail, construction and bed taxes, and intergovernmental revenues that are state shared sales tax, income tax, auto lieu tax, building related fees and business licenses which represent 79% of the total revenues. The good news is that all of these revenue categories are showing an increase in 2012-13 from the 2011-12 fiscal year with the exception of auto lieu tax which is the license fees collected based on the value of vehicles. Even though these state shared revenues are higher than 2011-12 receipts, they are still below the amounts received in 2010-11 fiscal year which was prior to the census. Building permits are projected to be slightly above fiscal year 2010-11 revenues.

The next largest category, 9% of the General Fund revenues, is Other Charges and Services which includes aquatic fees, recreation fees, and engineering fees and for this year, the largest line item, the SBA Tower lease. The SBA Tower lease is a one-time receipt of revenues in the amount of approximately \$330,000, but \$24,600 had already been built into the budget so the net amount will be \$304,400. It will not be repeated in 2013-14.

The amount of 6% from Transfers In is generated from the Capital Improvement Fund (1% Sales Tax collection) to fund the Aquatic Center and 3 police positions and also includes a transfer from the Police Impound Fee Fund.

Fund Balances, which is also 6% of the total General Fund revenues, is funds that are not expended in fiscal year 2011-12 and have been carried forward in 2012-13, similar to a savings account. The majority of this has been included in the contingency reserve in the event of revenue shortfall or unanticipated emergencies.

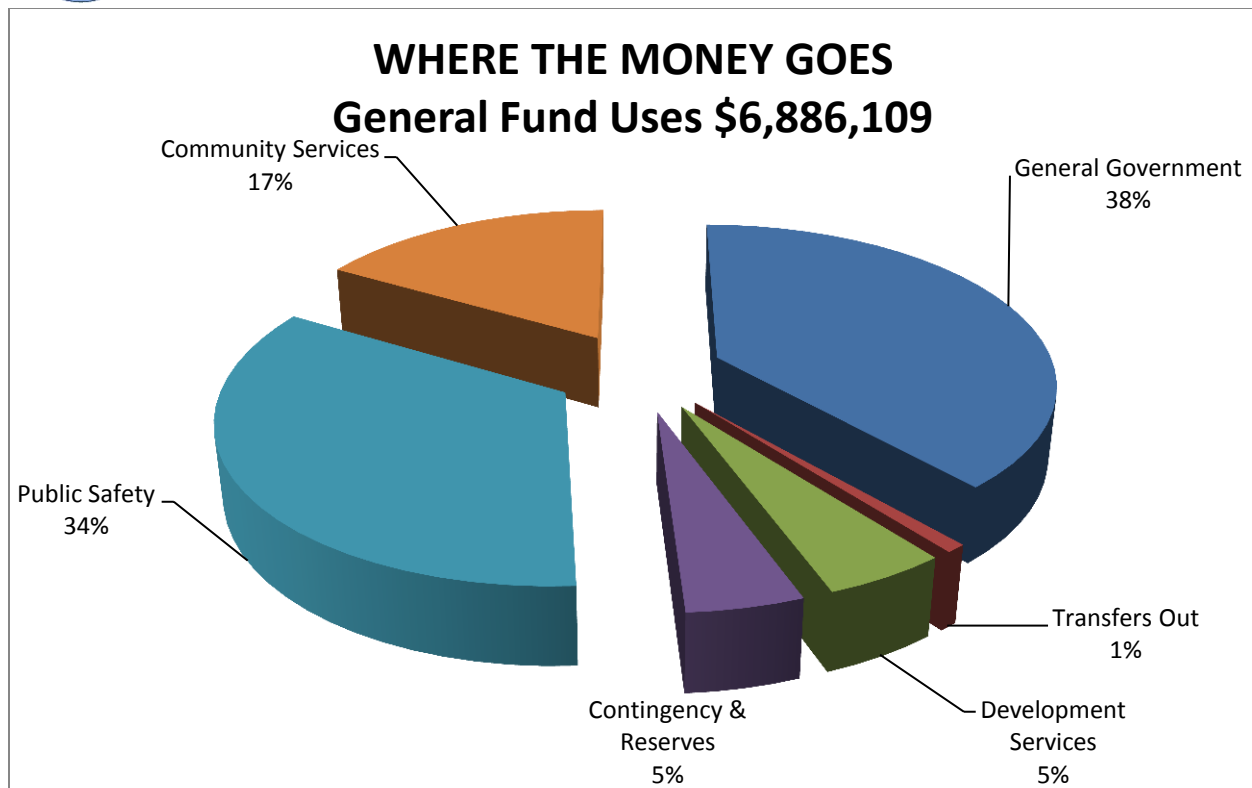
This information is depicted in a graph on the following page. A breakdown of all major revenue categories are provided in the Auditor General Forms which are also attached to this Executive Budget Summary.



GENERAL FUND EXPENDITURES

The total General Fund expenditures total \$6,886,109 which is a 6% increase over the prior year General Fund budget. This increase is primarily as a result of the departmental line increases in Senior Center, Aquatic Center, Human Resources, Animal Control and personnel related cost increases.

The majority of the General Fund budget expenditures (see chart on next page “Where the Money Goes”) are made up of General Government expenditures (41% for administration and citywide maintenance departments ,non-departmental and contingency reserve), Public Safety (34% for Dispatch, Police & Animal Control) and Community Services (17% for Parks, Aquatic Center, Recreation, Library). Below the chart is the listing of the departments contained within each functional category listed on the “Where the Money Goes” chart presented on the following page.



Major Departmental Expenditure Changes 2011-2012 to 2012-13

The General Government Category contains the following departments:

- Prosecutor
- Town Clerk
- Town Manager
- Human Resources
- Municipal Court
- Finance
- Information Systems
- Geographic Information System (GIS)
- Mayor & Council
- Facilities Maintenance
- Fleet Maintenance
- Non-departmental (such as citywide contracts, debt service)
- Contingency Reserve
- Transfers Out (Debt Service Fund)



The Development Services category contains the following departments:

- Planning
- Building Inspections
- Code Enforcement
- Public Works Administration
- Engineering

The Public Safety category contains the following departments:

- Dispatch
- Police
- Animal Control

The Community Services category contains the following departments.

- Recreation
- Library
- Parks Maintenance
- Aquatic Center
- Senior Center

Personnel Budget

The Town of Chino Valley has 85 positions in the 2012-13 Budget. Exhibit A attached to the Executive Budget Summary will give the history of positions from fiscal year 2006-07 through fiscal year 2012-13. The personnel budget for each of the departments in all funds in the Town were increased for the following items:

- Market study adjustments –Fringe benefits calculated on a percentage basis of salary also increase.
- Increase to Arizona State Retirement Contributions to 11.15%
- Increase to Public Safety Retirement Contributions to 13.63%
- Insurance premium increases by 2.5%

In addition the increases described above for each of the funds, there were personnel adjustments made in the budget to transfer positions, reduce hours for temporary or part time staff, eliminate positions, or change the funding distribution of a position. The following are the major changes to the personnel budget from the 2011-12 Adopted budget, the proposed 2012-13 Budget provided to Council on April 5, 2012 and the current 2012-13 proposed budget for the General Fund by Department. Attached to this Executive Budget Summary is also Exhibit B which presents the funding source split for various positions in the Town.

Town Clerk – The Town Clerk's personnel budget was reduced as a result of transferring an Administrative Clerk to the Building Inspection Department.



Town Manager – Transferred an Administrative Full time position to Building Inspection and added two part time administrative positions. Also added a part time Resource Management position that is projected to be at least expense neutral with the funding the position will bring to the Town.

Town Magistrate – The Town Magistrates personnel budget had been reduced since the April 5 budget but increased from \$227,385 in the 2011-12 budget to \$236,412 in the 2012-13 budget. This includes additional hours for a Bailiff and temporary administrative support.

Planning Department – The Planning Department personnel budget in 2011-12 was \$195,654 and has decreased to \$121,688 in 2012-13. This is primarily from eliminating the Planning Director position.

Building Inspection – Administrative position transferred from Town Clerk's office.

Police Department – A Police Commander position was eliminated for fiscal year 2012-13 and will reviewed next fiscal year for inclusion in the budget.

Animal Control – Additional overtime and temporary salaries were added.

The following is a description of major changes of the departmental operating budget in the General Fund from 2011-12 to 2012-13. Listed is the title of the Department with Fund and Department number. For example, the General Fund is "01" and the Prosecutor Department is "41."

Prosecutor 01-41 - No major change to operating budget.

Town Clerk 01-42 - \$3,725 increase for copier maintenance lease. Postage decrease of \$4,800 due to contribution of Friends of the Library for postage. Major increase was for proposed 2012-13 election expenses of \$32,633 where there was no budget for this in 2011-12.

Town Manager – 01-43 – Operating Costs were decreased from 2011-12.

Human Resources -01-44 - \$11,838 increase in Professional Services (5212) for outside personnel Attorney fees and recruiting firm.

Magistrate 01-45 - \$14,327 decrease in Professional Services (5212) to fund additional personnel requests which had been shown in Court Enhancement Fund by mistake. Corrected to now appear in General Fund.



Finance 01-46 – Slight decrease in operating expenditures over prior fiscal year.

Management Information System -01-47-The primary increases in line items were for Software Maintenance, Computer Software purchases, and Computer Software purchases with increases in the following line items:

5353 –Hardware Maintenance \$1,490 for LCD Projector, Batteries for system, network switches, printer replacement, server parts for failure, computer system replacement and monitors.

5354 - Software purchases \$7,360 for server software upgrades, email server upgrade, Adobe Reader software, MS Office computer upgrades.

5380 – Hardware purchases \$8,550 for departmental computer system replacements, scanner, printer, server for MIS and Laptop for Police squad car.

Geographic Information System 01-48 – No major change to operating budget.

Mayor and Town Council-01-50 -\$5,030 increase in general supplies (5345) for purchase of E-Tablets for Town Use.

Planning01-55-\$2,103 operating cost increase over 2011-12 primarily in the general supplies (5345) for supplies related to the adoption of the General Plan.

Building Inspection 01-56 - \$3,450 increase in operating supplies (5340) for new 2012 IBC Updated Code Books, \$500 increase in uniforms for inspectors (5311).

Code Enforcement 01-57 – COMBINED WITH PLANNING DEPARTMENT BUDGET

Dispatch 01-59 - \$3,420 increase of 2.5% per YCSO IGA.

Police 01-60 –Slight increase from prior year (\$340) due to reprioritization of expenditures in line items. Some were reduced and others increased to get net minor increase. However, budget used to contain Animal Control which now has been broken out to its own cost center.

Animal Control -01-61- \$12,545 net increase over prior year primarily in the following line items:

5220 – Travel increase of \$300

5230 – Advertising increase of \$1,000

5255 – Cellular phones increase of \$1,400

5310 – Medical supplies increase of \$1,400

5311 – Uniforms increase of \$600

5340 – Operating supplies increase of \$1,200



5366 – Intact Dog Expenses increase of \$1,200

5367 – ACO Donation increase of \$2,000

5380 – Small Tools, Equipment & Furniture increase of \$3,100

Animal Control was part of the Police Department budget in prior year but has been broken out into its own cost center and costs were not covered in prior year budget.

Recreation 01-63 – Slight decrease in operating costs from prior year with reprioritization of expenses.

