



## Town of Chino Valley

### MEETING NOTICE TOWN COUNCIL

**REGULAR MEETING**  
**Tuesday, June 28, 2016**  
**6:00 P.M.**

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

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

### AGENDA

1. **CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL**
2. **INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**
3. **CALL TO THE PUBLIC**

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

4. **RESPONSE TO THE PUBLIC**

*Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.*

- a. Notification from Supervisor Brown regarding WIC.
- b. Comments regarding council candidacy.

5. **CURRENT EVENT SUMMARIES AND REPORTS**

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

- a. Status reports by Mayor and Council regarding current events.
- b. Status report by Town Manager Robert Smith regarding Town accomplishments, and current or upcoming projects.

## 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 approve the Indigent Legal Services Contract with Brian Pursell to provide legal defense services for indigent defendants in the Chino Valley Municipal Court. Funds are budgeted in the Professional Services Line Item in the Municipal Court Budget. (Ronda Apolinar, Court Administrator)
- b. Consideration and possible action to cancel the August 23, 2016, November 22, 2016, and December 27, 2016 regular meetings to accommodate the annual League Conference, and Thanksgiving and Christmas holidays. (Jami Lewis, Town Clerk)
- c. Consideration and possible action to accept the May 5, 2016 study session minutes. (Jami Lewis, Town Clerk)
- d. Consideration and possible action to accept the May 10, 2016 regular meeting minutes. (Jami Lewis, Town Clerk)
- e. Consideration and possible action to accept the May 24, 2016 regular meeting minutes. (Jami Lewis, Town Clerk)

## 7. **ACTION ITEMS**

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

- a. Presentation by Stephen Tullos, Director of Yavapai County Health Department, and Craig Brown, County Supervisor, regarding a grant the County submitted for the Health Department building, mainly used for the Woman, Infant, Children's (WIC) program, located on the Town's north campus; and consideration and possible action to approve the lease agreement with the Yavapai County Community Health Services effective June 28, 2016 through June 30, 2021, for the property located at 1951 Voss Drive on the Town's north campus. (Cecilia Grittmann, Assistant Town Manager)

Recommended Action: Approve the lease agreement between the Town of Chino Valley

and the Yavapai County Community Health Services for the building located at 1951 Voss Drive for a 5-year term, effective June 28, 2016 through June 30, 2021 for \$1 / year and appropriate utilities.

- b. Consideration and possible direction to Staff regarding Climatec's proposed energy savings program to the Town of Chino Valley.

Recommended Action: Direction to Staff to work with Climatec to prepare an agreement with Climatec to undertake improvements to the Town's facilities to save costs related to utilities and electrical consumption. Said agreement to come back to Council for approval..

- c. Consideration and possible action to approve two lease agreements between the Town of Chino Valley and the Chino Valley Equestrian Association for 1) use of the current Rodeo Grounds at Old Home Manor, and 2) a long-term lease for 80 acres of land at Old Home Manor. (Cecilia Grittmann, Assistant Town Manager)

Recommended Action: Approve a 2-year lease agreement between the Town of Chino Valley and the Chino Valley Equestrian Association for the current Rodeo Grounds effective 6/30/2016 through 6/30/2018, and approval of a 10-year lease for 80 acres of land at Old Home Manor, effective 6/30/2016 through 6/30/2026.

- d. Public Hearing and consideration and possible action to approve Resolution No. 16-1085 adopting a Final Budget for fiscal year 2016/2017, and proposed expenditure limitation for the same year, in the amount of \$21,738,500. (Joe Duffy, Finance Director)

Recommended Action: (i) Hold public hearing; and (ii) Approve Resolution No. 16-1085 adopting a Final Budget and proposed expenditure limitation for fiscal year 2016/2017 in the amount of \$21,738,500.

- e. Public Hearing and consideration and possible action to adopt Resolution No. 16-1084, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2016/2017, pursuant to Section 48-616, Arizona Revised Statutes, as amended provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the districts. (Joe Duffy, Finance Director)

Recommended Action: (i) Hold a public hearing; and (ii) Adopt Resolution No. 16-1084, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2016/2017.

- f. Consideration and possible action to appoint members of the Council as the Town's representative and alternate representative to the Northern Arizona Council of Governments (NACOG) Regional Council. (Mayor Marley)

Recommended Action: Appoint councilmembers as representative and alternate representative to the NACOG Regional Council.

- g. Consideration and possible action to revise the Subcommittee Charter of the Water & Utilities Subcommittee; to direct the Subcommittee to negotiate and work with the Chino Valley Irrigation District ("CVID") regarding possible acquisition by the Town of water distribution facilities and/or other water-related projects; and appoint Vice-Mayor Croft as an alternate member for these purposes. (Mayor Marley)

Recommended Action: Approve the revised Charter and appoint Vice-Mayor Croft as an alternate member for these purposes.

## 8. EXECUTIVE SESSION

*Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.*

- a. An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding a contract with Prescott Sportsmen's Club related to management of the Chino Valley Shooting Range Facility that is the subject of negotiations.

## 9. ACTION ITEMS RESUMED

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

## 10. ADJOURNMENT

Dated this 23rd day of June, 2016.

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

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

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

### CERTIFICATION OF POSTING

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

Date: \_\_\_\_\_ Time: \_\_\_\_\_ By: \_\_\_\_\_  
Jami C. Lewis, Town Clerk



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 6. a.

**Meeting Date:** 06/28/2016  
**Contact Person:** Ronda Apolinar, Court Administrator  
 Phone: 928-636-2646 x-1289  
**Department:** Municipal Court  
**Item Type:** Consent  
**Estimated length of staff presentation:** None  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Consideration and possible action to approve the Indigent Legal Services Contract with Brian Pursell.  
 (Ronda Apolinar, Court Administrator)

### RECOMMENDED ACTION:

Consideration and possible action to approve the Indigent Legal Services Contract with Brian Pursell to provide legal defense services for indigent defendants in the Chino Valley Municipal Court. Funds are budgeted in the Professional Services Line Item in the Municipal Court Budget.

### SITUATION AND ANALYSIS:

#### Issue Statement

#### Applicable "Policy"

#### Satisfaction of "Policy"

#### Summary of Issues and Staff Rationale

#### Findings of Fact

### Fiscal Impact

**Fiscal Impact?:** Yes  
**If Yes, Budget Code:** 01-45-5212  
**Available:** 15,000.00  
**Funding Source:**  
 Funding was included in the Municipal Courts Budget.

### Attachments

Indigent Legal Services Agreement

**INDIGENT LEGAL SERVICES AGREEMENT  
Chino Valley Municipal Court Misdemeanors**

This Agreement by and between the Town of Chino Valley, hereinafter called "Town," and **Brian Pursell** hereinafter called "Attorney."

**RECITALS**

**WHEREAS**, the Town and the Chino Valley Municipal Court in and for the County of Yavapai, hereinafter called "Court," have determined that execution of Indigent Legal Services Agreements with attorneys is an appropriate method to provide legal services to indigent defendants in cases arising pursuant to Rule 6 of the Rules of Criminal Procedure for Arizona and for certain other types of legal proceedings; and

**WHEREAS**, the Court and Town have determined that Attorney is licensed to practice law in the State of Arizona and is competent to provide legal services as set forth in this Agreement.

**NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**I. DUTIES OF THE TOWN**

A. **Compensation.** For services rendered pursuant to this Agreement, Town agrees to pay Attorney a Base Contract Amount of \$15,000.00 to provide legal services of up to thirty (30) hours per appointed case not to exceed Forty (40) cases which shall represent payment for all representation, ordinary expenses and related work necessary to provide indigent legal services. The Base Contract Amount shall be paid in twelve (12) equal payments on the last day of each month during the effective term of this Agreement.

B. **Compensation in Excess of Base Contract Amount.** Attorney shall be compensated in excess of the Base Contract Amount for the following.

1. **Extraordinary Expenses.** Included, but are not limited to, transcripts, audio and video tapes, depositions, expert witnesses, investigators and interpreters. Prior to incurring obligations for such expenditures, the Attorney shall apply to the Presiding Magistrate for approval of expense items. Reimbursement for extraordinary expenditures shall be made monthly upon submission of an itemized listing approved by the Presiding Magistrate. Failure to secure approval in advance for extraordinary expenditures may be grounds for denial by the Town of any claim for payment of such expenditures.

2. **Excess Hours.** If the time required to represent an individual defendant is expected to exceed thirty (30) hours, the Attorney shall request approval of excess compensation from the Presiding Magistrate. The request shall contain at least the following:

a) *An itemized listing of the specific services provided up to the date of the request showing the amount of time spent on each item.*

- b) *A listing of the anticipated additional services required to complete the representation showing the amount of time to be required for each item.*
- c) *A specific explanation of the circumstances affecting the length and/or complexity of the trial court proceedings.*
- d) *Logs, time sheets and other activity records pertaining to the case.*

For on-going cases, billings for excess hours shall be submitted at intervals not to exceed 90 days unless a more frequent interval is specified by the Court. Additional compensation, if approved will be paid at the rate of \$110.00 per hour.

3. **Excess Cases.** Upon execution of this Agreement, Attorney may elect to accept case assignments in excess of Forty (40) assigned cases. The Attorney shall be compensated for each such assignment at the rate of \$250.00 per case to provide legal services of up to thirty (30) hours per appointed case. If the time required to represent an individual defendant is expected to exceed thirty (30) hours, the Attorney shall request approval of excess compensation from the Presiding Magistrate. Additional compensation, if approved will be paid at the rate of \$110.00 per hour.

C. **Non-Legal Tasks.** Total contract amounts and hourly rates paid to Attorney are intended to include services rendered by other persons including paralegals, clerks, secretaries or other support personnel. The Attorney shall not be compensated for any work performed by Attorney of a non-legal nature that would ordinarily be performed by support personnel, including specifically secretarial and clerical support work involved in preparing and transmitting documents, copying, organizing, filing or similar functions. Hours spent by Attorney performing non-legal tasks will not be included in calculation of compensation in excess of the contract amount as described in Section I (B) of this Agreement.

## II. DUTIES OF ATTORNEY

A. **In General.** Attorney shall provide professional legal representation in the assigned cases based upon the express warranties that any person providing such representation pursuant to this Agreement is licensed to practice law in the state of Arizona and that such persons are qualified by reason of competence, training and experience to provide the designated indigent defense services.

B. **Good Standing.** During the term of the Agreement or any renewal thereof, Attorney will report any bar complaints, malpractice claims or lawsuits in which a determination, finding or decision adverse to the Attorney has been made to the Presiding Magistrate within five (5) working days of becoming aware of, or receiving notice of the existence or occurrence of such determination, finding or decision. Suspension or loss of the license to practice law in the State of Arizona shall immediately void this Agreement.

C. **Local Availability.** The Town and the Court expect that the Attorney will be fully prepared to provide effective representation to clients and an appropriate level of service to the Court and the justice system. Attorney agrees that, during the effective term of this Agreement, he/she will maintain office facilities within the boundaries of Yavapai County and that such facilities will be located and equipped to effectively discharge the duties and responsibilities set forth in this Agreement. It is understood and agreed that Attorney shall establish and maintain communications capability that will allow prompt receipt of and responses to electronic communications including, but not limited to telephone and facsimile, and that Attorney will be available to receive and promptly respond to such communications. The Attorney further agrees to be physically present in Yavapai County at such times as may be required to make court appearances and to meet with clients, justice system personnel and other parties as necessary or to make provisions for substitute representation as specified in Section II(G) of this Agreement.

