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

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

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, June 26, 2012.

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

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

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

Mayor Marley called the meeting to order at 6:00 p.m.

Mayor Marley called for a moment of silence in honor of Sgt. First Class Garrett McNabb of Chino Valley, who lost his life while serving in Afghanistan. He then gave the invocation and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

There were none.

3) CALL TO THE PUBLIC

Ab Jackson, CEO, Chino Valley Area Chamber of Commerce, spoke about the latest editions of the Chamber Member Directory and Profile Guide, as well as upcoming Golf Tournament, Territorial Days parade and park activities, and Talk of the Town radio program.

Craig Brown spoke about an amendment to state statute regarding political signs and his belief that the Town's sign ordinance was in conflict with it. Council asked the town attorney to look into the matter.

4) RESPONSE TO THE PUBLIC

Mayor Marley reported on the Town's responses to comments made by Norma Bennett on June 12 regarding:

- Abandoned property at 1410 Palo Verde – The Town's code enforcement officer determined that no individual held interest in the property, other than Yavapai County for back taxes; no one was currently living there, but people might be making periodic visits; and the cost to clean up the property would be $5,000.
- Property tax – He had addressed this in a previous Mayor's Report.
- Sales tax – He would address this in the current monthly Mayor's Report.
- Sewer and water on the highway – Council was only beginning discussions on this to see if it was feasible.

5) CURRENT EVENT SUMMARIES AND REPORTS

Councilmember Best reported that Council's Safety Committee drafted revisions to the Town's animal control ordinance, sent it to staff for further comments, and will review it again on June 28.

Interim Town Manager Robert Smith reported that: Code Enforcement staff was developing a report for Council regarding abandoned properties; he had appointed Interim Police Chief Chuck Wynn as Police Chief starting July 7; and the Town's new Finance Director, Joe Duffy, would start on July 23.

Mayor Marley gave his monthly report, which focused on economic recovery, sales taxes, and working to find long term solutions.

a) Report on Spring 2013 Regular Election, HB 2826, and Home Rule. (Jami Lewis, Town Clerk)

Ms. Lewis reported on the status of HB 2826 and the Town's 2013 regular and Home Rule election:

- Main points of HB 2826: All candidate elections will move to the Fall of even years, except for special elections for recall and filling vacancies.
- League of Arizona Cities and Towns opinion: As the new law conflicted with several other statutes, the League had asked the Legislature to resolve those during the next session. Also, no data existed on whether or not the change will result in greater turnout, more informed voters, or cost savings; and it will take a few years to determine that.
- U.S. Department of Justice (DOJ) pre-clearance: The bill was submitted to the DOJ on June 4, who had 60 days to pre-clear the law. Municipalities had the option to challenge the bill at the DOJ level within 30 days.
- Possible legal challenges: A few charter cities were exploring a possible challenge and it was yet undetermined whether or not general law municipalities had the option to do so.
- Implementation issues for counties: Counties in general were assessing current operations and the bill's effects on their contracts with other entities.

- Implementation issues for term of office: The League's position was that shortening terms violated the state constitution, but it had been done and not challenged in the past. Proponents in the Legislature assumed municipalities would lengthen terms, as statute already allowed for a public body official to stay in office until a successor was identified; however, few were comfortable with lengthening a term by 18 months.
- Implementation Issues for Home Rule (HR): Per the state constitution, HR elections were required to be on a candidate ballot and the Town's next HR election was scheduled for Spring 2013. As HR elections were permitted to occur in less than four years after the prior one, the Spring 2017 HR election would move to Fall 2016.
- Next Steps: The League will draft some guidelines and recommendations for municipalities and counties, and election officials will receive the latest details at the annual Elections Conference on July 18-19.