Library 01-64 - \$4,800 increase in postage line item due to contribution of “Friends of the Library” paying the postage. However, overall \$7,172 decreases in various line items.

Senior Center 01-66 – There is a net operating cost increase of \$45,159 due to including food purchases in the operating budget (\$58,900) but reducing maintenance supplies line item in the budget.

Parks 01-68 – \$5,152 decrease in operating costs from prior year due to reduction in irrigation repairs.

Aquatics Center – 01-69 - \$44,560 net increase over the prior fiscal year primarily as a result of the following line items:

5211 – Contract and support services increase of \$2,700.

5241 – Maintenance Aquatic Center increase of \$10,000.

5247 – Maintenance of Pool increase of \$3,500.

5250 & 5251 – Gas and Water Utilities increase of \$12,000.

5313 – Pool chemicals increase of \$19,000.

Also sponsor events were increased by \$2,000 but so was the revenue to offset costs.

Public Works Administration 01-70 – Operating costs basically remained at same level as 2011-12.

Facilities Maintenance 01-71 - \$56,600 net increase over prior fiscal year primarily as a result of the following line items:

5241 – Maintenance of Town Facilities increase of \$17,000.

5250 & 5252 – Gas & Electric utilities increase of \$37,000.

5316 – Building Material & Supplies increase of \$5,000.

5357 – Moving Supplies increase of \$2,000



Vehicle Maintenance 01-73 - \$6,194 net increase over prior fiscal year primarily as a result of the following line items:

5330, 5331 & 5332 – Fuel for vehicles net increase of \$5,000.

5380 – Small tools and equipment - \$2,050 increase.

Engineering 01-74 - \$3,450 net increase over prior fiscal year due to \$4,011 increase in Professional Services (5212) for misc. engineer services.

Non – Departmental – 01-95 - \$136,536 net increase over prior fiscal year with change to contingency reserve in the amount of \$72,999. Other \$63,537 portion of increase is a combination of increases and decreases to result in this net increase. For example, transfers to grant funds increased by \$24,437 but debt service were reduced by \$33,265 due to debt service schedule. Other major increases in non-departmental were \$82,000 for completion of General Plan and \$35,000 for first phase of impact fee study. Other items were one-time expenses from the prior year such as purchase of the new telephone system and completion of the compensation study.

HIGHWAY USER REVENUE FUND (HURF) FUND

HURF REVENUES

The Town is seeing a 19% increase in HURF revenues from fiscal year 2011-12 to fiscal year 2012-13. This is distributed by the State based on gas sales for the Town within the County. However, the fund balance amount has been used up from the prior fiscal year lowering the overall resources available to fund the street operations.

HURF EXPENDITURES

The road materials for street maintenance have increased by \$20,000 from \$80,000 to \$100,000, but are still significantly short from adequate maintenance of the roads and the amounts appropriated in prior years. There have no funds appropriated in fiscal 2012-13 for road construction and in prior years, over \$1,000,000 has been appropriated.

WATER & SEWER FUND

WATER & SEWER REVENUES

There is a projected increase for water revenues, but a slight decrease for sewer based on fiscal year 2011-12 activity.



WATER & SEWER EXPENDITURES

Overall, there are decreases for operating expenditures in both water and sewer for fiscal year 2012-13, but major increases in debt service payments. Also, the water fund is heavily supported by the transfer in from the Capital Improvement Fund, 1% tax in the amount of \$362,990. The sewer fund is heavily supported by the fund balance from the prior year in the amount of \$616,975.

MAINTAINING FISCAL SUSTAINABILITY

As with prior years, the Town of Chino Valley has balanced its budget by looking for ways to reduce expenditures, increase revenues where possible, and maintain adequate service levels. The Town has been able to have some reserves, but only as a result of the carry forward of fund balance from prior years, which is dwindling. In essence, they are using their savings account to pay for their “on-going” expenditures. Slow growth in the economy, price increases, and on-going demands for quality services will continue to challenge the Town in coming years.

The Mayor and Town Council has committed to review a five-year forecast of revenue and expenditures, with a breakdown of the costs of providing programs in the Town starting shortly after the 2012-13 budget is adopted.

Acknowledgements

Staff would like to take this opportunity to thank the Mayor and Town Council for their guidance and support throughout the development of this proposed budget. With the Town’s guidance, and Town’s staff’s collaborative effort, we were able to bring forward a balanced budget for 2012-13.



EXHIBIT A

STAFF POSITIONS WITH PRIOR YEAR COMPARISONS

FISCAL YEAR 2011-2012

STAFF POSITIONS WITH PRIOR YEAR COMPARISONS

(excludes temporary and seasonal employees)

	FTE FY07	FTE FY08	FTE FY9	FTE FY10	FTE FY11	FTE FY12	FTE FY13
Prosecutor							
Prosecutor	1.00	1.00	1.00	1.00			
Paralegal	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Town Clerk							
Town Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Town Clerk Assistant/Records Technician						1.00	1.00
Admin Clerk II	1.00	1.00	1.00	1.00	1.00	1.00	
Total	2.00	2.00	2.00	2.00	2.00	3.00	2.00
Town Manager							
Town Manager	1.00	1.00	0.50	1.00	1.00	0.94	0.94
Assistant Town Manager	1.00	1.00					
General Services Director						0.90	0.90
Management Assistant	1.00	1.00	1.00	1.00	1.00		
Administrative Assistant						0.50	0.50
Administrative Aide							1.50
Volunteer Coordinator						0.50	
Access Channel Tech	1.00	1.00	1.00	1.00	1.00	0.50	
Total	4.00	4.00	2.50	3.00	3.00	3.34	3.84
Human Resources							
Director	1.00	1.00	0.50	0.50	1.00		
HR Analyst						0.90	0.90
HR Assistant	1.00	1.00	0.50	0.50	1.00		
Total	2.00	2.00	1.00	1.00	2.00	0.90	0.90
Magistrate Court							
Magistrate	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court Administrator	1.00	1.00	1.00		1.00		
Court Coordinator				1.00		1.00	1.00
Deputy Court Clerk	1.00	1.00	1.00			1.00	1.00
Court Clerk	1.00	1.00	1.00				
Admin Clerk I - PT	0.50		0.50				
Collections Clerk	1.00	1.00	1.00				
Court Clerk II				2.00	2.00	1.00	1.00
Total	5.50	5.00	5.50	4.00	4.00	4.00	4.00

	FTE FY07	FTE FY08	FTE FY9	FTE FY10	FTE FY11	FTE FY12	FTE FY13
Finance							
Director	1.00	1.00	0.50	0.50	1.00	0.88	0.88
Senior Accountant						1.00	1.00
Accounting Clerk		1.00	2.00	1.00	1.00	1.00	1.00
Financial Analyst	1.00	1.00					
Management Assistant	1.00						
Budget Analyst	1.00	1.00					
Finance Manager			1.00	1.00			
Total	4.00	4.00	3.50	2.50	2.00	2.88	2.88
Mgmt Information Systems							
MIS Tech	1.00	1.00	1.00	1.00	1.00	0.95	0.95
GIS Tech	1.00						
Total	2.00	1.00	1.00	1.00	1.00	0.95	0.95
Geographical Info Systems							
GIS/CAD Tech		1.00	1.00	1.00	1.00	1.00	1.00
Total	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Planning							
Director	1.00	1.00	0.50		1.00	1.00	
Planning Director							
Deputy Director				1.00			
Planner	1.00	1.00	1.00	1.00	1.00	1.00	
Associate Planner							1.00
Admin Assistant	1.00	1.00	1.00				
Administrative Technician							1.00
Admin Clerk II	1.50	1.50	1.50	1.00	1.00	1.00	
Total	4.50	4.50	4.00	3.00	3.00	3.00	2.00
Code Enforcement							
Code Enforce Officer	2.00	2.00	1.00	1.00	1.00	1.00	
Total	2.00	2.00	1.00	1.00	1.00	1.00	0.00
Building Inspection							
Chief Bldg Official	1.00	1.00	1.00				
Building Official							1.00
Bldg Inspector	1.00	1.00					
Sr Bldg Inspector	1.00	1.00	1.00	1.00	1.00	1.00	
Admin Clerk II	1.00						1.00
Plans Examiner/Inspector							0.50
Plans Examiner	1.00	1.00		0.50	0.50	0.50	
Total	5.00	4.00	2.00	1.50	1.50	1.50	2.50
Dispatch							
Lead Dispatcher	1.00	1.00	1.00	1.00	1.00		
Dispatcher	6.00	6.00	6.00	5.00	5.00		
Total	7.00	7.00	7.00	6.00	6.00	0.00	0.00

	FTE FY07	FTE FY08	FTE FY09	FTE FY10	FTE FY11	FTE FY12	FTE FY13
Police							
Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Asst Chief	1.00	1.00	1.00				
Commander				2.00	2.00	2.00	1.00
Sergeant	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Detective	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police Officer	20.00	20.00	19.00	18.00	18.00	17.50	15.50
Management Assistant						1.00	1.00
Community Service Officer	1.00	1.00	1.00	1.00	1.00		
Code Enforcement Officer							0.20
Civilian Officers						3.00	3.00
Records Clerk	1.00	1.00	1.00	1.00	1.00		
Admin Assistant	1.00	1.00	1.00	1.00	1.00		
Admin Clerk II	1.00	1.00					
Total	33.00	33.00	31.00	30.00	30.00	30.50	27.70
Animal Control							
AC Supervisor	1.00						
AC Officer	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Adoption Specialists						1.00	1.00
Total	3.00	2.00	2.00	1.00	1.00	2.00	2.00
Recreation							
Director	1.00	1.00	1.00	1.00	0.25		
Aquatic Center Mgr	1.00	1.00	1.00	0.33			
Recreation Manager						0.6767	0.6000
Rec Coordinator II			1.00	1.00	1.00		
Rec Coordinator I	2.00	2.00					
Rec Clerk	0.50	0.50	0.50				
Rec Assistant							
Rec Specialist		0.34	0.34	0.34	0.50		
Total	4.50	4.84	3.84	2.67	1.75	0.6767	0.6000
Library							
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Asst Librarian	1.00	1.00					
Children's Librarian	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cataloger	1.00	1.00				1.00	1.00
Circulation Clerk	2.50	2.50	1.50	2.00	2.50	1.50	1.00
Total	6.50	6.50	3.50	4.00	4.50	4.50	4.00
Senior Center							
Sr. Center Supervisor					1.00	1.00	1.00
Cook	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Admin Assistant	1.00	1.00	1.00	1.00			
Admin Clerk I							
Asst Cook	1.00	1.00			1.00	1.00	1.00
Kitchen Assistant	0.75	0.50	1.00	1.00			
Total	3.75	3.50	3.00	3.00	3.00	3.00	3.00