D. **Acceptance of Assignments.** The Attorney agrees to accept cases appointed by the Court during the effective term of this Agreement unless Attorney is not ethically permitted to accept the representation under the Arizona Rules of Professional Conduct. It is understood and agreed that the Base Contract Amount is based upon provision of services for the specified number of cases. The Attorney shall represent assigned indigent defendants throughout their trial court proceedings subject to withdrawal or substitution only as provided in this Agreement or in accordance with Rule 6.3, Arizona Rules of Criminal Procedure. The duty of representation continues until each case is terminated by dismissal, acquittal, and sentence, suspension of sentence or imposition of terms of probation and shall include any necessary post verdict proceedings pursuant to Rule 24, Arizona Rules of Criminal Procedure.

E. **Representation of Defendants.** Upon notification of an assignment of an indigent defendant, the Attorney shall promptly initiate personal contact with that defendant and shall maintain a frequency and nature of such contacts as are reasonably deemed necessary to provide effective representation until the case is terminated as provided in Section II (D) of this Agreement. The Attorney shall be responsible for representation of each defendant at all court proceedings as required. The Attorney shall use reasonable diligence to notify each indigent defendant of necessary court appearances and of any court actions taken as a result of the defendant's non-appearance.

F. **Indigent Status.** Assignment of a defendant, pursuant to this Agreement, is based upon an initial court determination that the subject defendant is legally indigent. In the event there is a redetermination of the indigent status of any assigned defendant and the Attorney is, thereby, permitted to withdraw as a court-appointed attorney, Attorney agrees not to represent that person in that case for a private fee without prior approval of the assigned trial Magistrate. The Attorney shall not accept a private fee without full disclosure of the terms of this Agreement to the client and shall notify the assigned trial Magistrate of the arrangements made for the private fee. The Attorney shall not solicit a private fee from any indigent defendant.

G. **Substitute Representation.** The parties contemplate that, unless otherwise specifically provided in writing in this Agreement or attachments thereto, substantially all services to be rendered pursuant to this Agreement are to be provided by the designated Attorney. **The parties understand and agree that from time to time, illness, vacation or other circumstances may prevent the designated Attorney from providing some services personally. In that event, it shall be the responsibility of the Attorney to provide qualified substitute representation at no additional cost to the Town. All substitute attorneys not currently contracted to provide indigent legal services to the Town are subject to prior approval by the trial Magistrate. The Attorney shall not broker or subcontract cases or portions of cases to other attorneys.**

H. **Activity Records.** The Attorney agrees to maintain case logs, final disposition records, time sheets and other pertinent activity records, which shall include the number of days the case was open, the names of the officers involved in each case and any co-defendants for each assigned case and to transmit these records to the Presiding Magistrate upon request.

I. **No Additional Compensation.** Attorney may not solicit, accept, or agree to accept, private or additional compensation of any kind, including attorney's fees in any pending, terminated, or completed assignment pursuant to this agreement, other than compensation as specified in this Agreement, except as provided in subsection II (f). Should attorney engage in any claim, lawsuit or other litigation against the Town, its officers, employees or agents, by any party arising from damages, injuries or other losses allegedly sustained by a person during arrest, incarceration and/or prosecution related to a case for which Attorney provided representation to that person. Attorney agrees to promptly notify the Town and Presiding Magistrate of the existence of such engagement. This provision does not require the Attorney to divulge specific or detailed information that would violate the Arizona Rules of Professional Conduct.

### III. INDEPENDENT CONTRACTOR STATUS

In performance of the duties set forth herein, it is mutually understood and agreed that the Attorney is, at all times, acting as an independent provider of indigent legal defense services. It

is further understood and agreed that Town shall not seek to exercise control or direction over the methods by which Attorney shall provide services to assigned defendants in individual cases excepting that Attorney does, by this Agreement agree to perform said duties in strict accordance with legal and ethical standards governing the provisions of legal services.

#### IV. TERM AND TERMINATION

A. **Effective Term of Agreement.** Unless otherwise specified, the effective term of each Agreement shall run from July 1<sup>st</sup> through June 30<sup>th</sup> to begin July 1, 2016. The contract shall automatically renew each year unless one of the parties notifies the other within 30 days of the expiration for renegotiation or cancellation.

B. **Termination of Agreement; General.** The town may terminate this Agreement without cause and in its sole discretion, upon thirty (30) days written notice to the Attorney. The Attorney may terminate this Agreement without cause and in his/her sole discretion upon thirty (30) days written notice to the Town and the Presiding Magistrate. If this Agreement is terminated by either party pursuant to this Section IV (B), Attorney shall complete representation of all indigent defendants previously assigned, as provided in Section II (D) of this Agreement, unless Attorney is given permission to withdraw by the Presiding Magistrate.

Receipt of permission to withdraw shall not terminate Attorney's financial liability for the costs of completion of representation for all cases assigned prior to the effective date of termination.

Attorney's liability upon termination shall include all costs incurred by the Town to retain substitute counsel as needed to complete representation of clients and any other costs associated with such representation that would not have been incurred had Attorney completed representation pursuant to this Agreement. It is understood and agreed that, upon notice of termination, or at such time when it reasonably appears that Attorney may be unwilling or unable to perform pursuant to this Agreement, the Town may, in its sole discretion, withhold any amounts then or subsequently owed to Attorney pursuant to this Agreement pending a final determination of the costs of completion of representation. Upon such final determination, the amounts owed, less costs of completion, shall be paid to Attorney.

#### V. TEMPORARY MODIFICATIONS.

In the event that circumstances arise which prevent Attorney from providing effective assistance of counsel, Town representatives and the Presiding Magistrate may confer with the Attorney to identify the issues and attempt to resolve any problems. The Town may make temporary modifications of the Agreement to the extent that the legitimate interests of the parties and the interests of justice may be served thereby.

**VI. APPROVALS**

**Town Attorney:**

\_\_\_\_\_

Date: \_\_\_\_\_

**Town:**

\_\_\_\_\_

By:

\_\_\_\_\_

Title:

Date: \_\_\_\_\_

**Court Appointed Attorney:**

\_\_\_\_\_

Date: \_\_\_\_\_

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 6. b.

**Meeting Date:** 06/28/2016  
**Contact Person:** Jami Lewis, Town Clerk  
 Phone: 928-636-2646 x-1208  
**Department:** Town Clerk  
**Item Type:** Consent  
**Estimated length of staff presentation:** None  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Consideration and possible action to cancel the August 23, 2016, November 22, 2016, and December 27, 2016 regular meetings to accommodate the annual League Conference, and Thanksgiving and Christmas holidays.

### RECOMMENDED ACTION:

Cancel the August 23, 2016, November 22, 2016, and December 27, 2016 regular meetings.

### SITUATION AND ANALYSIS:

#### Issue Statement

Historically, the Council has canceled meetings that conflicted with the annual League Conference, as well as the Thanksgiving and Christmas holidays. If any items arise needing immediate attention, the Mayor is authorized per Town Code to schedule special meetings on other dates.

Per Town Code Section 30.065, Council may cancel or reschedule any regular meeting, except that at least one regular meeting in each month must be held.

#### Applicable "Policy"

Town Code Section 30.065

#### Satisfaction of "Policy"

As long as Council holds one regular meeting in August, November, and December, the Town Code requirement will be met.

#### Summary of Issues and Staff Rationale

N/A

#### Findings of Fact

N/A

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

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**Attachments***No file(s) attached.*

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 6. c.

**Meeting Date:** 06/28/2016

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

**Department:** Town Clerk

**Item Type:** Consent

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#### AGENDA ITEM TITLE:

Consideration and possible action to accept the May 5, 2016 study session minutes. (Jami Lewis, Town Clerk)

#### RECOMMENDED ACTION:

Accept the May 5, 2016 study session minutes.

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#### Attachments

May 5, 2016 minutes

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# DRAFT

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

**TUESDAY, MAY 5, 2016  
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, MAY 5, 2016.

Present: Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Susie Cuka; Councilmember Jack Miller; Councilmember Corey Mendoza; Councilmember Lon Turner

Absent: Mayor Chris Marley

Staff Town Manager Robert Smith; Finance Director Joe Duffy; Police Chief Chuck Wynn; Public

Present: Works Director/Town Engineer Michael Lopez; Development Services Director Ruth Mayday; Town Clerk Assistant Amy Lansa (recorder)

### 1) CALL TO ORDER; ROLL CALL

Vice-Mayor Croft called the meeting to order at 6:04 p.m.

### 2) Presentation and discussion regarding the fiscal year 2016/2017 preliminary budget. (Joe Duffy, Finance Director)

Police Chief Wynn presented highlights of the proposed Police Department budget:

#### Animal Control

Budget increases were due to increases in vet supplies and salaries. Staff had several ambitious goals for the shelter next fiscal year.

#### Police

- *Staffing:* The department was down four positions currently. Staff budgeted for a half-time person to become full-time next year. With minimum staffing, more overtime was being used, and Finance Department staff reviewed this every pay period.
- *Contracts:* County Sheriff's contract costs had increased.
- *Operations:* Staff was starting a capital replacement program again. The Court had agreed to purchase e-citation machines for the officers. Staff started using tow impound funds for traffic enforcement-related equipment, as well as replacing radios and tasers.

Ms. Mayday presented highlights of the Development Services budget:

- *Budget changes:* Increased 11% due to COLAs, reclassifying the Associate Planner from probationary status to permanent, and travel for economic development conferences.
- *Accomplishments:* Protected Development Right Plan tool; final draft to sign code amendments; interdepartmental strategic plan with Public Works and Engineering to maximize infrastructure development.
- *Goals:* Old Home Manor legal documents for lease or sale and master plan; APS Focus Future economic development plan, and Encode software for UDO and Town Code codification.

Council asked for more information about Encode. Staff stated that they anticipated that it would incur no additional costs, as current costs for codification and some CitizenServe licenses could be re-allocated. Bringing the codes inhouse will benefit staff and the citizens.

Ms. Mayday presented highlights of the Building Division budget:

- *Budget changes:* The division's total was down 7%, due to a portion of the administrative assistant's salary being allocated to Customer Services.
- *Operations:* Permits were on par or slightly ahead of last year's.

Mr. Lopez presented highlights of the Public Works budget:

#### Parks Maintenance

- *Goals and initiatives:* Capital asset management and capital improvements program; community water conservation plan; capital assessment; comprehensive maintenance plans; turf management plan; Memory Park Library expansion; and Spring Xtreme Fling.
- *Budget changes:* Increased 12% due to interdepartmental charging. Staff was assessing the possibility of combining departments and/or outsourcing certain tasks.

#### Facilities Maintenance

- *Goals and initiatives:* Use iWorks for maintenance and asset management; employee cross-training; outsourcing some tasks to accommodate better preventative maintenance; developing long range plan and performance measures.
- *Budget changes:* Decreased 1%, mostly due to interdepartmental charging.

Mr. Smith addressed OSHA's visit in 2013 and resulting new requirements; developing preventative maintenance schedules; and cross training employees.