Council asked about changes needed to the Town Code and what Council needed to do to conform to the new law. Ms. Lewis stated that staff would learn more at the Elections Conference and then start researching options. Council will then have to determine the specific actions to take.

b) Report regarding status of Public Safety Retirement Board. (Cecilia Watts, General Services Director)

Ms. Watts reported that the Town was required by state law to have a local board for the Public Safety Retirement Board. While the Town had such a board, it was never formally adopted by the Council. Staff intended to place a resolution on the next agenda outlining the board's purpose and formally appointing its members, who were to be the mayor or designee, two citizens at large, and two officers elected from the Police Association.

6) CONSENT AGENDA

Council set down items d and e.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve Consent Agenda items 6a, 6b and 6c.

Vote: 7 - 0 PASSED - Unanimously

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)

Councilmember Hatch reported that the term effective date in the staff report summary should be July 1, 2012, not June 20, 2012.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve Employment Agreement for Presiding Magistrate with John Walker in the amount of $85,500 for a three-year term effective July 1, 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.

Vote: 7 - 0 PASSED - Unanimously

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)

Mayor Marley suggested amending the proposed agreement by combining items 4a and 4b, as they both addressed compensation and there appeared to be no specific reason for separating it into two sections. He also told Council that Mr. Smith requested adding "an IRS accountable plan" to section 7d to allow him to account for all his moving expenses.

Councilmember Hatch requested that section 1 item c, regarding outside employment and accountability, be made clearer by requiring Mr. Smith to notify Council about his intent to engage in outside business. This would protect all parties and allow Council to provide disclosure to the public. Several Councilmembers felt that the agreement already addressed this matter, while another thought that it would not be unreasonable for him to disclose one time in writing when he had a paying job outside the Town or letting them know via email when he would be out of the office for a day or more. Mr. Smith noted that any out of state travel already required Council's approval, and any outside work was to be on his own time, not the Town's. However, he did not object to such disclosure and told Council that he would restrict outside business activities per the ICMA Code of Ethics; he was available at any time by phone; and he would not leave town without leaving a hierarchy of control.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to combine items 4a and 4b.

Vote: 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Dean Echols to approve Employment Agreement for Town Manager as amended with Robert Smith in the amount of $125,229 salary plus benefits as indicated, for a three-year term starting August 2, 2012.

Vote: 7 - 0 PASSED - Unanimously

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)

Acronyms used in this item:
FY (Fiscal Year)
GF (General Fund)
HURF (Highway User Revenue Fund)
LTAF (Local Transportation Assistance Fund)
SLID (Street Lighting Improvement District)

Budget Consultant Pat Walker reported that this was the official public hearing and final step in the budget process. Key points in the FY 2012-2013 budget were:

- Total budget: $15,248,485.
- Largest portion of total revenues: local taxes and intergovernmental revenues.
- Largest portion of total expenses: capital improvement and general government, which included most of the departments and administrative areas.
- GF total: $6,886,109, a 6.24% increase from the prior year.
- Largest portion of GF revenues: taxes, intergovernmental revenues, and fund balance.
- GF expenses: These included the personnel market study, personnel cost savings offset, and transfers in of $382,000 in contingency and reserves, which was orignally estimated at $700,000 six months ago.
- Special Revenue funds: These included HURF, grants, Court special funds, and fund balances. There was less than $100,000 in street improvement funds and a lot of grant categories, which might or might not come to fruition.
- Capital Project funds: These included Impact Fee funds and Capital Improvement funds from the 1% tax coming in and going back out to various other funds.
- Enterprise (water and sewer) funds: These should be cost-of-service self-supporting; however, revenues were not supporting the expenditures going out, so the budget was using transfers in and carryforward, and there was still a loan to repay. There was a potential deficit in the water budget by FY 2016 and debt service increases and potential deficit in the sewer fund by FY 2014.
- SLID total: $3,958, which was included in the final budget. If Council elected to postpone adopting the final budget, it would need to hold a separate public hearing and adopt the SLID Resolution No. 12-995 at this meeting in order to meet the statutory and county deadlines for adopting the SLID levy.
- Next Steps: adopt the budget resolution tonight; adopt the SLID levy resolution on July 10; and work toward becoming self sustaining.