	FTE FY07	FTE FY08	FTE FY9	FTE FY10	FTE FY11	FTE FY12	FTE FY13
Parks Maintenance							
Superintendent	1.00	1.00	1.00	1.00	1.00		
Supervisor	1.00						
Groundskeeper II	1.00	1.00	1.00	1.00	1.00	1.00	
Groundskeeper I	3.00	3.00	2.00	2.00	2.00	2.00	
Parks Maintenance Worker							3.00
Rec Specialist		0.33	0.33	0.33			
Total	6.00	5.33	4.33	4.33	4.00	3.00	3.00
Aquatics Center							
Recreation Manager						0.3233	0.4000
Utilities Maintenance Technician							0.3334
Rec Specialist					0.50		
Total	0.00	0.00	0.00	0.00	0.50	0.3233	0.7334
Public Works Administration							
Director	1.00	1.00		0.50	0.50		
Executive Assistant	1.00	1.00	1.00	1.00	1.00		
Admin Clerk II						0.47	0.47
Admin Clerk	1.00	1.00	1.00	1.00	1.00		
Total	3.00	3.00	2.00	2.50	2.50	0.47	0.47
Facilities Maintenance							
PW Director/Town Engineer						0.025	0.025
Supervisor	1.00	0.50	0.50	0.50	0.50	0.300	0.300
Laborer II	1.00	1.00	1.00	1.00	1.00	1.000	
Laborer I						1.000	1.000
Facilities Maintenance Worker							1.000
Custodian	1.00	1.00					
Total	3.00	2.50	1.50	1.50	1.50	2.325	2.325
Vehicle Maintenance							
PW Director/Town Engineer						0.025	0.025
Supervisor	1.00	1.00	1.00	1.00	1.00	0.958	0.958
Mechanics	2.00	1.50	1.50	1.50	1.50	1.400	1.400
Total	3.00	2.50	2.50	2.50	2.50	2.383	2.383
Engineering							
PW Director/Town Engineer	1.00	1.00	1.00	0.50	0.50	0.100	0.100
Civil Engineer	1.00	1.00	1.00	1.00	1.00	0.135	0.135
Senior Project Manager	1.00	1.00					
Executive Assistant	1.00	1.00	0.50	0.50	0.50	0.150	
Senior Administrative Technician							0.150
PW Inspector	2.00	2.00	1.00	1.00	1.00		
Admin Assistant		1.00					
Total	6.00	7.00	3.50	3.00	3.00	0.385	0.385

	FTE FY07	FTE FY08	FTE FY9	FTE FY10	FTE FY11	FTE FY12	FTE FY13
Roads							
PW Director/Town Engineer				0.50	0.50	0.350	0.350
Supervisor	1.00	0.50	0.50	0.50	0.50	0.650	0.650
Lead Operator		1.00	1.00	1.00	1.00		
Heavy Equip Operator	2.00	2.00	2.00	1.00	1.00	2.000	2.000
Medium Equip Operator	3.00	2.00	2.00	2.00	2.00	2.000	2.000
Laborer II	3.00	3.00	1.00			2.000	2.000
Mechanics		0.50	0.50	0.50	0.50	0.500	0.500
Admin Clerk II						0.230	0.230
Vehicle Maint Supervisor						0.012	0.012
Civil Engineer						0.165	0.165
PW Technician						0.600	0.600
Executive Assistant						0.350	0.350
Town Manager						0.030	0.030
General Services Director						0.060	0.060
Finance Director						0.050	0.050
MIS Tech						0.020	0.020
HR Analyst						0.060	0.060
Total	9.00	9.00	7.00	5.50	5.50	9.077	9.077
Water Utilities							
Supervisor	1.00	1.00	1.00	0.50	0.50	0.500	0.500
Technician I	1.00	1.00	1.00	0.50	0.50	0.500	
Technician II					0.50	0.750	0.500
Utilities Maint Technician							0.750
Utilities Maint Technician I							0.333
Operator	1.00	1.00					
Laborer				0.25	0.25		
Admin Clerk II	1.00	1.00	1.00	1.00	1.00	0.650	0.650
Lein Position							0.400
PW Director/Town Engineer						0.250	0.250
PW Supervisor						0.050	0.050
Vehicle Maint Supervisor						0.015	0.015
Mechanics						0.050	0.050
Civil Engineer						0.100	0.100
PW Technician						0.200	0.200
Executive Assistant						0.175	0.175
Town Manager						0.015	0.015
General Services Director						0.020	0.020
Finance Director						0.035	0.035
MIS Tech						0.015	0.015
HR Analyst						0.020	0.020
Total	4.00	4.00	3.00	2.25	2.75	3.3450	4.0783

	FTE FY07	FTE FY08	FTE FY9	FTE FY10	FTE FY11	FTE FY12	FTE FY13
Sewer Utilities							
Supervisor				0.50	0.50	0.500	0.500
Technician I				0.50	0.50	0.500	
Technician II					0.50	0.750	
Utilities Technician II							0.5000
Utilities Maint Tech							0.7500
Utilities Maint Tech I							0.3333
Laborer				0.25	0.25		
Admin Clerk II				1.00	1.00	0.650	0.650
Lein/Collections						0.800	0.400
PW Director/Town Engineer						0.250	0.250
Vehicle Maint Supervisor						0.015	0.015
Mechanics						0.050	0.050
Civil Engineer						0.100	0.100
PW Technician						0.200	0.200
Executive Assistant						0.175	0.175
Town Manager						0.015	0.015
General Services Director						0.020	0.020
Finance Director						0.035	0.035
MIS Tech						0.015	0.015
HR Analyst						0.020	0.020
Total	0.00	0.00	0.00	2.25	2.75	4.095	4.0283
Water Resources							
Director	1	1	1	1	1		
Executive Assistant		0.5	0.5	0.5	0.5	0.15	0.15
Total	1	1.5	1.5	1.5	1.5	0.15	0.15
Total Positions	125.75	123.17	101.17	94.00	94.25	88.8000	85.0000

EXHIBIT B

POSITION	TOWN MGR	HR	FINANCE	MIS	PW ADMIN	ENGR	VEH MAINT	FAC MAINT	ROADS	WTR UTILITIES	SWR UTILITIES	WTR RESOUR	REC	AQUATICS	POLICE	BLDG INSPECT
MECHANIC							70.00%		25.00%	2.50%	2.50%					100.00%
UTILITIES SUPERVISOR										50.00%	50.00%					100.00%
LEIN POSITION /CODE ENFORCEMENT										40.00%	40.00%				20.00%	100.00%
VEHICLE MAINT SUPERVISOR							95.80%		1.20%	1.50%	1.50%					100.00%
RECREATION MANAGER													60.00%	40.00%		100.00%
UTILITIES TECH II										50.00%	50.00%					100.00%
PW DIRECTOR/TOWN ENGINEER						10.00%	2.50%	2.50%	35.00%	25.00%	25.00%					100.00%
MIS TECHNICIAN				95.00%					2.00%	1.50%	1.50%					100.00%
UTILITIES MAINT TECH I										33.33%	33.33%			33.34%		100.00%
PW TECHNICIAN									60.00%	20.00%	20.00%					100.00%
EQUIPMENT MECHANIC							70.00%		25.00%	2.50%	2.50%					100.00%
HR ANALYST		90.00%							6.00%	2.00%	2.00%					100.00%
ADMIN CLERK II					47.00%				23.00%	15.00%	15.00%					100.00%
ADMIN CLERK II										50.00%	50.00%					100.00%
UTILITIES MAINT TECH - PLANS EXAMINER/INSPECTOR										25.00%	25.00%					100.00%
TOWN MANAGER	94.00%								3.00%	1.50%	1.50%					100.00%
FINANCE DIRECTOR			88.00%						5.00%	3.50%	3.50%					100.00%
UTILITIES MAINT TECH										50.00%	50.00%					100.00%
ENGINEER (PART TIME)						27.00%			33.00%	20.00%	20.00%					100.00%
PW SUPERVISOR								30.00%	65.00%	5.00%						100.00%
EXEC ASSISTANT						15.00%			35.00%	17.50%	17.50%	15.00%				100.00%
GENERAL SERVICES DIRECTOR	90.00%								6.00%	2.00%	2.00%					100.00%

RESOLUTION NO. 12-994

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, YAVAPAI COUNTY, ARIZONA, ADOPTING AN EXPENDITURE LIMITATION TO GOVERN THE TOWN OF CHINO VALLEY BUDGET FOR THE FISCAL YEAR 2012/2013, DECLARING THAT THE SAME SHALL CONSTITUTE THE BUDGET FOR THE TOWN OF CHINO VALLEY FOR SAID FISCAL YEAR; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE FROM AND AFTER ITS PASSAGE AND APPROVAL ACCORDING TO THE LAW

WHEREAS, pursuant to Article 9, Section 20(9) of the Arizona Constitution, and ARS Section 41-563.03(C), (E) and (G), the qualified voters of the Town of Chino Valley did, on March 10, 2009, adopt an Alternative Expenditure Limitation for the Town; and

WHEREAS, Proposition 400, which set forth said Alternative Expenditure Limitation, provided that, as part of the budget process, the Mayor and Common Council shall annually adopt an expenditure limitation to govern the budget, after public hearing; and

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1- 5, Arizona Revised Statutes (A.R.S.), the City/Town Council did, on May 22, 2012 make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the Town of Chino Valley; and

WHEREAS, in accordance with said chapter of said title, and following due public notice, the Council met on June 26, 2012, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies; and

WHEREAS, it appears that publication has been duly made as required by law, of said estimates not to exceed \$15,248,485, together with a Public Notice that the Town Council would meet on June 26, 2012, in the Town's Council Chambers for the purpose of hearing any and all citizens who wish to speak in favor of or against any of the proposed expenditures; and

WHEREAS, the Mayor and Common Council desire now to establish an expenditure limitation and budget expenditures for Fiscal Year 2012-2013, which expenditures do not exceed the published tentative budget;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of Chino Valley, County of Yavapai, Arizona, as follows:

1. That the expenditure limitation to govern the Town of Chino Valley budget for Fiscal Year 2012-2013 is hereby established in an amount not to exceed **\$15,248,485**.
2. That the estimates of revenues and expenditures shown in the schedules attached hereto and expressly made a part hereof, are hereby adopted as the budget of the Town of Chino Valley for Fiscal Year 2012-2013.
3. That this Resolution shall be effective from and after its passage and approval according to law.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 26th day of June, 2012.