#### Fleet Maintenance

- *Goals and initiatives:* Use iWorks for scheduling and budgeting; capital asset management and capital improvements; and conduct outsourcing trial.
- *Budget changes:* Decreased 17%, mostly due to interdepartmental charges. Staff will do cost analysis on the outsourcing trial and provide the data to Council.

Council and staff discussed staffing levels, the planned methodology for the outsourcing trial, and measures to be used.

Council asked staff to bring their studies to a study session before making a decision.

#### Engineering and Public Works

- *Goals and initiatives:* RFQ for engineering and other professionals in lieu of hiring a Town Engineer; design and construction of EDA and EPA projects; engineering standards; pavement preservation program; County projects, such as Old Highway 89; and coordinate asset management with the Utilities Division.
- *Budget changes:* Increased 3%, due to personnel and interdepartmental charges.

Council and staff discussed staffing issues related to the Town Engineer position; Road 4 North project bid schedule; and Road 1 East project status.

#### Recreation

- *Goals and initiatives:* Event programming and coordination with non-profit organizations; capital assessment; and statistical measures.
- *Budget changes:* Increased 51% due to expanding funding for recreation that had been cut during the downturn, working with schools to develop cooperative activities, and expanding after school and summer programs; and absorbed a half-time person from Utilities.

Council and staff discussed the pool program; possible haunted house location; Recreation Coordinator position; staffing levels; and utilizing what the Town has.

#### Aquatics

- *Goals and initiatives:* Increase cost recovery; increase advertising to increase usage; inhouse lifeguard certification; water safety programs; asset management.
- *Budget changes:* 10% decrease, due to interdepartmental charging. Staff had also reduced the costs of operating the pool nearly \$100,000.

#### HURF and Roads

- *Goals and initiatives:* Chip seal process changes; and cost comparisons of inhouse v. County piggyback.
- *Budget changes:* Decreased 5%, due to gas and other supplies. Money for roads will be tight over the next few years.

Council and staff discussed Center Street maintenance; Roads and Streets Committee; and chip seal standards.

#### Water & Sewer

- *Goals and initiatives:* Backflow prevention program; meter replacement/leak detection program; and preventative maintenance.
- *Budget changes:* Decreased 49%, due to interdepartmental charges and decreased allocation for water system purchase(s). The department lost a half-time person, and intended to hire one person to split between Water and Sewer.

#### Capital Improvements

- *Goals and initiatives:* Center Street; Mollie Rae; filter replacement for sewer plant; septage receiving program; water system acquisition(s); Road 1 East between Road 3 South and Kalinich; EDA infrastructure project and Road 4 North extension; and cell tower.

Council asked Mr. Duffy to present interfund transfers and interdepartmental matters to Council at their next meeting.

**3) ADJOURNMENT**

MOVED by Councilmember Jack Miller, seconded by Councilmember Mike Best to adjourn the meeting at 8:00 p.m.

**Vote: 6 - 0 PASSED - Unanimously**

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Chris Marley, Mayor

ATTEST:

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Jami C. Lewis, Town Clerk

**CERTIFICATION:**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 5th day of May, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 14th day of June, 2016.

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Jami C. Lewis, Town Clerk

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 6. d.

**Meeting Date:** 06/28/2016

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

**Department:** Town Clerk

**Item Type:** Consent

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#### AGENDA ITEM TITLE:

Consideration and possible action to accept the May 10, 2016 regular meeting minutes. (Jami Lewis, Town Clerk)

#### RECOMMENDED ACTION:

Accept the May 10, 2016 regular meeting minutes.

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#### Attachments

May 10, 2016 minutes

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# DRAFT

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

**TUESDAY, MAY 10, 2016  
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, May 10, 2016.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Susie Cuka; Councilmember Corey Mendoza; Councilmember Lon Turner

Absent: Councilmember Jack Miller

Staff: Town Manager Robert Smith; Assistant Town Manager Cecilia Grittmann; Town Attorney Phyllis Smiley (via Skype); Human Resources Director Laura Kyriakakis; Police Lieutenant Vince Schaan; Police Officer Steven Angel; Development Services Director Ruth Mayday; Associate Planner James Gardner; Town Clerk Assistant Amy Pyeatt-Lansa; Town Clerk Jami Lewis (recorder)

### 1) **CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL**

Mayor Marley called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

### 2) **INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**

### 3) **CALL TO THE PUBLIC**

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

Adele Plotkin spoke about Council's courage to step away from tradition and make people feel more included.

### 4) **RESPONSE TO THE PUBLIC**

*Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.*

- a) Comments regarding the following information not being on the Town's web site: crime statistics, community disaster preparedness plan, and the Town's preparations related to recreational marijuana.

Mayor Marley reported on crime statistics in the budget document; block watch information on the website; the County's emergency management plan, which included the Town; and being unable to address recreational marijuana unless it became law.

## 5) CURRENT EVENT SUMMARIES AND REPORTS

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

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

Councilmember Best reported last weekend's Mud Run and Chino Grinder, and the Public Safety Subcommittee reviewing revisions to the dog ordinance.

- b) Status report by Town Manager Robert Smith regarding Town accomplishments, and current or upcoming projects.

Mr. Smith had nothing to report.

## 6) CONSENT AGENDA

*All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.*

Council set down item 6a.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve consent agenda items b, c and d.

**Vote:** 6 - 0 PASSED - Unanimously

- a) Consideration and possible action to approve revised form of Agreement for Towing Services. (Chuck Wynn, Police Chief)

Council asked for further details. Lt. Schaan reported that staff sent proposed changes to the tow companies for review, all of whom indicated support. Amendments related to response times, change of address, and an exception to the impound requirement due to the department's lack of space.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Corey Mendoza to approve consent agenda item a. 6-0.

**Vote:** 6 - 0 PASSED - Unanimously

- b) Consideration and possible action to accept the April 12, 2016 regular meeting minutes. (Jami Lewis, Town Clerk)

- c) Consideration and possible action to accept the April 12, 2016 special meeting minutes. (Jami Lewis, Town Clerk)
- d) Consideration and possible action to accept the April 14, 2016 study session minutes. (Jami Lewis, Town Clerk)

## 7) ACTION ITEMS

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

- a) Consideration and possible action for the Town of Chino Valley to financially participate in the Town's 4th of July activities in the amount of \$10,000.00. If approved, the \$10,000 will be added to the Recreation Department's Recreation Programs 2016/2017 budget. (Chris Bartels, Recreation Supervisor)

Recommended Action: Approve the Town of Chino Valley to financially participate in the Town's 4th of July activities in the amount of \$10,000.00.

Assistant Town Manager Gritman introduced John Coomer, Chair of the Chino Community Enrichment Organization (CCEO), who spoke about:

- The CCEO's purpose and goal to help existing organizations with community projects and events.
- Prescott downsizing their July 4 event and giving the Town an opportunity to keep its citizens home.
- Expanding the Town's July 4 event and making it better.

Council comments: This was a quality of life issue, rather than a financial issue; and the Town should not expect the anonymous donor to continue paying for the fireworks.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve the Town of Chino Valley to financially participate in the Town's 4th of July activities in the amount of \$10,000.00.

**Vote:** 6 - 0 PASSED - Unanimously

- b) Consideration and possible action to approve Ordinance Number 16-817, to rezone approximately 2.0 acres of real property, located at 1650 Granite Creek Lane, Chino Valley, Arizona from Industrial (I) to Single-Family Residential, 1-acre minimum (SR-1) zoning district. The property being rezoned consists of a portion of the Northeast quarter of Section 11, Township 16N, Range 02W, Gila and Salt River Base and Meridian (Yavapai County Assessor's Parcel number 306-17-110C). (James Gardner, Associate Planner)

Recommended Action: Approve Ordinance Number 16-817, rezoning approximately 2.0 acres of real property located at 1650 Granite Creek Lane.

Mr. Gardner presented the proposal:

- *Purpose:* To bring the property into compliance with the UDO. The property had been used residentially since the 1980s, which was not currently permitted in Industrial zoning. Also, the buyer of the property could not obtain a home loan in Industrial zoning. The buyer had no plans to change the existing property, but staff recommended one-acre minimum in case he desired to split it in the future.
- *Public outreach:* An adjacent neighbor expressed opposition due to a perception that the rezone would change the rights on his two Industrial-zoned properties and possibly diminish their values.
- *Effects of rezone:* The rezone would require adjacent Industrial properties to provide a buffer as they were developed. Should the concerned neighbor develop either of his properties, he could apply for a hardship variance regarding the landscaping.
- *Compliance:* The property was well outside community cores. As it was on the border of low/medium density residential and commercial aggregate, it was hard to tell on the map whether it was in the residential or commercial area.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Ordinance Number 16-817, rezoning approximately 2.0 acres of real property located at 1650 Granite Creek Lane.

**Vote: 5 - 1 PASSED**

NAY: Councilmember Lon Turner

## 8) EXECUTIVE SESSION

*Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.*

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to recess into executive session to deal with items 8a, b and c at 6:40 p.m.

**Vote: 6 - 0 PASSED - Unanimously**

Mayor Marley reconvened the regular meeting at 7:13 p.m.

- a) An executive session pursuant to A.R.S. § 38-431.03(A)(3) and (A)(4) for discussion or consultation for legal advice with the Town Attorney and for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position in pending litigation or in settlement discussions conducted in order to avoid or resolve litigation in the matter of Cortez v. Town.
- b) An executive session pursuant to A.R.S. § 38-431.03(A)(7) for discussion or consultation with designated representatives of the Town in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property located at Old Home Manor. (Ruth Mayday, Development Services Director)
- c) \*An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position in pending litigation or settlement discussions conducted in order to resolve litigation in the matter of Hatch v. Town of Chino Valley. (Phyllis Smiley, Town Attorney)

- d) An executive session pursuant to A.R.S. § 38-481.03(A)(1) for discussion or consideration of employment, assignment, salaries, or disciplining of Town Manager Robert Smith. (Mayor Marley; Vice-Mayor Croft)

(This item was heard after item 9d but is retained here for clarity.)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to recess into executive session at 7:16 p.m.

**Vote:** 6 - 0 PASSED - Unanimously

Mayor Marley reconvened the regular meeting at 9:50 p.m.

## 9) ACTION ITEMS RESUMED

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

- a) \*Consideration and possible action to approve ~~an amendment to the Provisional~~ A Settlement Agreement in the matter of Cortez v. Town of Chino Valley. (Phyllis Smiley, Town Attorney)

Recommended Action: Approve ~~amendment to the Provisional~~ Settlement Agreement in the matter of Cortez v. Town of Chino Valley.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Settlement Agreement in the matter of Cortez v. Town of Chino Valley.

**Vote:** 6 - 0 PASSED - Unanimously

- b) Consideration and possible action to enter into an Option Agreement with Exelon for approximately 40 acres of real property located in Old Home Manor for three one-year terms, as set for in the agreement. (Ruth Mayday, Development Services Director)

Recommended Action: Enter into an Option Agreement with Exelon for approximately 40 acres of real property located in Old Home Manor for three one-year terms, as set for in the agreement.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to table item b, "Enter into an Option Agreement with Exelon for approximately 40 acres of real property located in Old Home Manor for three one-year terms," will be tabled indefinitely.