Interim Town Manager Robert Smith added that staffing levels had gone from 125 to the 80s, and Ms. Walker's executive summary and the final budget will be placed on the Town's website.

Council asked if the carryforward included LTAF funds. Ms. Walker stated that LTAF funds were in the Grants fund.

Council also noted that out of every $100 in the budget, $16 was now coming from savings. This was due to the economic downturn and the Town loosing 12% of its population between 2000 and 2010. As the Town's financial condition was going to get worse in the next few years, Council was seeking help from the community and would hold a retreat in the near future to discuss the matter.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to open the public hearing.
Vote: 7 - 0 PASSED - Unanimously

No one from the public spoke.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to close the public hearing.
Vote: 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft 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, including the statements and estimates of expenses of the Chino Valley Street Lighting Improvement Districts.

Vote: 7 - 0 PASSED - Unanimously

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 Grittman, Town Engineer)

Acronyms used in this item:
CDBG (Community Development Block Grant)
NACOG (Northern Arizona Council of Governments)

Mr. Grittman reported that:

- In 2009-2010, the Town was awarded a CDBG grant for drainage improvements in the region of Chino Meadows Unit Five at Center Street.
- The award for the $398,000 CDBG grant included engineering, environmental, and construction. CivilTec Engineering provided design services for $55,000; NACOG was contracted for $6,000 to perform the necessary environmental work; and the remaining funds were for construction.
- This project will include construction of a detention basin, underground stormwater piping 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.
- At a public meeting, both property owners on either side of the culvert attended, expressed support, and provided good input.

- The 10 bids received were opened on June 14, and ranged from $302,000 to near $500,000. The base bid was for installing ductile iron pipe (DIP), alternative 1 was for using plastic high density polyethylene pipe (HDPE), and alternative 2 was for the box culvert at Center Street. As DIP offered better longevity and durability over HDPE, staff recommended awarding the base bid with alternative bid 2.
- After checking CLM Earthmover's background, staff determined that they met the lowest responsible bidder requirements and recommended awarding the project to them in the amount of $302,288.04.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch 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.

Vote: 7 - 0 PASSED - Unanimously

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

Acronyms used in this item:
EDC (Economic Development Committee)
NACOG (Northern Arizona Council of Governments)

Councilmember Hatch reported that:

- The Town was a member on NACOG's Regional Council, its governing board; and the Town's representative was to be the mayor or a designee. In 2011, Council appointed her to represent the Town on NACOG's Council and its EDC. The EDC was composed of elected officials, public managers, private sector business owners, and economic development organizations' representatives.
- Although she had been attending the EDC meetings as the Town's representative, it was not as a voting member, as the Town had not held a position on it since 2005.
- In June, she learned that there was an opening on the EDC for Yavapai County and was told that Chino Valley could ask to have that seat.
- As both she and Interim Town Manager Robert Smith were interested in serving on the EDC, she was requesting that Council discuss the appointment.

Mr. Smith stated that he supported Councilmember Hatch's appointment to the position.

Mayor Marley asked Councilmember Hatch to keep Council apprised. Councilmember Hatch stated that she would provide Council with Regional Council and EDC agendas and minutes.

MOVED by Councilmember Darryl Croft, seconded by Councilmember Lon Turner to recommend that Councilmember Hatch be the Town's designated member and the alternative be the Town Manager.

Vote: 7 - 0 PASSED - Unanimously

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

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the May 17, 2012 Study Session minutes. Councilmembers Echols and Turner abstained.

Vote: 5 - 0 PASSED - Unanimously

8) EXECUTIVE SESSION

Council held no executive sessions.

9) ADJOURNMENT

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 26th day of June, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 11th day of September, 2012.

Jami C. Lewis, Town Clerk