Chris Marley, Mayor

ATTEST:

APPROVED AS TO FORM:

Jami C. Lewis, Town Clerk

Musgrove Drutz & Kack, PC
Town Attorney

OFFICAL BUDGET FORMS

TOWN OF CHINO VALLEY

Fiscal Year 2013

TOWN OF CHINO VALLEY

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TOWN OF CHINO VALLEY
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2013

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES* 2012	ACTUAL EXPENDITURES/ EXPENSES ** 2012	FUND BALANCE/ NET ASSETS*** July 1, 2012**	PROPERTY TAX REVENUES 2013	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2013	OTHER FINANCING 2013		INTERFUND TRANSFERS 2013		TOTAL FINANCIAL RESOURCES AVAILABLE 2013	BUDGETED EXPENDITURES/ EXPENSES 2013
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 6,542,636	\$ 5,966,739	\$ 1,688,664	Primary:	\$ 6,065,007	\$	\$	\$ 438,654	\$ 57,666	\$ 8,134,659	\$ 6,828,443
2. Special Revenue Funds	1,700,791	924,778	848,220	Secondary:	1,671,921			31,403	33,269	2,518,275	1,800,554
3. Debt Service Funds Available	437,133	460,816	270,330					616,278		886,608	851,975
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	437,133	460,816	270,330					616,278		886,608	851,975
6. Capital Projects Funds	2,820,081	172,977	3,650,610		3,212,220				1,358,390	5,504,440	2,926,779
7. Permanent Funds											
8. Enterprise Funds Available	3,673,509	2,351,949	1,212,369		1,808,980			362,990		3,384,339	2,840,734
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	3,673,509	2,351,949	1,212,369		1,808,980			362,990		3,384,339	2,840,734
11. Internal Service Funds											
12. TOTAL ALL FUNDS	\$ 15,174,150	\$ 9,877,259	\$ 7,670,193	\$	\$ 12,758,128	\$	\$	\$ 1,449,325	\$ 1,449,325	\$ 20,428,321	\$ 15,248,485

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

2012	2013
\$ 15,174,150	\$ 15,248,485
15,174,150	15,248,485
\$ 15,174,150	\$ 15,248,485
\$ 16,589,845	\$ 15,248,485

☐ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts in this column represent Fund Balance/Net Asset amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

TOWN OF CHINO VALLEY
Summary of Tax Levy and Tax Rate Information
Fiscal Year 2013

	<u>2012</u>	<u>2013</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ _____	\$ _____
B. Secondary property taxes ⁽¹⁾	4,032	
C. Total property tax levy amounts	\$ 4,032	\$ _____
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total primary property taxes	\$ _____	
B. Secondary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total secondary property taxes	\$ _____	
C. Total property taxes collected	\$ _____	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	_____	_____
(2) Secondary property tax rate ⁽¹⁾	0.1723	_____
(3) Total city/town tax rate	0.1723	_____

B. Special assessment district tax rates

Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating 3 special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.

⁽¹⁾ Levy amount and rate listed for prior year is special assessment tax rate, not secondary rate. Shown here for comparison purposes only with prior year forms. Amounts entered on Schedule C

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

TOWN OF CHINO VALLEY
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
GENERAL FUND			
Local taxes			
Sales Taxes	\$ 2,229,000	\$ 2,431,282	\$ 2,292,000
Franchise Taxes	143,500	132,247	143,500
Licenses and permits			
Building Permits	65,000	121,747	71,280
Business Licenses	68,000	65,629	65,000
Plan Check Fees	35,000	76,082	36,750
Other Licenses and Permits	11,200	9,182	7,000
Intergovernmental			
State Shared Sales Tax	782,571	831,997	904,520
State Shared Income Tax	913,001	913,001	1,104,833
Vehicle License Tax	545,658	547,789	562,089
Yavapai County Library Funds	120,717	126,753	126,753
Police Dept Grants	79,500	86,852	31,500
Senior Nutrition Grant		33,318	50,500
Miscellaneous Intergovernmental	13,000	17,652	16,900
Charges for services			
Engineering Fees	3,100	27,816	4,650
Parks & Recreation Fees	8,900	7,255	10,900
Senior Nutrition Program Fees	10,000	9,613	8,500
Facility Use Fees	43,500	42,025	348,900
Police Report Fees	4,000	3,180	4,000
Aquatic Center Fees	58,450	43,522	49,000
Library Fees	25	144	150
Other Charges for Services	800	755	1,032
Fines and forfeits			
Animal Control Fees	22,500	25,176	25,050
Library Fines	3,900	4,034	3,800
Court Fines and Forfeitures	156,050	99,923	157,250
Interest on investments			
Interest	590	500	500
Contributions			
Sponsorships	13,000	19,038	15,500
Senior Center Thrift Store	1,500	855	1,000
Senior Center Donations	3,000	180	2,500
Friends of the Library			4,800
Miscellaneous			
Other Revenues	9,850	9,745	14,850
Total General Fund	\$ 5,345,312	\$ 5,687,292	\$ 6,065,007

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF CHINO VALLEY
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Highway User Revenue	\$ 641,023	\$ 636,580	\$ 762,561
Interest	1,800	962	1,500
Miscellaneous	12,250	3,647	7,200
	\$ 655,073	\$ 641,189	\$ 771,261
 CDBG Grants	 \$ 371,473	 \$ 59,161	 \$ 313,000
	\$ 371,473	\$ 59,161	\$ 313,000
 Miscellaneous Grants	 \$ 380,462	 \$ 229,572	 \$ 546,635
	\$ 380,462	\$ 229,572	\$ 546,635
 Special Revenue Fund-Court	 \$ 28,155	 \$ 14,740	 \$ 17,065
Special Revenue Fund-PD	56,600	15,348	20,002
Lighting Improvement Districts #1, #2, #3	4,032	4,032	3,958
	\$ 88,787	\$ 34,120	\$ 41,025
 Total Special Revenue Funds	 \$ 1,495,795	 \$ 964,042	 \$ 1,671,921
DEBT SERVICE FUNDS			
	\$	\$	\$
	\$	\$	\$
 Total Debt Service Funds	 \$	 \$	 \$
CAPITAL PROJECTS FUNDS			
Impact Fee Funds	\$ 78,270	\$ 12,712	\$ 20,520
Capital Improvements Fund	3,115,650	1,168,249	3,146,650
Replacement Fund	82,236	148,019	45,050
	\$ 3,276,156	\$ 1,328,980	\$ 3,212,220
 Total Capital Projects Funds	 \$ 3,276,156	 \$ 1,328,980	 \$ 3,212,220

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF CHINO VALLEY
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
PERMANENT FUNDS			
	\$	\$	\$
Total Permanent Funds	\$	\$	\$
ENTERPRISE FUNDS			
Water Enterprise Fund	\$ 390,300	\$ 365,069	\$ 419,060
Sewer Enterprise Fund	1,526,920	1,549,792	1,389,920
	\$ 1,917,220	\$ 1,914,861	\$ 1,808,980
Total Enterprise Funds	\$ 1,917,220	\$ 1,914,861	\$ 1,808,980
INTERNAL SERVICE FUNDS			
	\$	\$	\$
Total Internal Service Funds	\$	\$	\$
TOTAL ALL FUNDS	\$ 12,034,483	\$ 9,895,175	\$ 12,758,128

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF CHINO VALLEY
Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2013

FUND	OTHER FINANCING 2013		INTERFUND TRANSFERS 2013	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
	\$	\$	\$ 438,654	\$ 57,666
Total General Fund	\$	\$	\$ 438,654	\$ 57,666
SPECIAL REVENUE FUNDS				
HURF	\$	\$	\$	\$ 13,267
Special Revenue - PD				20,002
Misc Grants			31,403	
Total Special Revenue Funds	\$	\$	\$ 31,403	\$ 33,269
DEBT SERVICE FUNDS				
	\$	\$	\$ 616,278	\$
Total Debt Service Funds	\$	\$	\$ 616,278	\$
CAPITAL PROJECTS FUNDS				
Capital Improvement Fund	\$	\$	\$	\$ 1,358,390
Total Capital Projects Funds	\$	\$	\$	\$ 1,358,390
PERMANENT FUNDS				
Total Permanent Funds	\$	\$	\$	\$
ENTERPRISE FUNDS				
Water Enterprise	\$	\$	\$ 362,990	\$
Total Enterprise Funds	\$	\$	\$ 362,990	\$
INTERNAL SERVICE FUNDS				
Total Internal Service Funds	\$	\$	\$	\$
TOTAL ALL FUNDS	\$	\$	\$ 1,449,325	\$ 1,449,325

TOWN OF CHINO VALLEY
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2013

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2012	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2012	ACTUAL EXPENDITURES/ EXPENSES* 2012	BUDGETED EXPENDITURES/ EXPENSES 2013
GENERAL FUND				
Mayor & Council	\$ 25,996	\$	\$ 25,496	\$ 29,730
Town Manager	265,954		300,557	306,844
Magistrate Court	274,589		226,108	268,554
Finance	238,640		257,500	248,154
Human Resources	49,941		46,288	67,179
Town Clerk	212,378		180,000	213,351
Prosecutor	105,724		113,838	107,737
Mgmt Info Systems	115,926		91,527	138,889
Geographical Info Sys	66,455		45,440	68,659
Police	2,126,702	13,994	2,065,563	2,134,957
Dispatch	145,881		148,917	140,201
Animal Control	69,399		66,661	87,120
Recreation	71,553		59,356	62,815
Aquatic Center	184,956	89,467	227,500	276,247
Parks	347,872		327,981	350,883
Senior Center	145,971	48,911	159,399	195,577
Library	268,856		252,055	261,281
Planning	200,461		169,992	128,598
Building Inspection	79,687		77,832	150,893
Code Enforcement	51,562		35,416	
Public Works Admin	19,192		18,572	19,355
Facilities Maintenance	277,126		277,721	342,319
Vehicle Maintenance	309,897		278,849	319,774
Engineering	39,487		33,337	43,252
Non-Departmental	473,474	(24,951)	403,883	543,027
Contingency	247,536		76,951	323,047
Total General Fund	\$ 6,415,215	\$ 127,421	\$ 5,966,739	\$ 6,828,443
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund	\$ 712,671	\$	\$ 542,511	\$ 757,994
CDBG Grant Fund	371,473		59,161	313,000
Miscellaneous Grants Fund	504,460		274,893	650,915
Special Revenue Fund -- Court	108,155		44,513	74,687
Lighting Improvement Districts	4,032		3,700	3,958
Total Special Revenue Funds	\$ 1,700,791	\$	\$ 924,778	\$ 1,800,554
DEBT SERVICE FUNDS				
Debt Service Fund	\$ 437,133	\$	\$ 460,816	\$ 851,975
Total Debt Service Funds	\$ 437,133	\$	\$ 460,816	\$ 851,975
CAPITAL PROJECTS FUNDS				
Capital Improvements Fund	\$ 2,000,000	\$ (127,421)	\$ 200	\$ 2,000,000
Impact Fees Funds	869,266		167,368	657,914
Asset Replacement Fund	78,236		5,409	268,865
Total Capital Projects Funds	\$ 2,947,502	\$ (127,421)	\$ 172,977	\$ 2,926,779
PERMANENT FUNDS				
Total Permanent Funds	\$	\$	\$	\$
ENTERPRISE FUNDS				
Water Enterprise Fund	\$ 983,318	\$	\$ 532,904	\$ 833,839
Sewer Enterprise Fund	2,690,191		1,819,045	2,006,895
Total Enterprise Funds	\$ 3,673,509	\$	\$ 2,351,949	\$ 2,840,734
INTERNAL SERVICE FUNDS				
Total Internal Service Funds	\$	\$	\$	\$
TOTAL ALL FUNDS	\$ 15,174,150	\$	\$ 9,877,259	\$ 15,248,485

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF CHINO VALLEY
Summary by Department of Expenditures/Expenses
Fiscal Year 2013