**Vote:** 6 - 0 PASSED - Unanimously

- c) \*Consideration and possible action to approve a Settlement Agreement in the matter of Yavapai County Superior Court case number P1300-CV2016-00013, Hatch v. Town of Chino Valley, et al. (Phyllis Smiley, Town Attorney)

Recommended Action: Approve the Settlement Agreement in the matter of Yavapai County Superior Court case number P1300-CV2016-00013, Hatch v. Town of Chino Valley, et al.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve the Settlement Agreement in the matter of Yavapai County Superior Court case number P1300-CV2016-00013, Hatch v. Town of Chino Valley, et al.

**Vote:** 6 - 0 PASSED - Unanimously

- d) \*Consideration and possible action to approve Resolution No. 16-1081 rescinding Resolution No. 15-1055.

Recommended Action: Approve Resolution No. 16-1081 rescinding Resolution No. 15-1055

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Resolution No. 16-1081 rescinding Resolution No. 15-1055.

**Vote:** 6 - 0 PASSED - Unanimously

# **10) ADJOURNMENT**

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to adjourn the meeting at 9:50 p.m.

**Vote:** 6 - 0 PASSED - Unanimously

\_\_\_\_\_  
Chris Marley, Mayor

ATTEST:

\_\_\_\_\_  
Jami C. Lewis, Town Clerk

## CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 10th day of May, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28th day of June, 2016.

\_\_\_\_\_  
Jami C. Lewis, Town Clerk

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 6. e.

**Meeting Date:** 06/28/2016

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

**Department:** Town Clerk

**Item Type:** Consent

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#### AGENDA ITEM TITLE:

Consideration and possible action to accept the May 24, 2016 regular meeting minutes. (Jami Lewis, Town Clerk)

#### RECOMMENDED ACTION:

Accept the May 24, 2016 regular meeting minutes.

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#### Attachments

May 24, 2016 minutes

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# DRAFT

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

**TUESDAY, MAY 24, 2016  
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, May 24, 2016.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Susie Cuka; Councilmember Jack Miller; Councilmember Corey Mendoza; Councilmember Lon Turner

Staff Present: Town Manager Robert Smith; Assistant Town Manager Cecilia Grittmann; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Human Resources Director Laura Kyriakakis; Police Officer Stephen Angel; Public Works Director/Town Engineer Michael Lopez; Development Services Director Ruth Mayday; GIS/CAD/Web Technician (Videographer) Jan Mazy; Town Clerk Assistant Amy Pyeatt-Lansa; Town Clerk Jami Lewis (recorder)

### 1) **CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL**

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

Mayor Marley led the Pledge of Allegiance.

(Councilmember Miller arrived at 6:03 p.m.)

(Town Attorney Phyllis Smiley participated via Skype.)

### 2) **INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**

- a) Proclamation declaring May 27-28, 2016 as "Poppy Days," sponsored by the American Legion Auxiliary. (Mayor Marley)

Mayor Marley read the proclamation and presented it to Auxiliary representative, Liz Piper.

- b) Presentation by Yavapai County Assessor, Pam Pearsall, about the Property Tax Assistance Program offered by Yavapai County. (Cecilia Grittmann, Assistant Town Manager)

Ms. Pearsall spoke about property tax assistance programs for widows, widowers, disabled persons, and seniors.

- c) Presentation by Mark Garman and Lee Davis of National Bank of Arizona regarding the final transaction details of the contract to refinance the 2007A GADA obligations. (Joe Duffy, Finance Director)

Mr. Duffy introduced Mr. Garman who spoke about this transaction saving the Town \$360,000 over 10 years.

### 3) **CALL TO THE PUBLIC**

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

Ron Romley, Chairman of the Board, Yavapai Regional Transit (YRT), spoke about the YRT program to transport children from Paulden to the Chino Valley pool this summer.

Lee Paul, resident, spoke humorously about medical marijuana in Chino Valley being contaminated by tumbleweeds.

### 4) **RESPONSE TO THE PUBLIC**

*Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.*

- a) Comments in support of the Council's decision regarding public prayer.

Mayor Marley reported that the Council's decision regarding the invocation maintained the constitutional rights of the Council and the public, as well as preserved the sanctity of the invocation.

### 5) **CURRENT EVENT SUMMARIES AND REPORTS**

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

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

Councilmember Turner reported on the Town's 4<sup>th</sup> of July event.

Councilmember Best reported on the May 31 Public Safety Subcommittee meeting to discuss the dog ordinance.

Mayor Marley reported on the Town's outreach to local business owners regarding the sign code update project.

- b) Status report by Town Manager Robert Smith regarding Town accomplishments, and current or upcoming projects.

Mr. Smith reported on where to find more information regarding the sign code update project.

- c) Progress update regarding Economic Development Administration Grant, Environmental Protection Agency Grant Appropriation, and Center Street Sewer Project. (Ruth Mayday, Development Services Director; Michael Lopez, Public Works Director/Town Engineer)

Ms. Mayday and Mr. Lopez presented the status of these projects:

- *Grants related to extending infrastructure for the Old Home Manor Industrial Park:* The bid was awarded in March; 100% plans to be complete in August; and construction to be between October 2016 and June 2017.
- *EPA Clean Water Grant to connect infrastructure from Road 2 North to Perkinsville for the Industrial Park:* Currently undergoing environmental review; and construction to be between April 2017 and June 2017.
- *Center Street sewer extension:* Currently at 30% of right-of-way and connections review, with construction to be complete by year-end.
- *Agribusiness overlay district:* Currently undergoing legal review; citizen review to be in June; Council approval scheduled for July.

## 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.*

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve consent agenda items a, b, c, d, e and f.

**Vote: 7 - 0 PASSED - Unanimously**

- a) Consideration and possible action to approve agreement between the Town of Chino Valley and the Friends of the Library, a 501 (c) 3 corporation, for construction and dedication of addition to the Town of Chino Valley Library, effective 5/24/2016. (Cecilia Grittman, Assistant Town Manager)
- b) Consideration and possible action to adopt Ordinance No. 16-818 amending the Town Code Title XI Business Regulations, Chapter 114 Cable Television, Section 114.45 License Payments, Paragraph (A) to amend the percentage related to the license fee. (Cecilia Grittman, Assistant Town Manager)
- c) Consideration and possible action to adopt Resolution No. 16-1083, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2016/2017, pursuant to Section 48-616, Arizona Revised Statutes, as amended; setting a date for public hearing on the proposed statements and estimates as approved; and providing for notice of the hearing and publication of the proposed statements and estimates of the expenses of the districts which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the districts. Approval will create a levy to pay for street lighting within the CVSLID street lighting districts. The districts are accounted for in a separate fund by the Town. (Joe Duffy, Finance Director)

- d) Consideration and possible action to to approve Resolution No. 16-1087, accepting the dedication of right-of-way of certain real property located approximately at the intersection of Road 4 South and Peavine. (Phyllis Smiley, Town Attorney)
- e) Consideration and possible action to accept the April 19, 2016 study session minutes. (Jami Lewis, Town Clerk)
- f) Consideration and possible action to accept the April 26, 2016 regular meeting minutes. (Jami Lewis, Town Clerk)

## 7) ACTION ITEMS

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

- a) Consideration and possible action to approve the first amendment to the Final Plat of the Mollie Rae Subdivision, located in the North 1/2 of Section 28, Township 16 North, Range 2 West. (Ruth Mayday, Development Services Director)

Recommended Action: Staff recommends approval of the First Amendment of the Final Plat of the Mollie Rae Subdivision.

Ms. Mayday reported that:

- Council approved the Mollie Rae plat in 2008; to date, four houses had been built and six were under construction.
- Proposed plat amendments were to: strike sprinkler requirements as determined by the fire marshal, and strike mandated sewer connections for those with an existing septic system per Ordinance 16-815.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve the First Amendment of the Final Plat of the Mollie Rae Subdivision.

**Vote:** 7 - 0 PASSED - Unanimously

- b) Consideration and possible action to approve Resolution No. 16-1082, approving a Tentative Budget for the fiscal year 2016-2017 and proposed expenditure limitation for the same year, in the amount of \$21,738,500; and setting a public hearing date of June 28, 2016 on the adoption of the final budget. (Joe Duffy, Finance Director)

Recommended Action: Approve Resolution No. 16-1082, approving a Tentative Budget and proposed expenditure limitation for FY 2016-2017, in the amount of \$21,738,500 and setting June 28, 2016 as the date for the public hearing on adoption of the final budget for FY 2016-2017.

Mr. Duffy reviewed:

- The budget process.
- Interdepartmental charges, and a proposal to depict them by fund level rather than department level.
- Interfund transfers.

### Budget Highlights

- *FY 15/16 compared to FY 16/17:* Other than a 9% decrease in one item, next year's budget was mostly status quo.
- *General Fund:* The fund balance will increase by \$423,000 and will also exceed reserve requirements.
- *Highway User Revenue Fund:* The Town will receive a one-time HURF revenue of \$34,000, but the fund was still severely underfunded.
- *Capital Improvements:* This fund included a \$2 million buffer in case of grant(s) and had a fund balance higher than anticipated.
- *Water:* Staff budgeted for a loss in the current FY, but it had a profit of \$52,000. The fund will operate at a loss next year and included a \$2 million buffer.
- *Sewer:* The fund will operate at a loss for next year due to improvements, but will be in the black thereafter.
- *Department increases:* Staff moved Paycom from non-departmental to Human Resources, and added the following: elections to the Town Clerk's budget; additional automation to MIS; Police recruitment advertising to Human Resources; an additional officer to Police Department; a one-half position to Recreation; and repairs and replacements to Sewer.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Jack Miller to approve Resolution No. 16-1082, approving a Tentative Budget and proposed expenditure limitation for FY 2016-2017, in the amount of \$21,738,500 and setting June 28, 2016 as the date for the public hearing on adoption of the final budget for FY 2016-2017.

**Vote:** 7 - 0 PASSED - Unanimously

### 8) EXECUTIVE SESSION

*Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.*

### 9) ACTION ITEMS RESUMED

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

### 10) ADJOURNMENT

MOVED by Councilmember Jack Miller, seconded by Councilmember Mike Best to adjourn the meeting at 6:55 p.m.

**Vote:** 7 - 0 PASSED - Unanimously

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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 24th day of May, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28th day of June, 2016.

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Jami C. Lewis, Town Clerk

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. a.

**Meeting Date:** 06/28/2016  
**Contact Person:** Cecilia Grittmann, Assistant Town Manager  
 Phone: 928-636-2646 x-1202  
**Department:** General Services  
**Item Type:** Action Item - Presentation  
**Estimated length of staff presentation:** 5 minutes  
**Physical location of item:** 1951 Voss Drive, Chino Valley, AZ 86323

### AGENDA ITEM TITLE:

1. Presentation by Stephen Tullos, Director of Yavapai County Health Department, and Craig Brown, County Supervisor, regarding a grant the County submitted for the Health Department building, mainly used for the Woman, Infant, Children's (WIC) program, located on the Town's north campus at 1951 Voss Drive; and
2. Consideration and possible approval of Amendment 1 to the Real Property Lease between the Town of Chino Valley and Yavapai County Community Health Services for the property located at 1951 Voss Drive, effective July 1, 2016, through June 30, 2021.

### RECOMMENDED ACTION:

Approve Amendment 1 to the lease agreement between the Town of Chino Valley and the Yavapai County Community Health Services for the building located at 1951 Voss Drive for a new 5-year initial term, beginning July 1, 2016 and continuing through June 30, 2021; all other terms as set forth in the Lease Agreement effective March 25, 2014..