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2012	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2012	ACTUAL EXPENDITURES/ EXPENSES * 2012	BUDGETED EXPENDITURES/ EXPENSES 2013
Mayor & Council				
General Fund	\$ 25,996	\$	\$ 25,496	\$ 29,730
Department Total	\$ 25,996	\$	\$ 25,496	\$ 29,730
Town Manager				
General Fund	\$ 265,954	\$	\$ 300,557	\$ 306,844
Department Total	\$ 265,954	\$	\$ 300,557	\$ 306,844
Magistrate Court				
General Fund	\$ 274,589	\$	\$ 226,108	\$ 268,554
Special Revenue Fund	108,155		44,513	74,687
Misc Grants Fund	25,000		1,503	25,000
Department Total	\$ 407,744	\$	\$ 272,124	\$ 368,241
Finance				
General Fund	\$ 238,640	\$	\$ 257,500	\$ 248,154
Department Total	\$ 238,640	\$	\$ 257,500	\$ 248,154
Human Resources				
General Fund	\$ 49,941	\$	\$ 46,288	\$ 67,179
Department Total	\$ 49,941	\$	\$ 46,288	\$ 67,179
Town Clerk				
General Fund	\$ 212,378	\$	\$ 180,000	\$ 213,351
Department Total	\$ 212,378	\$	\$ 180,000	\$ 213,351
Prosecutor				
General Fund	\$ 105,724	\$	\$ 113,838	\$ 107,737
Department Total	\$ 105,724	\$	\$ 113,838	\$ 107,737
Mgmt Info Systems				
General Fund	\$ 115,926	\$	\$ 91,527	\$ 138,889
Department Total	\$ 115,926	\$	\$ 91,527	\$ 138,889
Geographical Info Systems				
General Fund	\$ 66,455	\$	\$ 45,440	\$ 68,659
Department Total	\$ 66,455	\$	\$ 45,440	\$ 68,659
Police				
General Fund	\$ 2,126,702	13,994	2,065,563	2,134,957
Misc Grants Fund	235,500		235,500	297,903
Impact Fee Fund	131,634		79,240	58,354
Department Total	\$ 2,493,836	\$ 13,994	\$ 2,380,303	\$ 2,491,214
Dispatch				
General Fund	\$ 145,881	\$	\$ 148,917	\$ 140,201
Department Total	\$ 145,881	\$	\$ 148,917	\$ 140,201
Animal Control				
General Fund	\$ 69,399	\$	\$ 66,661	\$ 87,120
Department Total	\$ 69,399	\$	\$ 66,661	\$ 87,120

TOWN OF CHINO VALLEY
Summary by Department of Expenditures/Expenses
Fiscal Year 2013

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2012	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2012	ACTUAL EXPENDITURES/ EXPENSES * 2012	BUDGETED EXPENDITURES/ EXPENSES 2013
Recreation				
General Fund	\$ 71,553		59,356	62,815
Misc Grants Fund	25,000		1,715	15,000
Impact Fee Fund (Parks&Rec)	131,978		7,796	117,952
Department Total	\$ 228,531	\$	\$ 68,867	\$ 195,767
Aquatic Center				
General Fund	\$ 184,956	\$ 89,467	\$ 227,500	\$ 276,247
Department Total	\$ 184,956	\$ 89,467	\$ 227,500	\$ 276,247
Parks				
General Fund	\$ 347,872		327,981	350,883
Misc Grants Fund	30,745			16,000
Department Total	\$ 378,617	\$	\$ 327,981	\$ 366,883
Senior Center				
General Fund	\$ 145,971	\$ 48,911	\$ 159,399	\$ 195,577
Misc Grants Fund	113,215		36,175	222,012
Department Total	\$ 259,186	\$ 48,911	\$ 195,574	\$ 417,589
Library				
General Fund	\$ 268,856		\$ 252,055	\$ 261,281
Misc Grants Fund	25,000			25,000
Impact Fee Fund	127,814		14,560	111,608
Department Total	\$ 421,670	\$	\$ 266,615	\$ 397,889
Planning				
General Fund	\$ 200,461		\$ 169,992	\$ 128,598
Misc Grants Fund	25,000			25,000
Department Total	\$ 225,461	\$	\$ 169,992	\$ 153,598
Building Inspection				
General Fund	\$ 79,687		\$ 77,832	\$ 150,893
Department Total	\$ 79,687	\$	\$ 77,832	\$ 150,893
Code Enforcement				
General Fund	\$ 51,562		\$ 35,416	\$ -
Department Total	\$ 51,562	\$	\$ 35,416	\$ -
Public Works Admin				
General Fund	\$ 19,192		\$ 18,572	\$ 19,355
Misc Grants Fund	25,000			25,000
Department Total	\$ 44,192	\$	\$ 18,572	\$ 44,355
Facilities Maintenance				
General Fund	\$ 277,126		\$ 277,721	\$ 342,319
Department Total	\$ 277,126	\$	\$ 277,721	\$ 342,319
Vehicle Maintenance				
General Fund	\$ 309,897		\$ 278,849	\$ 319,774
Department Total	\$ 309,897	\$	\$ 278,849	\$ 319,774

TOWN OF CHINO VALLEY
Summary by Department of Expenditures/Expenses
Fiscal Year 2013

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2012	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2012	ACTUAL EXPENDITURES/ EXPENSES * 2012	BUDGETED EXPENDITURES/ EXPENSES 2013
Engineering				
General Fund	\$ 39,487	\$	\$ 33,337	\$ 43,252
Department Total	\$ 39,487	\$	\$ 33,337	\$ 43,252
Non-Departmental				
General Fund	\$ 721,010	\$ (24,951)	\$ 480,834	\$ 866,074
Highway User Rev Fund	30,388		155	29,990
CDBG Grant	371,473		59,161	313,000
Debt Service Fund	437,133		460,816	851,975
Capital Improvement Fund	2,000,000	(127,421)	200	2,000,000
Asset Replacement Fund	78,236		5,409	268,865
Water Enterprise Fund	130,416		30,416	263,050
Impact Fee Fund	42,840		40,373	-
Sewer Enterprise Fund	806,408		949,822	1,106,642
Department Total	\$ 4,617,904	\$ (152,372)	\$ 2,027,186	\$ 5,699,596
Water Utilities				
Water Enterprise Fund	\$ 652,605	\$	\$ 370,869	\$ 466,211
Department Total	\$ 652,605	\$	\$ 370,869	\$ 466,211
Water Resources				
Water Enterprise Fund	\$ 200,297	\$	\$ 131,619	\$ 104,578
Department Total	\$ 200,297	\$	\$ 131,619	\$ 104,578
Sewer Utilities				
Sewer Enterprise Fund	\$ 1,883,783	\$	\$ 869,223	\$ 900,253
Department Total	\$ 1,883,783	\$	\$ 869,223	\$ 900,253
Roads				
HURF	\$ 682,283	\$	\$ 542,356	\$ 728,004
Impact Fee Fund	435,000		25,399	370,000
Department Total	\$ 1,117,283	\$	\$ 567,755	\$ 1,098,004
Street Lighting Improvement District				
SLID Fund	\$ 4,032	\$	\$ 3,700	\$ 3,958
Department Total	\$ 4,032	\$	\$ 3,700	\$ 3,958
TOTAL ALL DEPARTMENTS	\$ 15,174,150	\$	\$ 9,877,259	\$ 15,248,485

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

RESOLUTION NO. 12-995

TOWN OF CHINO VALLEY, ARIZONA

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA ADOPTING THE STATEMENTS AND ESTIMATES OF EXPENSES OF THE CHINO VALLEY STREET LIGHTING IMPROVEMENT DISTRICTS, WHICH SHALL CONSTITUTE THE BUDGETS OF THE DISTRICTS FOR FISCAL YEAR 2012-2013, PURSUANT TO SECTIONS 48-616 AND 42-17101 ET SEQ., ARIZONA REVISED STATUTES, AS AMENDED

WHEREAS, the provisions of A.R.S. § 48-616 require the governing body to levy taxes upon all property in a municipal street lighting improvement district to pay the annual expenses of said districts; and

WHEREAS, the governing body of the municipality shall make annual statements and estimates of the expenses of the district, which shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all the real and personal property in the district, shall publish notice thereof, shall have hearings thereon and adopt said statements and estimates as provided in title 42, chapter 17, article 3 (Sections 42-17101 *et seq.*), Arizona Revised Statutes; and

WHEREAS, the Mayor and Council desire to approve said statements and estimates for Fiscal Year 2012-2013; and

WHEREAS, a public hearing on said statements and estimates of expenses was held on June 26, 2012 and notice of such hearings published in accordance with the requirements of A.R.S. § 48-616;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA,

The Statement and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2012-2013, attached hereto and incorporated herein as Exhibit "A", is hereby approved.

BE IT FURTHER RESOLVED that said adopted estimates shall constitute the budgets of the Town of Chino Valley Lighting Improvement Districts for Fiscal Year 2012-2013.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 26th day of June, 2012.

Chris Marley, Mayor

ATTEST:

APPROVED AS TO FORM:

Jami C. Lewis, Town Clerk

Musgrove Drutz & Kack, PC
Town Attorney

EXHIBIT "A"

TOWN OF CHINO VALLEY, ARIZONA
Street Lighting Improvement Districts

Schedule of Estimated Assessments

Fiscal Year –2012/2013

			A	B	C	D	E
Co. Dist. No.	Town ID No.	Town ID Name	2011/2012 Estimated Actual Expenses	2011/2012 Levy Request	2011/2012 Difference on Expenses vs. Levy	2012/2013 Projected Expenses	2012/2013 Levy Request
13004	CVSLID1	Chino Valley, Arizona, CVSLID #1 Lighting Improvement District	\$2,042	\$2,031	\$11	\$1,992	\$2,003
13005	CVSLID2	Chino Valley, Arizona, CVSLID #2 Lighting Improvement District	\$1,048	\$1,050	(\$2)	\$1,024	\$1,022
13006	CVSLID3A	Chino Valley, Arizona, CVSLID #3A Lighting Improvement District	\$ 954	\$ 951	\$ 3	\$ 930	\$ 933



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. b.**

Meeting Date: 06/26/2012
Contact Person/Dept: Ron Grittman, Public Works
Phone: 928-636-2646 x-1223
Item Type: Action-Presentation
**Estimated length
of staff presentation:** 5 minutes
Physical location of item: Chino Meadows Unit 5

AGENDA ITEM TITLE:

Consideration and possible action to award the Community Development Block Grant Project to CLM Earthmovers in an amount not to exceed \$207,323.44 for the Base Bid and \$94,964.60 for the Alternative Bid for the Box Culvert at Center Street for a total contract amount of \$302,288.04; and authorize the Mayor to sign the associated contract.

RECOMMENDED ACTION:

Award the Community Development Block Grant Project to CLM Earthmovers in an amount not to exceed \$207,323.44 for the Base Bid and \$94,964.60 for the Alternative Bid for the Box Culvert at Center Street for a total contract amount of \$302,288.04.

SITUATION AND ANALYSIS:

In 2009/10 the Town of Chino Valley was awarded a Community Development Block Grant for drainage improvements in the region of Chino Meadows Unit Five at Center Street. This project will include the construction of a detention basin, underground stormwater piping that will be constructed under Lazy Loop Lane, and a box culvert at Center Street between Railroad Road and Cottonwood Lane. These improvements will resolve significant flooding and secondary access issues within the Chino Meadows Unit Five area. The award for the CDBG grant including engineering, environmental, and construction is \$398,000. The Northern Arizona Council of Governments (NACOG) has been contracted to perform the environmental (including both endangered species and a cultural review) work necessary for the project to be in accordance with Federal requirements in the amount of \$6,000.00. The Contract for Civil Tec Engineering for Design services is approximately \$55,000. The remaining funds are in excess of the construction bid provided by CLM Earthmovers.

On June 14, 2012, bids were opened for the CDBG project. The following is a summary of the bid results:

Contractor	Base Bid	Alternate No. 1	Alternate No. 2
	DIP	HDPE	Box Culvert
CLM Earthmovers	\$207,323.44	\$112,062.86	\$94,964.60
Rocky Construction	\$214,278.00	\$204,275.00	\$158,126.00
T&H Construction	\$234,522.20	\$131,279.20	\$151,931.28
Earth Resources	\$242,594.06	\$139,263.26	\$126,286.25
NL Booth & Sons	\$255,385.00	\$158,101.00	\$120,825.00
CJ Excavating	\$267,206.48	\$176,448.15	\$188,087.07
Headwaters Construction	\$276,861.60	\$150,648.00	\$144,767.00
Asphalt Paving & Supply	\$279,308.00	\$153,328.00	\$195,045.00
CNB Excavating	\$284,453.00	\$178,649.00	\$195,400.00
Fann Contracting	\$311,245.00	\$206,485.00	\$122,025.00

The base bid includes the installation of ductile iron pipe (DIP), alternative No. 1 includes the use of plastic high density polyethylene pipe (HDPE) and alternative No. 2 is the cost of the box culvert at Center Street. DIP offers better longevity and durability over HDPE and staff recommends awarding the base bid with alternative bid number 2.

Staff has checked with other agencies and have determined that CLM Earthmovers meets the lowest responsible bidder requirements and recommends award of the CDBG project to them in the amount of \$302,288.04.

Fiscal Impact

Fiscal Impact?: Yes

If Yes, Budget Code: 03-90-5440

Available: \$316,406

Funding Source:

Funds to come from CDBG Grants Fund capital expenditures construction costs line.



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. c.**

Meeting Date: 06/26/2012
Contact Person/Dept: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
Item Type: Action
**Estimated length
of staff presentation:** None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to appoint a representative to the NACOG Economic Development Committee (EDC).

RECOMMENDED ACTION:

Appoint representative to EDC per council discussion.

SITUATION AND ANALYSIS:

In 2011, Council Member Linda Hatch was selected to represent the Town of Chino Valley on the NACOG Regional Committee and the EDC. Council Member Hatch has been representing the town at the Regional NACOG meetings and would like to continue representing the town on that council. However, Council Member Hatch learned that the Town of Chino Valley no longer had a seat on the EDC at the time of her assignment and apparently had not held a position on the EDC since approximately 2005. Council Member Hatch requested to be included on the distribution list for EDC agendas and minutes and asked to attend the meetings.

On June 7, 2012, Council Member Hatch and Interim Town Manager Robert Smith attended the meeting in Flagstaff. Prior to the meeting, Council Member Hatch spoke with NACOG staff and indicated that the Town of Chino Valley wanted to have a representative from Chino Valley on the Committee. During the Meeting, the staff report indicated that there was an opening on the EDC for Yavapai County and Chino Valley could ask to have a seat on the committee.

The EDC is composed of both elected officials (several county supervisors, and Lora Lee Nye, council member from Prescott Valley for example), some city and town managers, members of the private sector (business owners) and Economic Development Organizations representatives (Prescott Valley and Prescott for example). The committee meets about 5 times a year in Flagstaff for several hours. As the Town's representative, Council Member

Linda Hatch formalized a request for the open seat of EDC with a request that the name of the Chino Valley EDC nominee remain open until the Town Council had an opportunity to discuss the appointee.

Council member Hatch is willing to continue serving as the town representative on EDC however, Interim Town Manager Robert Smith has expressed an interest in being the Town's representative to the committee. Given Mr. Smith's interest in the EDC Council Member Hatch requests that the council discuss the appointment.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

NACOG EDC minutes 4-5-12

NACOG EDC agenda 6-7-12

MEETING NOTICE AND AGENDA
Pursuant to ARS 38.431.01
NACOG ECONOMIC DEVELOPMENT COUNCIL MINUTES
April 5, 2012

Little America Hotel 2515 E. Butler Avenue, Flagstaff, AZ 86001

Members:	(Absences)	Members:	(Absences)
Sharon Adams – absent	1	Judy Bratcher – present	0
Wendy Bridges – present	0	Kevin Burke – present	1
Karalea Cox – present	1	Carol Curtis – present	1
J.R. DeSpain – absent *	2	Eric Duthie – present	0
Jim Ferguson – present	0	Jodie Filardo – present	0
Bill Greenwood – present	0	Tom Hansen – absent *	2
Tamie Herrick – absent	1	Barbara Littrell – absent	2
Mike Makowski – absent	1	John Moore – absent	2
Steve North – absent	1	Lora Lee Nye – present	1
Sally Odette – present	0	Paul Ramsey – absent	2
Norman Perry – present	0	Ernie Rubi – absent	1
Steve Rutherford – absent *	2	Cynthia Stuart – present	0
Randall Sullivan – absent	2	Carl Taylor – present	0
Paul Watson – present	0		

Guests:

Richard Baron; Julian Avila ADOT

Staff:

Teri Drew, Regional Director, NACOG

Kris Mass, Executive Assistant, NACOG

*indicates excused absence

A quorum was present

- I –II. Call to Order/Pledge of Allegiance: Vice-Chair, Kelly Udall called the meeting to order at 10:03 am. The Pledge of Allegiance was recited by the membership. Self-introductions were made. Vice-Chair Kelly Udall welcomed new member, Sally Odette from APS and thanked the reappointed members, Carol Curtis and Jodie Filardo for their continued participation on the EDC. Kevin Burke read the mission statement.
- III. Approval of the minutes, February 2, 2012. Bill Greenwood motioned to accept the minutes. Cynthia Stuart seconded with an amendment to the minutes brought forth by Norman Perry. Norman mentioned a correction to the minutes as follows: Page 6, CEDS Sub-committee update. “The recommendation to the committee was for a total of 3 projects per community.” Add that staff requested to limit to 3 projects but there was no consensus by the committee to do so.
- IV. Chair’s Report: This was deferred until arrival of the Chair, Casey Rooney.
- V. Director’s Report: Teri Drew began her report with an update on staffing at NACOG-EWD office in Prescott. Judy Gonzales has semi-retired and has accepted a part time Management Information Systems (MIS) contract position with NACOG. Kris Mass has resumed primary Executive Assistant

duties for Teri. We are currently in the hiring process for an Administrative Specialist to assist Teri and Kris.

Teri continued with notification that NACOG.org email system had experienced some problems in the last couple of weeks and so might have been identified as “spam” on some members email servers. The issue has been resolved but there may be continued problems on members email, so if nacog.org email went to your “spam” or “quarantined” folder seek your IT department’s assistance.

Teri moved on to the Arizona Commerce Authority grant opportunity. The EDC applied for a second round of the Economic Gardening program. Five (5) Northern Arizona communities were winners, City of Flagstaff, Flagstaff Chamber of Commerce, Northern Arizona Center for Entrepreneurship and Technology (NACET), Prescott Valley Economic Development Foundation (PVEDF), Town of Payson and the Verde Valley Wine Consortium. The EDC Economic Gardening committee headed by Kevin Burke does want to continue the Economic Gardening program and the Peer-Spectives training will take place this year as a continuation of the Economic Gardening program. NACET will receive training from the Lowe Foundation on the Peer-Spectives program and then will facilitate those meetings with our eighteen companies. Carol Curtis questioned about new companies for the Peer-Spectives training. Teri advised that the eighteen companies that participated in the Economic Gardening program last year would receive the Peer-Spectives training. Teri added that the process may not make sense for new employers.

Teri continued with the notification that Arizona Manufacturing Extension Partnership (AZ-MEP) has been transitioned to Arizona Commerce Authority. There is no word yet on when they will be back to providing manufacturing extension partnership services. Richard Baron advised the membership that MEP was going out for a public bid as Arizona Commerce Authority did not wish to be involved at this time. Carol Curtis advised that at this time, Arizona is the only state without an active MEP. Teri advised that she would follow up with Sandra Watson of the Arizona Commerce Authority for an update.

Teri moved on to the EDA Seattle Regional conference. This year Teri was unable to make it, but Jacob Macias did provide an update on the Rural Jobs Accelerator Program. This program will be rolling out some new disaster mitigation funds. Teri advised that the Walker Fire would not be eligible for this funding, as only Coconino county area and the Havasupai area are eligible. Teri advised that for Walker, we could look to the EDA regular cycle. The President’s budget is out, and Jacob Macias anticipates cuts to public works funding but possible increases to economic adjustments. Teri advised that Jacob has a new email address at Jacob.m.macias@eda.gov.

Teri advised the membership that she currently serves on the Governor’s Council for Broadband. Senate Bills SB1402 and SB1403 passed with a 7-0 vote. This Broadband committee established collaboration between ADOT and the Division of Administration (DOA) to provide fiber optics in the rural parts of the state, leveraging existing ADOT roadway right of way. Broadband will effectively improve economic development for business location and retention and create jobs in our state.

Teri moved on to the EDA Assessments (see handout). The EDA requires a match from the District for our planning grant funding. The match in our District has exceeded the 25% match required over the last several years. As a result of the recession, the EDC has not increased the assessments for the last three (3) years. This year the Rural Transportation Liaison will be increasing their assessment to \$0.082 cents per capita. The current EDA assessment is at \$0.07 cents per capita. Teri also mentioned that EDA has had discussions about increasing our required match to 40% but there have been no official announcements from Seattle. Discussion followed. Several members questioned the population figures used. Teri advised that for the last three years, the EDC has maintained our EDA assessments at 2007 population estimates with \$0.07 cents per capita. The Rural Transportation estimates on the handout are using the new 2010 population estimates at \$0.082 cents per capita. Several members questioned about why the Rural Transportation assessments were increasing by 17%. Teri attempted to answer for Executive Director, Chris Fetzer but that she didn't feel comfortable speaking on behalf of RTAC and that today's discussion was only to consider the EDA assessments. Teri also noted that assessment billing usually goes out in April to allow for budgeting for the communities. Teri mentioned that these assessments would be going to Regional Council later this month for final approval. Carl Taylor questioned why keep the EDA assessments at the current levels and yet see an increase in the transportation assessments. Teri advised that she would request Chris Fetzer provide an explanation. Cynthia Stuart motioned to have staff recalculate the chart (handout) with 2010 population estimates and \$0.07 and \$0.82 cents per capita for email consideration and vote. Norman Perry seconded. Motion approved.

Teri moved onto membership. Apache County has a vacancy and thank you to Karalea Cox for recommending Steven West, Town Manager from Springerville. Mr. West has an interest in becoming a member on the EDC. Jodie Filardo motioned to approve Mr. West as Apache County representative on the EDC. Carl Taylor seconded. Motion approved unanimously.

Teri concluded with reappointments to the EDC. Eric Duthie, Tom Hansen and Norman Perry all have requested reappointment to the EDC. Karalea motioned to accept reappointments as presented. Jodie Filardo seconded. Motion approved unanimously.

VI: Committee Update:

CEDS Application committee, Norman Perry, Chair.