### SITUATION AND ANALYSIS:

The Yavapai County Health Department has partnered with the Town of Chino Valley in providing health care services for the greater Chino Valley community for over 12 years. The Office Trailer is a 1997 Redman mobile home, Vehicle Number #13517373. The primary services provided at this facility are the Women, Infant, Children (WIC) program.

The County recently applied for, and has been funded for, a grant through the WIC organization for improvements to the building they occupy on the Town's north campus. The grant was for \$35,000, to fund physical improvements to the building. The external improvements may include a new roof, and internal improvements may include new furnishings. The County would like to discuss the improvements and express their gratitude for years of partnership with the Town of Chino Valley.

The current lease became effective in 2014 with a five-year initial term that expires April 30, 2019.

While it may be extended pursuant to the terms of the lease for another 5 years, the granting agency, in

making an investment into this facility, is requesting a 5 year term beginning with the grant. Therefore, staff is recommending the Council approve an amendment to the lease agreement that will create a new initial term beginning July 1, 2016 and ending June 30, 2021. All other terms of the existing lease, including a possible 5-year extension beginning in July 1, 2021, will remain in effect.

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**Fiscal Impact**

**Fiscal Impact?:** No

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

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**Attachments**

Lease Amendment No. 1

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**AMENDMENT NO. 1  
TO  
REAL PROPERTY LEASE BETWEEN  
THE TOWN OF CHINO VALLEY, ARIZONA,  
AND  
YAVAPAI COUNTY COMMUNITY HEALTH SERVICES**

This Amendment No. 1 to Real Property Lease ("Lease") is entered into as of the date of the last signature below by and between the Town of Chino Valley, Arizona, a municipal corporation and political subdivision of the State of Arizona ("Landlord"), and Yavapai County Community Health Services ("Tenant").

**RECITALS**

- A. Landlord and Tenant entered into Lease, on April 22, 2014, whereby Landlord leased to Tenant certain Premises therein described that are located at 1951 Voss Drive, Chino Valley, Arizona, in County of Yavapai, Arizona for an initial term of five years.
- B. Subsequent to the execution of the Lease, Tenant applied for a grant through the Women, Infant, Children (WIC) program and was awarded such grant contingent upon Tenant having a right to use the Premises for at least five years from the date of the grant.
- C. Landlord and Tenant wish to extend the initial term of the Lease to enable Tenant to receive the grant funds.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

a. Section 2 Term; Renewal; Termination, Subsection A Initial Term is amended to read as follows:

- A. Initial Term. The term of this Lease shall commence on July 1, 2016 and end on June 30, 2021 (the "Term") or until said term is sooner terminated or extended pursuant to the provisions of this Lease.
- b. All provisions of the Lease not modified by this Amendment No. 1 shall remain in effect.

IN WITNESS WHEREOF, each of Landlord and Tenant has caused this Lease to be executed by their properly authorized representatives on the dates indicated below.

////SIGNATURES NEXT PAGE////

TENANT: Yavapai County Community Health Services

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

LANDLORD: Town of Chino Valley, Arizona

By: \_\_\_\_\_

Date: \_\_\_\_\_

Chris Marley, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Phyllis L.N. Smiley

Town Attorney

\_\_\_\_\_  
Kristina Jezairian

Deputy County Attorney



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. b.

**Meeting Date:** 06/28/2016  
**Contact Person:** Robert Smith, Town Manager  
 Phone: 928-636-2646 x-1201  
**Department:** Town Manager  
**Item Type:** Action  
**Estimated length of staff presentation:** 5 minutes  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Consideration and possible direction to Staff regarding Climatec's proposed energy savings program to the Town of Chino Valley.

### RECOMMENDED ACTION:

Direction to Staff to work with Climatec to prepare an agreement with Climatec to undertake improvements to the Town's facilities to save costs related to utilities and electrical consumption. Said agreement to come back to Council for approval.

### SITUATION AND ANALYSIS:

#### Issue Statement

Climatec has reviewed the Town's physical plant to offer opportunities to update some inefficient fixtures and hvac units. The savings in electrical consumption should offset the cost of the proposed improvements. This would be structured across a 10 year time span, and Climatec indicates that if savings don't offset the cost of the improvement project, they will make up the difference themselves. Climatec also indicates that their savings calculations are very conservative, and actual experience in most localities is better than the projections in the analysis.

The School District and many other localities in Arizona have used Climatec for projects like this, with good results.

The Town has the opportunity to change out lighting fixtures and install LED fixtures which are not only more energy efficient, but also have much longer service life. Maintenance related to changing light tubes/bulbs should also be reduced. Aside from lights, hvac units and controls can be updated to provide more efficient climate control and better savings in Town facilities when people are not present/using work and meeting spaces. These controls would be accessible via the web, and physical presence of maintenance personnel would not be required to program hvac and other environmental controls across improved facilities in the Town's physical plant.

Lastly, Climatec has looked at the lights at the ballfields off Perkinsville Road, and has a proposal for

relocating them out of the playing surface, and updating the light fixtures. In addition to improving the fixtures at the ballfields, this would create an opportunity to organize league/tournament play for adults at the fields -- which may be a revenue generating activity.

Should the Town choose to pursue a project with Climatec, and the energy savings experienced amounts to more value than the cost of the construction project, staff would recommend that some portion of that savings be redirected or earmarked for recreational purposes or the provision of recreational activities in Town.

**Satisfaction of "Policy"**

**Summary of Issues and Staff Rationale**

**Findings of Fact**

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**Fiscal Impact**

**Fiscal Impact?:** No

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

Project is self funding via savings in electrical consumption.

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**Attachments**

*No file(s) attached.*

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. c.

**Meeting Date:** 06/28/2016  
**Contact Person:** Cecilia Grittman, Assistant Town Manager  
 Phone: 928-636-2646 x-1202  
**Department:** General Services  
**Item Type:** Action Item - Presentation  
**Estimated length of staff presentation:** 10 minutes  
**Physical location of item:** n/a

### AGENDA ITEM TITLE:

Consideration and possible action to approve two lease agreements between the Town of Chino Valley and the Chino Valley Equestrian Association for 1) use of the current Rodeo Grounds at Old Home Manor, and 2) a long-term lease for 80 acres of land at Old Home Manor. (Cecilia Grittman, Assistant Town Manager)

### RECOMMENDED ACTION:

Approve a 2-year lease agreement between the Town of Chino Valley and the Chino Valley Equestrian Association for the current Rodeo Grounds effective 6/30/2016 through 6/30/2018, and approval of a 10-year lease for 80 acres of land at Old Home Manor, effective 6/30/2016 through 6/30/2026.

### SITUATION AND ANALYSIS:

Town Council heard a presentation from the Chino Valley Equestrian Association, ("Association"), an Arizona Corporation, on 3/8/2016. The Association had been working with the Mayor's Old Home Manor Land Use Committee, and requested the opportunity to use the current Rodeo Grounds and the ability to develop 80 acres of land at the intersection of Rodeo Drive and Old Home Manor Drive for an equestrian and events center. At this meeting the Town Council directed staff to prepare a lease agreement with the Association.

The Association intends on using the existing Rodeo grounds initially, and moving equestrian equipment located at this site to the site they intend on developing for a longer-term use. The town has asked for recommendations from its insurance liability carrier for insurance coverages as the Association will be hosting rodeos and events concerning rough stock, which carries an inherent risk. Those limitations have been spelled out in the leases recommended by staff. All vendors will carry the same level of coverages, and if the Association rents their space to a 3rd party, that party also will carry the same level of coverage, and name the Town as additionally insured.

The Association has begun the feasibility phase with Town staff, and have met with the Development Services and Engineering departments. They will continue discussions through Technical Review to address issues of the Unified Development Ordinance, access, water, drainage, roads, and other code

requirements.

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**Fiscal Impact**

**Fiscal Impact?:** No

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

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**Attachments**

Proposed Ground Lease

Rodeo Grounds Lease

Rodeo Grounds Map

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**GROUND LEASE BETWEEN THE TOWN OF CHINO VALLEY, ARIZONA,  
and  
CHINO VALLEY EQUESTRIAN ASSOCIATION**

This Ground Lease ("Lease") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2016, by and between the Town of Chino Valley, Arizona, a political subdivision of the State of Arizona ("Landlord") and Chino Valley Equestrian Association, an Arizona non-profit corporation ("Tenant").

**RECITALS**

**WHEREAS**, Landlord warrants and represents that it owns that certain parcel of land comprising approximately eighty (80) acres of raw land located in the Town of Chino Valley, Yavapai County of Yavapai, Arizona as set forth in the legal description attached hereto as Exhibit A ("Parcel").

**WHEREAS**, Landlord wishes to lease the Parcel to Tenant, and Tenant wishes to lease the Parcel from Landlord, under the terms and conditions of this Lease.

**WHEREAS**, Tenant intends to develop the Parcel for its use as an equestrian facility which will be open to use by its members and members of the public; and

**WHEREAS**, the Chino Valley Town Council believes that the development and use of the facilities by Tenant will be of economic benefit to the Town and the community by attracting people to the community for equestrian events, creating demands for services, including restaurant and lodging facilities, and potentially creating new jobs and increased sales tax revenues,

**NOW THEREFORE**, in exchange for the mutual promises herein contained, Landlord and Tenant hereby agree to the terms and conditions set forth below:

**TERMS**

**SECTION 1. THE PREMISES.** Landlord hereby agrees to lease to Tenant, and Tenant hereby agrees to lease from Landlord, the Parcel. For purposes of this Lease, the Parcel and any improvements thereon shall be referred to as the "Premises".

**SECTION 2. TERM.**

A. Initial Term. The term of this lease shall be for five (5) years, commencing on \_\_\_\_\_, 2016 and ending on \_\_\_\_\_, 2021 ("Initial Term") or until said term is sooner terminated or extended pursuant to the provisions of this Lease.

B. Extended Term. Tenant may elect to extend the Initial Term of this Lease for four (4) five-year additional terms following the expiration of the Initial Term ("Extended Term"), upon the terms, covenants, conditions, conditional limitations, and agreements herein contained, in accordance with and subject to the following conditions: Within thirty (30) days of receipt of a notice of election, Landlord shall have provided its written consent to the Extended Term. The

election for the Extended Term shall comply with the requirements of Section 5 herein or such election shall be null and void. The election to extend shall be exercised, if at all, by Tenant giving Landlord written notice at least sixty (60) days prior to the expiration of the Initial Term (or Extended Term, as appropriate). During each Extended Term, all of the terms and conditions of this Lease shall continue in full force and effect. A notice of election to extend the term of this Lease shall have no effect, and the extension period shall not become effective, if at the time such notice is given, or at any time thereafter until the expiration of the Initial Term, Landlord has delivered to Tenant a written notice of default under the terms of this Lease, and such default is not timely cured pursuant to Section 17, below. Tenant's right to extend the term of this Lease shall be subject to the provisions of Section 5, below. Any reference hereinafter in this Lease to the "Term" shall be deemed to refer to the Initial Term plus, as applicable, any Extended Term.

### **SECTION 3. POSSESSION.**

Landlord covenants to provide Tenant with peaceful possession of the Premises, and Tenant, by taking possession of the Premises, acknowledges that the Premises are in satisfactory and acceptable condition for its use.