Chair Perry began his report with an update that the sub-committee went back after the last EDC meeting to consider some issues brought up at the February EDC meeting. Chair Perry advised the committee about the two standpoints discussed by the committee. One was that it is difficult to ask elected officials to vote on something with no data. Second that staff would be asked to do a lot more work. The committee considered both issues. The consensus was a list of dates for compliance and the Goals & Priorities Policy/Project added items A-F but noted a change to be added to item E, to add "requested by not required. In summary, the application form should be easy for communities to complete and elected officials to approve. This application will then be presented to the EDC. Kelly Udall questioned if the dates noted were accurate per staff. Chair Perry acknowledged that dates were correct and provided to him by staff. Cynthia Stuart thanked Norman Perry and the committee for this wonderful process. Teri reminded the council members that it was again time to send out the requests for projects for PY 2013. Announcements will go out in the next month or so. Kevin questioned

about the EDA quarterly acceptance of applications. Teri responded that EDA accepted applications for projects quarterly. The timeline shown should actually say submission to EDA in July and delete the word municipalities. Norman Perry confirmed this change. Carol Curtis also brought up the category for projects should be included on the application form. Staff will change the form to indicated the category of the project. Motion to accept CEDS Goals & Priorities/Project Review and application with the amended change to item E, made by Lora Lee Nye. Jodie Filardo seconded. Motion approved unanimously.

Nomination committee, Casey Rooney, Chair. The nominating committee met via conference call on March 19, 2012. Members of the committee include Judy Bratcher, Teri Drew, Carl Taylor and Chair Rooney. Discussion about the incoming slate of officers was conducted and the following slate of officers is being recommended. Kelly Udall for Chair, Kevin Burke as Vice-Chair, Karalea Cox as Chair-At-Large and Casey Rooney as Past Chair. Casey advised that the new Chair would have the opportunity to select one additional member to make up the Executive Committee. At this time, Chair Rooney called for additional nominations from the floor. There were none. The official vote will be conducted at the June meeting. Bill Greenwood motioned to close the nominations. Kevin Burke seconded. Motion approved unanimously.

Tourism committee, Cynthia Stuart, Chair. Chair Stuart mentioned that the Tourism committee had a scheduled conference call meeting for April 2, 2012, which did not include a quorum, so the meeting has been rescheduled to April 12th. Teri Drew offered a brief update on the 2012 Tourism Forum. At last year's Tourism Forum in Williams, Teri was approached to hold the 2012 Tourism Forum at the Grand Canyon. In March a group of the Tourism committee met with officials at the Grand Canyon with the hopes of holding the 2012 Tourism Forum in October. The Grand Canyon group was unable to consider holding it in October and are encouraging us to hold it in August. Teri mentioned that this would be a difficult for us to do by August. Further discussion will be conducted at the next Tourism committee meeting if October or possibly early spring of 2013 would be a better time. Carl Taylor questioned if it was the Grand Canyon Park or Tusayan. Teri advised that it would include both Tusayan and hopefully a tour of the Park. Norman Perry mentioned that Ray Sauzo from the Bureau of Land Management (BLM) was still quite interested in supporting our Tourism Forum. Discussion mentioned that Lake Powell could be a possibility. Kevin Burke questioned if Tusayan was eligible for membership with the NACOG EDD. Teri confirmed that they were eligible and have been approached about joining the EDC, but not at this time. Teri continued that the Mayor of Tusayan has joined Regional Council meetings and she will check with Chris Fetzner to see about whether or not they intend to join the NACOG Economic District (EDD). Kevin voiced possible displeasure at the idea of supporting a community which did not belong to the NACOG EDD. Karalea Cox mentioned that Arizona Game and Fish Department had been encouraged to partner more on an economic development front. Karalea mentioned that there were some properties belonging to Game & Fish in Apache County that could possibly be used for a Tourism Forum. Carl Taylor mentioned that Game and Fish had acquired a Dude Ranch in the Agua Fria area. Norman mentioned that BLM was involved also.

Chair Rooney returned to his Chair's Report. He mentioned that the AAED conference was coming up in May in Sedona on May 9-11, 2012.

VII. Community Reports:

Kelly Udall, Pinetop-Lakeside: The weather is starting to warm up, but Sunrise Ski Resort had a good season, closed at the end of March. Will start to see an increase in tourists after April-May.

Kevin Burke, Flagstaff: The Innovation Mesa grant, hoping to hear status from EDA next week. The snowboarding event, "Dew Downtown" in Downtown Flagstaff was quite successful. 10,000 people attended over the weekend.

Paul Watson, Snowflake: Industrial development on the rise. Potash is the biggest issue with three companies that are all exploring development

Cynthia Stuart, Holbrook: Conferred with Paul Watson that potash was the big industrial development in their area.

Eric Duthie, Taylor: Eric added that there are three (3) separate companies all exploring potash in their areas. American West Potash a subsidiary of Prospect Global Resources, a large company that mines all over the world. Passport Potash just received validation as a publically owned company. The third is a combination company, Hunt Oil and Legacy Resources which operates a bio-mass plant in the area. Each of these companies operating separately would have between 500-800 jobs once in full operation. If all three begin operations, we could be looking at 2,500 new direct jobs. The permitting process for American West Potash has begun and are looking at possible approval in January 2013. It will take approximately 12-15 months to start the mine with 800 employees. Full time employment is expected by summer for 2014. Eric continued that the Four Forest Restoration Initiative (4FRI) has determined two companies that are just waiting for final approval and award.

Bill Greenwood, Eagar: There is lots of speculation on the 4FRI announcement. Just waiting to see.

There is a lot of small diameter mills with overstock of small burnt lumber but no place for it to go.

With the recession, it is hard to move. Most is currently being used for pallets at this time. There is a tremendous market for pallets especially for food products, because food cannot be put on used pallets.

Judy Bratcher, Apache-Navajo: In mid February held job fairs in conjunction with Coconino county for up to 50 positions for frac mining in Sanders. Also at the same time seeing a layoff in New Mexico which affects Apache county with approximately 102 jobs lost. ADOT is also conducting a job fair for the port of entry in Sanders.

Carol Curtis, Coconino County: So far we have had a job fair almost every month for new companies. Cal Ranch store and lots of construction to house miners. The big news is that advanced manufacturing has been noted as a promising sector strategy. They have secured a grant of \$513,000 to the County from ACA to support the bio-med advanced manufacturing sector.

Carl Taylor, Coconino County: Snow Bowl is officially closed, had a mediocre year. Economic Development Workforce Training Facility should be operational by this summer. The county has decided to be entrepreneurial with three businesses in Fort Tuthill. The decision of the Secretary of the Interior to withdraw areas north and south of the Grand Canyon from further uranium claims has resulted in litigation. The county has been active in long term remediation of the Schultz flood area with a cinder drainage diversion to divert drainage to drop the silt then just deal with the water. This could be a 10-20 year project.

Lora Lee Nye, Prescott Valley: Prescott Valley has seen an increase in temporary jobs with two new stores. The Town just completed solar farms located at the water treatment and water storage plants at no cost to the Town. The Town has again opened its hiring and are currently hiring for police officers and Town employees are returning to 40 hour work weeks in July. The centennial gala was a

success. Home foreclosures has been reduced, home building permits are up and one home developer recently sold twelve new site built homes. The Town remains optimistic but Lora Lee foresees possibly two more challenging budget years. AIA Scholastics were in the area in February. This is state level wrestling and basketball throughout the entire county, which filled hotels and restaurants.

Jodie Filardo, Clarkdale: Twenty-two homes are coming back to Clarkdale. Verde River/Clarkdale going well. The Mayor and Jodie attended a Washington conference, it appears that the Verde River is going to be one of the first five rivers that are designated as a National Water Trail. This will bring funding to Arizona, recreational opportunities, research and free national promotions. Alternatives are being considered to diversion dams for irrigation uses that allows the river to remain navigable and eligible for recreational activities. Thank you to Sally Odette and APS for the Focused Future 2 process. Lora Lee Nye advised that Supervisor Carol Springer had advised that the Upper Verde Coalition Group had become aware of a push in Washington to remove the word navigate in the designation of water control. The current law states that the federal government can extend control over bodies of water that can be navigated. If they remove the word navigate from the law, then the federal government would be able to extend control over any body of water, lakes, streams, rivers. Lora Lee also advised that they are working with the US Forest Service to get 1% more water into our aquifers. It is a mitigation plan to protect the Verde.

Karalea Cox, Apache County: We are fortunate that all of the American West holdings are located in Apache County. And the water used for the potash plants will be brackish salt water, so the water issue is not great. This potash mining is a completely underground process. The amount of money that could go into private and public coffers is a huge advantage. American West will have to expand some rail and some road improvement. The Petrified Forest will not having mining underneath it.

Norman Perry, Yavapai County: Last week Carl Taylor and Norman spent time with APS and BLM going over solar sites being considered. Norman offered some statistics. APS offered that as soon as they reach 25% capacity for renewable energy, all grants and initiatives will stop. This is 25% of total consumption in the entire state. This 25% will probably not be reached in our lifetimes. The plants visited uses 7-9 acres to generate 1 megawatt of concentrated solar power (csp). The plant visited is being built by a Spanish company has reduced their water consumption to 500 million gallons of water used annually. They are actually building the solar panels in Surprise, AZ. When the site is completely built, they will employ 40 people. Norman also mentioned that BLM has just published a book which is a description of all land in the state and determined whether or not you can put renewable energy on it. They have taken into consideration animal trails, power lines etc. This will take the place of the EIS NEPA (Environmental Impact Statement National Environmental Policy Act).

Wendy Bridges, Prescott: Prescott is continuing to see bed tax and sales taxes growing. Trader Joe's opened last month. Five Guys hamburgers has opened next door. The Whisky Row Off Road Marathon is scheduled in April. The purse for this race is \$30,000 for this international event. There is a National Grocers coming from Colorado at the corner of Willow Creek and Gail Gardner near the hospital. Teri inquired about EXTRA Aircraft. Wendy responded that they were waiting for additional FAA regulations. They will offer a great addition to the airport.

Sally Odette, APS: Happy to be here. They are always searching for communities that need strategic planning and building their economic toolbox. Show Low has completed their plan. Show Low is taking a very organized approach to the implementation of their very realistic plan. Lora Lee Nye thanked APS for sponsoring the centennial. Sally mentioned that APS would be a small sponsor for the upcoming Tourism Forum.

Paul Ferris, Winslow: Thank you also to APS for their support of the downtown renovation program. Some positive things going on in Winslow are 45 units of single family sub-division just about ready for the final plat, with another 69 units in the preliminary discussions to serve the anticipated market Twin Arrows Navajo Nation casino and possible development for 4FRI. Just dedicated a major expansion to the Emergency department of the Little Colorado Hospital last week. The last two phases of the Renaissance on Route 66 project which will complete the improvement of Route 66 all the way through Winslow.

Casey Rooney, Cottonwood: There was a job fair in Cottonwood yesterday for approximately 50 jobs, which is encouraging. Out of Africa is building a zip line. Received a \$300,000 grant from ACA as part of the regional wine industry. We received a \$100,000 ACA grant to help 4 wineries in the area and USDA revolving loan fund grant. The wine industry is being considered as a sector for Yavapai county. Estimated to become a billion dollar industry. Teri added that she has been invited to the table for discussions with several international companies coming to the area. Companies are coming back to the United States. Teri mentioned that at a recent conference a speaker questioned what was the difference between this recession and the last one. The difference is that this recession is global, international recession, not just in the United States.

- VIII. Public Comments: Julian Avila from the Public Affairs office of ADOT explained his interest in attending our meetings to help set up assistance to our counties and communities, to help with the economic development and planned growth. Transportation has a direct impact on our communities. Currently there is a \$69 billion dollar gap between what the needs are and projected revenue. The Public Affairs office was created to bring accessibility of the highway system to communities and to meet with the business and community sectors.
- IX. Adjournment: Norman Perry motioned to adjourn. Karalea Cox seconded. The meeting was adjourned at 12:30 pm

MEETING NOTICE AND AGENDA
Pursuant to ARS 38.431.01
NACOG ECONOMIC DEVELOPMENT COMMITTEE
June 7, 2012 at 10:00 am
Radisson Woodlands Hotel, 1175 W. Route 66, Flagstaff, AZ 86001

1. CALL TO ORDER/WELCOME, INTRODUCTIONS
Reading of the Mission Statement
Casey Rooney, Chair
2. PLEDGE OF ALLEGIANCE
3. PASSING OF THE GAVEL
Casey Rooney, Chair
Kelly Udall, Chair Elect
4. APPROVAL OF THE MINUTES, April 5, 2012
Kelly Udall, Chair
(Information/Discussion/Action)
5. CHAIR'S REPORT
Kelly Udall, Chair
(Information/Discussion/Action)
6. DIRECTOR'S REPORT
 - Program Update
 - Membership Update
 - CEDS Goals & Priorities Update
 - EDA AssessmentsTeri Drew, Regional Director
(Information/Discussion/Action)
7. BROADBAND UPDATE
Bill Bolin, Galen Updike, Brad Zerbe
(Information/Discussion/Action)
8. PRESENTATION BY ARIZONA DEPARTMENT OF TRANSPORTATION
Julian Avila, ADOT Public Affairs
(Information/Discussion)
9. COMMITTEE REPORTS
 - Tourism Committee, Cynthia Stuart(Information/Discussion/Action)
10. COMMUNITY REPORTS
(Information/Discussion)

Pursuant to the Americans with Disabilities Act, NACOG Economic Development Committee endeavors to ensure the accessibility of its meeting to all persons with disabilities. If you need an accommodation for a meeting, please contact the NACOG office at 928/778-1422 at least 48 hours prior to the meeting (not including weekends and/or holidays) so that an accommodation can be arranged.

11. PUBLIC COMMENTS
(Information/Discussion)
12. ADJOURNMENT
(Action)



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 7. d.

Meeting Date: 06/26/2012

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

Item Type: Action

AGENDA ITEM TITLE:

Consideration and possible action to approve the May 17, 2012 Study Session minutes.

RECOMMENDED ACTION:

Approve the May 17, 2012 Study Session minutes.

Attachments

5-17-12 minutes

DRAFT

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

**Thursday, May 17, 2012
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 Thursday, May 17, 2012.

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

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

Absent: Councilmember Dean Echols; Councilmember Lon Turner

Staff Present: Interim Town Manager Robert Smith; General Services Director Cecilia Watts; Magistrate John Walker; Town Engineer/Public Works Director Ron Grittmann; Town Clerk Jami Lewis (recorder)

Attendees: Bernie Wiegandt

1) Presentation and discussion regarding the fiscal year 2012/2013 Tentative Budget.

Acronyms used in this item:

AV (Assessed Value)
CDBG (Community Development Block Grant)
FY (Fiscal Year)
GF (General Fund)

Pat Walker with Pat Walker Consulting, Inc.(?) reviewed the Tentative Budget and Town's fiscal condition as follows:

Background

- On May 8, 2012, she presented to the Finance Committee a GF forecast for FYs 2012-2017. The Committee requested that she revise the forecast and present it at this meeting.
- The Committee also asked her to report on the total sales tax and primary property tax rates of the surrounding communities.
- Since she had presented the proposed budget on DATE, she had fine tuned the numbers, but left as much flexibility as possible.

2012-2013 Proposed Budget

- The total proposed budget was \$15,260,552, representing less than a 0.50% increase from the prior year.
- Most of the projected revenues came from local taxes and fees (38%) and intergovernmental sources (23%).
- Most of the proposed expenditures were for capital improvements (21%), general government (20%), and public safety (17%). Although the Town might not expend all the proposed capital improvement expenditures, they needed to be built in per home rule regulations.

General Fund Projections

- GF projected revenues: \$6,882,384, which represented a 1.51% decrease from last year.
- Proposed expenditures: \$6,882,384, which represented a 6.19% increase over last year and demonstrated that the fund balance was being used up.
- Major revenue categories: local sales taxes and fees (38%), state shared revenues (41%), SBA tower lease, transfer from 1% sales tax, and fund balance.
- Local sales taxes: \$2.3 million, a slight increase over last year. Major tax categories were retail, restaurant/bar, hotel/motel, and utility.
- State shared revenues: \$2.6 million. Major categories were auto lieu tax, state sales tax, and state income tax.
- Interfund transfers: \$418,000 and \$11,500 from capital improvement and police impound funds.
- Proposed expenditures: Most would come from general government (38%), public safety (34%), and community services (17%).
- One-time expenditure changes: \$169,968 for the compensation and classification study, -\$129,324 in personnel cost savings from not hiring a position in the Police Department, \$57,666 transfers for lease payment and grant match, and \$323,047 in contingency reserve.

Special Revenue Funds

- Projected revenues: \$762,561 in Highway User Funds, \$860,000 in CDBG and other grants, \$17,000 in Court funds, and fund balances.
- Anticipated expenditures: Less than \$100,000 for street improvement funds—which was significantly less than the \$1 million for previous years, \$313,000 in CDBG grants, and \$545,000 in miscellaneous grants, which had to be built in in order to use the funds.

Capital Project Funds

- Impact fee funds: \$2 million for miscellaneous capital improvements use or bonding and \$1.4 million in 1% sales tax. These were coming in very slowly, but still had some fund balances.
- Proposed capital project expenditures: \$200,000 to fund three Police positions, \$219,000 for Aquatic Center expenses, \$363,000 transfer to water operating fund, and \$577,000 for debt service.
- Issues with the capital project funds: (i) Starting in FY 2015, transfers to the Aquatic fund in the GF will go down by \$100,000 and be at \$0 from FY 2016 on; (ii) Starting in FY 2016, transfers to Police in the GF will go down by \$113,000 and will go up slightly in FY 2017; (iii) The \$363,000 transfer to the Water operating fund will stay the same; and (iv) The \$577,000 debt service payment will go up to \$731,000 by FY 2016.

Enterprise Funds

- Water Fund: \$419,000 in operating expenses and \$659,000 for debt service, with the fund currently operating off \$189,842 in contingency reserves and transfers in. This budget also had no room for the GF to payback the remaining \$1.2 million loan. Even with the transfers in, starting in FY 2015, this fund will have a \$7,000 deficit that will grow to \$233,000 by FY 2017. The Town needed to either raise revenues, decrease expenses, or enact a combination of both.
- Sewer Fund: Debt service will incur a \$421,000 increase, operate on savings, and be in deficit by FY 2014.

Next Steps

- Although the proposed FY 2013 budget was balanced, serious decisions needed to be made for the future.
- The Capital Improvement Program was dependent upon how the Town spent the 1% tax.
- The Finance Committee was recommending that Council hold a retreat this summer to discuss future projections.
- Budget calendar: May 22—Tentative Budget; June 26—Final Budget public hearing and adoption; and July—Street Lighting Improvement Districts levy approval.

Council asked how the compensation and classification salary increases would be funded. Ms. Walker stated that Council could move funds from contingency/reserves.

General Fund 5 Year Forecast

- For FY 2013, revenues will not cover expenditures, so the budget was using \$387,225 in contingency and reserves. Transfers in to the GF will go down over the next few years due to debt service increases. The Town was obligated first to fund debt service, then the water fund, followed by Police and Aquatic Center.
- A proposed \$250,000 in FY 2015 could be used for road maintenance, capital asset replacement, capital projects, grant matches, or to maintain existing service levels.
- Keeping the current budget levels will create a structural deficit of \$5.9 million by FY 2017.

Interim Town Manager Robert Smith added that while the GF and enterprise funds were in the red, some positive things were happening, including a user fee study for cost containment and water and sewer fees to be studied in the near future. Having to trim expenses, create some breadth in revenues, and create new revenues due to the state's actions would not be painless, but would be healthy.

Council asked about reinstatement of the 40-hour work week, compensation and classification study implementation, and impact fees. Mr. Smith and Ms. Walker stated that:

- Staff was looking at using \$250,000 to reinstate the 40-hour work week at one time, but some positions might not need to go to 40 hours. Council may decide to only increase those providing services to public and/or split the expenditure across two years.
- The compensation and classification study will bring everyone in line with the new pay scale, and although the amount was larger than originally thought, it could still be covered in the budget.
- Impact fees were built in, but very little.

Mayor Marley requested that Ms. Walker provide Council with a copy of her Tuesday presentation before the meeting.

Revenue Enhancement Scenarios

- Scenario A: Primary Property Tax of \$1.86 per \$100/AV would generate \$1,380,085 in FY 2014, but the Town would still be in the red by \$314,870 by FY 2017.
- Scenario B: 1.25% sales tax increase would be as close to what the Town needed to get by, leaving a small deficit of \$102,044 by FY 2017.
- Scenario C: Property tax of \$0.93 per \$100/AV and a 75% sales tax increase would help a lot, but still require using the fund balance.
- Scenario D: 50% sales tax increase would entail a deficit by FY 2015.
- A lot of things should be explored and if the citizens wanted the same level of service, they would have to make adjustments in the future.

Mr. Smith stated that these scenarios assumed very little growth of 2%-3% in revenues and expenses. Council needed to look 10 years out, as another large debt service increase would start in year six. They needed to find some other ways to slow the losses, such as not using the afore-mentioned \$250,000. Ms. Walker added that the Town needed to hope for the best and plan for the worst.

Tax Rate Comparison with Neighboring Cities and Towns

Vice-Mayor Tenney noted that many other communities had the same problems as the Town. Property taxes would require a vote, while sales tax increases would not. Council needed to look out 5-10 years and have a dialogue with the community.

Council asked about staff developing a survey, as discussed at a previous meeting.

Mr. Smith stated that a staff working group reviewed survey results from six surveys conducted in 1993–2004. Staff discovered that the public's opinion was consistent in every survey in that the top items every time were police, water, sewer, and roads, with some recreation. The public's responses on how they preferred to fund those priorities were more evenly split. However, if a survey was not drafted precisely, the resulting data could be somewhat dichotomous, such as in 1989, when water and sewer were among the top five needs, but response percentages for the Town to get into the utility business were very low. Staff was inclined to believe that the public's responses on a new survey would be the roughly the same. Although a community dialogue was needed, staff was not sure a survey was the best way to get it done. Council needed to rethink the survey process and possibly consider workshops and a committee to first educate the public and then solicit feedback.

Council asked how the last survey was done. Town Clerk Jami Lewis stated that it was sent out to registered voters only and then made available at various locations around Town for non-registered voters.

Council believed that the citizens needed to know about the Town's fiscal condition, why the debt service was so onerous, and that a property tax would only keep the Town afloat, not add anything new.

2) ADJOURNMENT

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to adjourn the meeting at 6:59 p.m.

Vote: 5 - 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 ____ day of _____, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2012.

Jami C. Lewis, Town Clerk