### **SECTION 4. USE.**

A. Tenant may use and occupy the Premises and the approved improvements thereon primarily for the following purposes: equestrian and equestrian-related facilities activities, including rodeos, and for athletic, recreational, entertainment, artistic, cultural, or convention activities and events, including related concessions (the "Allowed Purpose"). Subject to the provisions of Section 8, below, and further subject to applicable law, ordinance, regulation and required approvals and permitting, the construction, maintenance and demolition of improvements upon the Premises to facilitate the Allowed Purpose also shall be considered allowed pursuant to this Lease. Tenant's use of the Premises for any unrelated purpose may, at the Landlord's discretion, constitute a breach. Tenant shall be responsible for all utility extensions required for the Allowed Purpose and for obtaining any necessary access easements to the Premises. Landlord makes no representation regarding the suitability of the Premises for the Allowed Purpose.

B. Tenant may, from time to time, allow use of the Premises by other private or public entities for an event or limited purposes, but only after providing prior written notice to Landlord. Any entity using the Premises shall be required to comply with the insurance and indemnification provisions of this Lease, naming the Town of Chino Valley as an additional insured. For rodeos and other potentially hazardous events, Tenant and any third party provider shall also comply with the requirements set forth below in Section 9.

C. Intoxicating Beverages and Liquor: Use and sale of alcoholic beverages on the Premises shall not be permitted unless approved in writing by Landlord. Tenant, its agents, employees or representatives may keep, handle, sell, use or give away intoxicating beverages and liquors of any kind on the Premises only in compliance with Arizona Revised Statutes, Title 4, as permitted by the Arizona Department of Liquor Licenses and Control, and as permitted in writing by Landlord. Nothing in this Agreement shall prohibit Tenant or its agents, employees, or

representatives from obtaining a Special Event Liquor License. Additionally, private individuals authorized in writing by Tenant to use the Premises for private parties may serve alcohol on the Premises, so long as prior written approval has been obtained from Landlord.

## **SECTION 5. REQUIRED IMPROVEMENTS AND ALTERATIONS.**

A. The Premises shall be in compliance with the Town of Chino Valley Unified Development Ordinance (“UDO”) at all times during the Term, including but not limited to any requirements for screening, perimeter landscaping, setbacks and similar provisions required for the Allowed Purpose in the \_\_\_\_\_ zoning district.

B. Tenant shall obtain required approvals for and shall construct and obtain a certificate of occupancy for the improvements set forth on the Site Plan, attached hereto as Exhibit B, and incorporated herein by this reference, in compliance with the following schedule:

1. Within two years of the effective date of this Lease, Tenant shall submit to the Town Development Services Department a completed application for and shall obtain required Town approval of the Site Plan and a phased development plan substantially similar to the Site Plan set forth in Exhibit B.
2. All of the improvements that are designated as Phase I improvements (“Phase I Improvements”) on the Site Plan shall be constructed and a certificate of occupancy obtained therefor by no later than the end of the Initial Term of this Lease.
3. Tenant shall construct the remainder of the improvements pursuant to the phased development plan and the Site Plan on a schedule to be determined and agreed upon by Tenant and Landlord during the remainder of the Lease Term.

C. Tenant shall make no alterations to or construct any improvements on the Premises without the prior written consent of the Landlord, which shall not be unreasonably withheld; provided however that any such alteration or improvement shall comply with applicable requirements and procedures of the UDO and other applicable Town Codes.

D. To the extent that at the time Tenant provides notice of its election of the Extended Term pursuant to Section 2B, (i) Tenant has in good faith submitted to Landlord for approval any necessary plans to comply with such requirements and Landlord’s approval remains pending; or (ii) Tenant has in good faith commenced and is diligently working to complete improvements previously approved by Landlord and such improvements are not yet completed, then Tenant’s right to the Extended Term shall be conditioned upon completion of required improvements in a manner and within such period of time as Landlord may reasonably require. Should Tenant fail to meet either of the foregoing conditions at the time that it provides notice of its election of the Extended Term, such notice shall not be effective.

E. Should Tenant fail to obtain the required approvals or complete required improvements in the manner or within such period of time as Landlord reasonably has required, Landlord shall

have the option of declaring Tenant's prior notice of extension to be a nullity in addition to any other remedies applicable upon default, reduce the amount of land subject to this Lease, or impose additional development requirements.

F. Use by Landlord. Tenant shall permit Landlord to use the Premises for a scheduled event free of charge up to one time per quarter per calendar year. Such permission by Tenant shall not unreasonably withheld.

## **SECTION 6. BASE RENT.**

Tenant hereby agrees to pay and Landlord hereby agrees to accept as rent for the Premises the following: Ten Dollars (\$10.00 per year. The rent from the effective date of this Lease through December 31, 2016 shall be prorated for such period of time. Thereafter, rent for each year shall be due on January 1 of each year of this Lease. Such rent shall be exclusive of all other amounts payable by Tenant pursuant to this Lease.

## **SECTION 7. REQUIRED ANNUAL REPORTS**

On or before December 15 of each year during which this Lease is in effect, Tenant shall make a report to the Chino Valley Town Council which shall, at a minimum, include the following information:

1. Activities held by Tenant during the past year, including a breakdown of how many were member-only and how many were open to the public in general;
2. Level of membership;
3. Type and frequency of use of facilities by members;
4. As to events held by other parties: type, attendance, sponsorship and any additional information relevant to the Town;
5. Progress on improvements planned, constructed, and built during the year.

## **SECTION 8. HAZARDS.**

Tenant shall not use the Premises, nor permit them to be used, for any purpose which shall increase the existing insurance rates under Landlord's policies for the Premises, or cause the cancellation of any insurance policy of Landlord's covering the premises without providing contemporaneous and reasonably equivalent replacement coverage, or sell or permit to be kept, used, or sold in or about the Premises, any item that may be prohibited by Landlord's insurance policies, unless the insurance policy is transferred to Tenant by prior written consent of Landlord.

- A. Tenant shall not commit any waste upon the Premises, nor cause any public or private nuisance or other act that may disturb the quiet enjoyment of any other tenant or adjacent property owner or tenant.

- B. Tenant shall not allow the Premises to be used for any improper, immoral, unlawful, or unsafe purpose, including, but not limited to, the storage of any flammable materials or hazardous waste other than those listed on the attached Exhibit C.
- C. Tenant shall not use any machinery or device on said Premises that may make any noise or cause any vibration that can be detected by other tenants, or that shall in any way be detrimental to the premises, except for purposes of constructing improvements or by written agreement between Parties.
- D. Tenant shall not hold or allow others to hold rodeo or similar hazardous events on the Premises unless Tenant or the sponsoring party has obtained insurance coverage for such event naming the Town of Chino Valley as an additional insured and such policy is primary and non-contributory, waiving subrogation. Tenant shall provide Landlord with endorsements to prove that Tenant's insurance carrier has agreed to these terms and has so endorsed the policy. In the event that Tenant has contracted with or otherwise engaged a third party vendor to conduct such an event, the vendor shall provide the same insurance, endorsements, and assurances as stated above.

#### **SECTION 9. HAZARDOUS MATERIAL.**

A. Tenant recognizes that assuring protection of public health, welfare and the environment from activities upon the Premises during the Term of this Lease is an important consideration for Landlord and during such Lease Term the federal, state and local laws, rules, regulations and ordinances relating to pollution, protection of the environment, public health, safety or industrial hygiene (hereinafter referred to as the "Applicable Laws") will change. Tenant warrants that throughout the Term of this Lease, Tenant will maintain compliance with all Applicable Laws.

B. Tenant further warrants, unless disclosed and agreed to by Landlord, that no liquid, solid, semi-solid or gaseous substances (hereinafter referred to as Regulated Substances) which are, or during the Term of this Lease may become, subject to regulation under Applicable Laws, other than those listed on Exhibit C, will be used on the Premises. Tenant shall not have on the Premises any Regulated Substances, other than those listed on Exhibit C. Regulated Substances include, but are not limited to, any and all substances, materials or wastes regulated under the Resource Conservation and Recovery Act, 43 U.S.C. Section 8909, et. seq.; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et. seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601, et. seq.; the Arizona Hazardous Waste Management Act, A.R.S. Section 49-921, et. seq.; the Arizona Underground Storage Tank Regulation Act, A.R.S. Section 49-101, et. seq.; and the rules and regulations adopted and guidelines promulgated pursuant to the Applicable Laws.

C. In addition to the other requirements of this section, Tenant shall not release, discharge, leak or emit, or permit to be released, discharged, leaked or emitted into the atmosphere, ground, soil, sewer system, surface water or groundwater any substance if such substance (as reasonably determined by Landlord, or any governmental authority) does or may pollute or contaminate the same, or may adversely affect (a) the environment, (b) the health, welfare or safety of persons

whether located on the Premises or elsewhere, or (c) the condition, value, use or enjoyment of the Premises or any other real or personal property. Tenant has or will timely obtain, maintain and comply with all provisions of all permits, licenses and other authorizations which are required under the Applicable Laws (hereinafter referred to as the "Permits").

D. Tenant shall immediately notify Landlord, orally and in writing, of any allegations by any governmental authority or other person or entity of any event of non-compliance with the applicable laws or permits of this section. Tenant shall also immediately notify Landlord orally and in writing, of any allegations by any governmental authority or other person or entity, of any events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance with Applicable Laws, Permits or the provisions of this section, or which may give rise to any common law or legal liability, or otherwise form the basis of any claim, action, suit, proceeding, hearing or investigation, based on or related to the generation, manufacture, distribution, use, treatment, storage, disposal, transport, or handling, or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant or Regulated Substance.

E. Landlord, or its authorized representative, agent or contractor, shall have the right, upon reasonable notice, to inspect the Premises and to review and copy documents, records, and data maintained by Tenant relating to substances used and stored on the Premises or disposed of, released or otherwise removed from the Premises, in order to assure itself that Tenant is in compliance with the provisions of this Section.

F. In addition, Landlord shall have the right, at its expense, to perform periodic environmental inspections as Landlord deems necessary using the services of a qualified and duly licensed environmental engineers approved by Tenant whose approval thereof may not be unreasonably withheld. The said engineers shall conduct such sampling and testing of soils, water, substances and emissions as Landlord deems necessary to assure itself that Tenant is in compliance with the provisions of this Section. In the event the results of the inspection indicate a need for further testing and/or remediation as a result of Tenant's use of the Premises in order to comply with ADEQ or EPA remediation standards or guidelines, then Tenant hereby agrees to reimburse Landlord for its reasonable inspection costs and to pay for such additional testing and remediation as will be required as a consequence of Tenant's use of the Premises. Should remediation be required as a consequence of Tenant's use of Premises, Tenant shall immediately undertake such remediation as is necessary to restore the condition of the Premises and shall diligently pursue such work to completion. Tenant's failure to timely perform its obligations under this Section shall be considered a material breach of this Lease, and Tenant's obligations under this Section shall continue beyond the expiration or termination hereof. Nothing in this Section shall constitute a waiver of any right of Tenant, including without limitation, the right to receive contribution from any individual or entity responsible for contamination of any part of the Premises.

G. To the fullest extent permitted by law, Tenant agrees to indemnify, defend and hold Landlord harmless for any costs of legally required remediation of environmental contamination and from any claims, demands, actions, suits, proceedings, hearings, investigations, responsibility, liability, orders, injunctions, judgments, fines, damages and losses of any nature

whatsoever, arising out of or relating in any way to Tenant's present or future use of, or activities or operations on or at, the Premises, or arising from or relating to any breach of the provisions of this Section. Tenant also agrees to indemnify and hold Landlord harmless any costs and expenses incurred in connection therewith, including without limitation, any attorneys' and expert witness fees, investigation, clean up, removal, disposal, remedial, corrective, or mitigating action costs, fines and penalties related in any way to Tenant's use of the Premises. These indemnities shall survive the termination of this Lease.

#### **SECTION 10. ENTRY BY LANDLORD.**

Landlord, its agents, contractors, and representatives may enter the Premises to inspect or show the Premises. Landlord shall provide Tenant with reasonable prior notice of entry into the Premises, which may be given orally. If reasonably necessary for the protection and safety of Tenant and its employees, Landlord shall have the right to entry into the Premises without prior notice. Nothing herein is intended to be nor shall it be deemed in derogation of Landlord's police and public safety powers granted under applicable law. Entry by Landlord shall not constitute constructive eviction or entitle Tenant to an abatement or reduction of Rent.

#### **SECTION 11. FIXTURES AND PERSONAL PROPERTY.**

Any trade fixtures, equipment, or personal property permanently installed in or permanently attached to the Premises by or at the expense of Tenant shall be and shall remain the property of Tenant, except as otherwise agreed in writing by Tenant and Landlord. Tenant shall have the right to remove any and all of such property prior to the expiration or termination of this Lease Agreement, so long as no default exists under this Lease. Tenant shall, at its expense, repair any damage caused to the Premises by reason of the removal of any of its trade fixtures, equipment, or other permanently affixed personal property as described above.

#### **SECTION 12. REPAIRS AND MAINTENANCE.**

Tenant shall repair any damage caused to the Premises by Tenant, its employees, agents, invitees, licensees, or visitors. However, if Tenant fails to make any such repairs or replacements promptly, Landlord may, in its sole discretion, make such repairs after providing at least thirty (30) days prior written notice to Tenant, and Tenant shall repay the reasonable cost of such repairs to Landlord upon demand.

#### **SECTION 13. TAXES**

A. Together with and in addition to any payment of rent or any other sums payable to or for the benefit of Landlord pursuant to this Lease, Tenant shall pay to Landlord any excise, sales, occupancy, franchise, privilege, rental or transaction privilege tax levied by any governmental authority upon Landlord as a result and to the extent of such payments hereunder or as a result of Tenant's use or occupancy of the Premises, and any taxes assessed or imposed in lieu of or in substitution for any of the foregoing taxes whether now existing or hereafter enacted.

B. Tenant understands and agrees that in the event the Premises becomes subject to a government property lease excise tax pursuant to Arizona Revised Statutes, title 42, chapter 6, article 5, Tenant shall pay such excise tax and Landlord shall have no responsibility whatsoever for such excise tax.

#### **SECTION 14. EMINENT DOMAIN.**

Either party may terminate this Lease if the whole or any material part of the Premises shall be taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase, in lieu thereof (a "Taking"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Parcel which would leave the remainder of the property unsuitable for use. In order to exercise its right to terminate the Lease, Landlord or Tenant, as the case may be, must provide written notice of termination to the other within 45 days after the terminating party first receives notice of the Taking. Any such termination shall be effective as of the date the physical taking of the Premises or the portion of the Property occurs. If this Lease is not terminated, the acreage leased by the Tenant and the Tenant's Pro Rata Share shall, if applicable, be appropriately adjusted. In addition, Rent for any portion of the Premises taken or condemned shall be abated during the unexpired Term of this Lease effective when the physical taking of the portion of the Premises occurs. All compensation awarded for a Taking, or sale proceeds (other than any compensation which may be separately awarded to Tenant pursuant to the terms of the next succeeding sentence), shall be the property of Landlord, any right to receive compensation or proceeds being expressly waived by Tenant. However, Tenant may file a separate claim at its sole cost and expense in connection with such Taking for Tenant's property and Tenant's reasonable relocation expenses, provided the filing of the claim does not diminish the award which would otherwise be receivable by Landlord. As used in this section, the word "condemned" shall include (a) receipt of written notice of the intent to condemn from an entity having the power of eminent domain, (b) the filing of any action or proceeding for condemnation by any such entity, and (c) the conveyance of any interest in the Premises by the Landlord or the Tenant to a public or quasi public authority having the power of eminent domain with respect to the Premises as a result of the authority's express written intent to condemn.

#### **SECTION 15. ASSIGNMENT AND SUBLETTING.**

Tenant shall not assign, transfer, mortgage, pledge, encumber, sublet or part with the possession of the whole or any part of the Premises without first obtaining the written consent of Landlord. Such consent shall not be unreasonably withheld, but may be conditioned upon Tenant remaining liable for the performance of all obligations under this Lease through the remainder of the Term, together with all extensions, expansions, and renewals that may have been executed by Tenant and Landlord prior to any such assignment.

#### **SECTION 16. DEFAULT BY TENANT.**

Tenant shall be considered to be in default of this Lease upon the occurrence of any of the following events of default:

- A. Tenant's failure to pay when due all or any portion of the Rent, if the failure continues for five (5) business days after written notice to Tenant ("Monetary Default").
- B. Tenant's material breach (other than a Monetary Default) of any other term, provision, or covenant of this Lease, if such breach is not cured within ten (10) business days after written notice to Tenant. However, if Tenant's breach cannot reasonably be cured within 10 business days, Tenant shall be allowed additional time (not to exceed 75 days) as is reasonably necessary to cure the breach so long as: (1) Tenant commences to cure the breach within 10 business days, and (2) Tenant diligently pursues a course of action that will cure the breach and bring Tenant back into compliance with the Lease. However, if Tenant's breach creates a hazardous condition, including but not limited to any breach of the provisions of Section 19, above, the breach must be cured immediately upon notice to Tenant. In addition, if Landlord provides Tenant with notice of Tenant's failure to comply with any particular term, provision or covenant of the Lease on three (3) occasions during any twelve (12) month period, any subsequent violation of such term, provision or covenant shall, at Landlord's option, be an incurable event of default by Tenant.
- C. Tenant is unable to pay its debts when due or admits in writing its inability to pay its debts when due, makes a transfer in fraud of creditors or makes an assignment for the benefit of creditors.
- D. Tenant obtains its leasehold estate by a taking of the leasehold estate of a prior tenant hereunder by process or operation of Law.
- E. Tenant is in default beyond any notice and cure period under any other lease or agreement with Landlord.

## **SECTION 17. REMEDIES.**

Upon the occurrence of any Event of Default under this Lease, regardless of whether specifically enumerated in Section 17, Landlord shall have the option to terminate this Lease and Tenant's right of possession, in addition to any relief allowed at law or in equity.

## **SECTION 18. REDELIVERY OF PREMISES.**

Tenant agrees to redeliver to Landlord the physical possession of the Premises at the end of the Term of this Lease, in substantially similar or better condition as delivered to Tenant at the commencement of this Lease. All Improvements placed on the Premises during the Term of this Lease shall be removed at Landlord's request, and at the cost of Tenant. If Tenant fails to remove the Improvements within thirty (30) days of written notice by Landlord to do so, Landlord may remove the Improvements and charge the cost to the Tenant. Tenant shall pay such costs within ten (10) business days of the date of the invoice for such removal.

## **SECTION 19. HOLDING OVER.**

Any holding over after the expiration of the Term of this Lease shall be deemed to constitute a tenancy from month to month only, and shall be on the same terms and conditions as specified in this Lease, so far as applicable, and at a monthly rental equal to that for the last month of the Term of the Lease.

## **SECTION 20. ATTORNEY'S FEES.**

If either party institutes a lawsuit against the other to construe, enforce, or for breach of this Lease, or if either party intervenes in any suit in which the other is a party to enforce or protect its interest or rights pursuant to the Lease, the prevailing party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

## **SECTION 21. TIME IS OF THE ESSENCE.**

Time is of the essence in this Lease.

## **SECTION 22. INDEMNIFICATION AND INSURANCE.**

A. Disclaimer of Liability. Landlord shall not at any time be liable for injury or damage occurring to any person or property from any cause whatsoever arising out of Tenant's use of the Premises.

B. Indemnification.

1. Tenant shall indemnify and hold harmless Landlord, its agents, employees, councilmembers, boards and assignees, from and against any and all liability, claims, damages, penalties, costs, charges, losses and expenses for attorneys, expert witnesses and consultants, for any bodily injury, loss or damage to any person or property arising out of or occasioned by the use or occupancy of the Premises by Tenant and from and against all bodily injury, loss, claim, or damage to any person or property anywhere occasioned by any act or omission of Tenant.

2. If Landlord shall, without fault of Landlord, be made a party to any litigation commenced by or against Tenant for any of the above reasons, then Tenant shall protect, defend and hold Landlord harmless and pay all costs, penalties, charges, damages, expenses, and reasonable attorney's fees incurred or paid by Landlord.

3. Tenant shall assume all risks of loss injury or damage of any kind or nature whatsoever to any fixture or other structure belonging to Tenant which may be now or hereafter placed upon or in the Premises and all risks of loss, injury or damage of any kind or nature whatsoever to the contents of such structures or to any goods, merchandise, chattels or any other property now or that may hereafter be upon said leased premises whether belonging to Tenant or others. If there is such loss, injury or damage resulting from fire or other agency, and whether the same be caused by the negligence of Landlord or any of its employees or agents or otherwise

and to save and keep harmless Landlord from all claims and suits growing out of any such loss, injury or damage.

4. As used herein, the term “person” means any person, firm, corporation, association, partnership, trust, joint venture, or other entity.

C. Insurance. Tenant shall, at Tenant’s expense, obtain and keep in force during the term of this Lease a policy of Comprehensive General Liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Minimum coverage for Comprehensive General Liability insurance is \$2,000,000 per occurrence and \$5,000,000 aggregate. The limit of said insurance shall not, however, limit the liability of the Tenant hereunder. Tenant may carry said insurance under a blanket policy, providing, however, said insurance by Tenant shall have a Landlord’s protective liability endorsement attached thereto. If Tenant shall fail to procure and maintain said insurance, Landlord may, but shall not be required to, procure and maintain same, but at the expense of Tenant. Insurance required hereunder, shall be in companies rated A+, AAA or better in “Best’s Insurance Guide”. Tenant shall deliver to Landlord prior to occupancy of the Premises copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Landlord. No policy shall be cancelable or subject to reduction of coverage except after ten (10) days’ prior written notice to Landlord. All policies shall name the Town of Chino Valley as an additional insured and shall not provide “members only” coverage.

## **SECTION 23. SIGNAGE.**

A. Landlord reserves the right for itself or its agents to install a sign designating the Premises for sale at any time during the Term of the Lease, or for lease at any time: 1) after either Party exercises the right to terminate this Lease prior to the end of its Term; 2) after thirty (30) days prior to the expiration of the Initial Term, so long as Tenant has not given enforceable notice of an intent to exercise its right to the Extended Term; or 3) after sixty (60) days prior to the expiration of an Extended Term. Landlord shall be permitted to show the Premises to a prospective buyer, subject to the provisions of Section 11, above, but may not show the Premises to a prospective tenant except during the periods of time detailed above wherein Landlord may display signage designating the Premises for lease.

## **SECTION 24. COMPLIANCE WITH LAWS.**

Tenant agrees to observe all laws and governmental regulations applicable to its use of the Premises, together with all reasonable rules and regulations that may be promulgated from time to time by Landlord.

## **SECTION 25. SUBORDINATION.**

This Lease is subject and subordinate to all mortgages and deeds of trust which may now or hereafter encumber the Premises, or any appurtenances thereto, or any leases, renewals, or modifications related thereto. This clause shall be self-operative and no further instruments of

subordination shall be required in order for this clause to be effective. Tenant hereby agrees to execute, within ten (10) days of a request, any and all reasonable instruments in writing required by Landlord or any lender to subordinate Tenant's rights acquired by this Lease in accordance with this clause.

## **SECTION 26. DEFINITION OF "LANDLORD".**

At any relevant point in time, the term "Landlord" shall mean the present owner of the Premises, and in the event of any transfer of ownership, the prior owner shall be released and discharged from future performance of the covenants and obligations of Landlord pursuant to this Lease, but such covenants and obligations shall be binding during the Lease Term on each new owner, and their successors and assigns for the duration of this Lease.

## **SECTION 27. LANDLORD'S LIEN.**

A. Landlord shall have at all times a valid lien for all rentals and other sums of money becoming due under this Lease from Tenant, subject to any purchase money liens or security interests outstanding from time to time to third parties, on all goods, wares, equipment, fixtures, furniture, and other personal property of Tenant situated on and in the Premises. After notice of default is given by Landlord, such property shall not be removed from the premises without the consent of Landlord which shall be given when all rent in arrears as well as any and all other sums of money then due to Landlord under this Lease have been paid.

B. Tenant hereby grants a security interest, subject to any purchase money liens or security interests executed by Tenant outstanding from time to time to third parties, in such personal property described in this Section 28. The lien hereby granted may be foreclosed on in the manner and form provided for under Arizona law or in any other manner and form provided by law.

## **SECTION 28. ENTIRE AGREEMENT.**

This Lease constitutes the entire agreement between the parties and supersedes all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents.

## **SECTION 29. NOTICE.**

Wherever in this Lease it is required or permitted that notice or demand be given or served by either party on the other, such notice or demand shall be deemed given or served when written and hand delivered, or deposited in the United States Mail, certified, return receipt requested, postage prepaid, addressed as follows:

To Landlord: Town Manager  
Town of Chino Valley  
202 North State Route 89  
Chino Valley, AZ 86323

To Tenant:

**IN WITNESS WHEREOF**, each of Landlord and Tenant has caused this Lease to be executed on this \_\_\_\_ day of \_\_\_\_\_, 2016.

**TENANT:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:**

**Title:**

**LANDLORD:** \_\_\_\_\_

Chris Marley, Mayor

Approved as to Form:

\_\_\_\_\_  
Phyllis L.N. Smiley, Town Attorney

## **EXHIBIT A**

### **ParcelLegal Description**

## **EXHIBIT B**

### **Site Plan**

## EXHIBIT C

### **Hazardous Materials Inventory**

**RODEO GROUNDS LEASE  
BETWEEN THE TOWN OF CHINO VALLEY, ARIZONA,  
and  
CHINO VALLEY EQUESTRIAN ASSOCIATION**

This Rodeo Grounds Lease ("Lease") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2016, by and between the Town of Chino Valley, Arizona, a political subdivision of the State of Arizona ("Landlord") and Chino Valley Equestrian Association, a \_\_\_\_\_ corporation ("Tenant").

**RECITALS**

1. Landlord warrants and represents that it owns that certain real property known as the Chino Valley Rodeo Grounds which is legally described on Exhibit A, which is attached hereto and incorporated herein by this reference ("Property").
2. Tenant desires to lease the Property and the buildings and other structures on the Property ("Facilities"). The Property and the Facilities may be collectively referred to herein as the Premises.
3. Tenant intends to use the Premises for equestrian purposes while developing a second parcel for future, more intense equestrian uses.
4. The Chino Valley Town Council finds that the public interest will be benefitted by leasing the Premises to Tenant for equestrian and other public purposes.

NOW THEREFORE, in consideration of the promises, mutual covenants and Leases contained herein, Landlord and Tenant agree to the following terms and conditions:

**1. LEASE**

1.1 The Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, as described and shown on the site plan in Exhibit B, which is attached hereto and incorporated herein by this reference.

1.2 Permitted Uses. The Premises shall be used for equestrian events, which may include, but are not limited to equestrian-related education, recreational activities, and social gatherings, and sales of food during equestrian events ("Permitted Uses"). Tenant shall not allow the Premises to be used for any improper, immoral, unlawful, or unsafe purpose. Any use other than Permitted Uses requires the prior approval of Landlord. Landlord makes no representation regarding the suitability of the Premises for the Permitted Uses.

### 1.3 Term.

1.3.1 Initial Term. The term of this lease shall commence on \_\_\_\_\_, 2016 and continue for a period of two (2) years, ending on \_\_\_\_\_, 20\_\_ (“Initial Term”) or until sooner terminated or extended pursuant to the provisions of this Lease.

1.3.2 Extended Term. Tenant may elect to extend the term of this Lease for \_\_\_\_\_ (\_\_) \_\_\_\_\_-year (\_\_) additional term[s] (“Extended Term”), upon the terms, covenants, conditions, and agreements herein contained. Tenant shall have the option to extend the term of this Lease and may exercise such option by providing Landlord written notice of such election at least sixty (60) days prior to the expiration of this Lease. The Initial Term and any Extended Term shall be referred to as the “Term”).

### 1.4 Rent and Other Financial Responsibilities.

1.4.1 Rent. The rental amount shall be Ten Dollars (\$10.00) per year, payable to the Town of Chino Valley, 202 North State Route 89, Chino Valley, Arizona, 86323, in advance on the anniversary date of this Lease each year, with the initial advance payment due on the date of execution of this Lease.

1.4.2 Security Deposit. A Security Deposit in the amount of \$ \_\_\_\_\_ shall be delivered to Landlord upon execution of the Lease. The Security Deposit shall be held by Landlord without liability for interest as security for the performance of Tenant's obligations and is not an advance payment of Rent or a measure of Tenant's liability for damages. Landlord may, from time to time, without prejudice to any other remedy, use all or a portion of the Security Deposit to satisfy past due Rent or to cure any uncured default by Tenant. If Landlord so uses the Security Deposit, Tenant shall on demand restore the Security Deposit to its original amount. Landlord shall return any unapplied portion of the Security Deposit to Tenant within forty-five (45) days after the later to occur of: (1) the date Tenant surrenders possession of the Premises to Landlord in accordance with this Lease; or (2) the Termination Date. If Landlord transfers its interest in the Premises, Landlord may assign the Security Deposit to the transferee and following the assignment, Landlord shall have no further liability for the return of the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts.

1.4.3 Utilities. Tenant shall be responsible for and shall promptly pay all gas, electric and water utility fees and charges occasioned by its use of the Premises. Tenant shall pay for and install any required metering devices for said utilities and shall maintain a separate accounts for utility purposes. Tenant shall be responsible for all utility extensions required for its use and for obtaining any necessary access easements to the Premises.

1.5 Possession. Landlord covenants to provide Tenant with peaceful possession of the Premises, and Tenant, by taking possession of the Premises, acknowledges that the Premises are in satisfactory and acceptable condition for its use.

## **2. ALTERATIONS AND IMPROVEMENTS.**

2.1 Tenant shall not make any structural or exterior alterations to the Premises without Landlord's written consent. Tenant at its cost shall have the right to make, without Landlord's consent, non-structural alterations to the interior of the Premises that Tenant requires in order to conduct its business on the Premises. In making any alterations that Tenant has a right to make, Tenant shall comply with the following:

2.1.1 Tenant shall submit reasonably detailed final plans and specifications and working drawings of the proposed alterations and the name of its contractor at least thirty (30) days before the date it intends to commence the alterations.

2.1.2 The alterations shall not be commenced until two days after Landlord has received notice from Tenant stating the date of the installation of the alterations is to commence so that Landlord can post and record an appropriate notice of non-responsibility.

2.1.3 The alterations shall be approved by all appropriate government agencies, and all applicable permits and authorizations shall be obtained before commencement of the alterations.

2.1.4 All alterations shall be completed with due diligence in compliance with the plans and specifications and working drawings and all applicable laws.

2.2 Any alterations made shall remain on and be surrendered with the Premises on expiration or termination of the Lease, except that Landlord may elect within thirty (30) days before the expiration of the Lease, or within five (5) days after termination of the Lease, to require Tenant to remove any alterations that Tenant has made to the Premises. If Landlord so elects, Tenant at its cost shall restore the Premises to the condition designated by Landlord in its election, before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later.

2.3 If Tenant is not then in default of any provisions of this Lease, Tenant shall have the right to remove from the Premises immediately before the expiration of the term, nor within thirty (30) days after termination of the term, any alterations Tenant has made to the premises, as long as the removal will not cause any structural damage to the Premises, and Tenant at its cost promptly restores any damage caused by the removal.

## **3. HAZARDOUS SUBSTANCES**

3.1 Tenant shall not use the Premises, nor permit them to be used, for any purpose which shall increase the existing insurance rates under Landlord's policies for the Premises, or cause the cancellation of any insurance policy of Landlord's covering the Premises.

3.1.1 Tenant shall not commit any waste upon the Premises, nor cause any public or private nuisance or other act that may disturb the quiet enjoyment of any other tenant.

3.1.2 Tenant shall not allow store any flammable materials or hazardous waste.

3.2 Hazardous Material. There shall be no use or storage of flammable materials, hazardous waste or a Regulated Substance on the Premises. Use or storage of such materials on the Premises shall constitute a material breach of this Lease. Regulated Substances include, but are not limited to, any and all substances, materials or wastes regulated under the Resource Conservation and Recovery Act, 43 U.S.C. § 8909, *et seq.*; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601, *et seq.*; the Arizona Hazardous Waste Management Act, A.R.S. § 49-921, *et seq.*; the Arizona Underground Storage Tank Regulation Act, A.R.S. § 49-101, *et seq.*; and the rules and regulations adopted and guidelines promulgated pursuant to the applicable laws.

3.3 Tenant shall not release, discharge, leak or emit, or permit to be released, discharged, leaked or emitted into the atmosphere, ground, soil, sewer system, surface water or groundwater any substance if such substance (as reasonably determined by Landlord, or any governmental authority) does or may pollute or contaminate the same, or may adversely affect (a) the environment, (b) the health, welfare or safety of persons whether located on the Premises or elsewhere, or (c) the condition, value, use or enjoyment of the Premises or any other real or personal property. Tenant has or will timely obtain, maintain and comply with all provisions of all permits, licenses and other authorizations which are required under the applicable laws (hereinafter referred to as the "Permits").

3.4 Tenant shall immediately notify Landlord, orally and in writing, of any allegations by any governmental authority or other person or entity of any event of non-compliance with the applicable laws or permits of this section. Tenant shall also immediately notify Landlord orally and in writing, of any allegations by any governmental authority or other person or entity, of any events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance with applicable laws, Permits or the provisions of this section, or which may give rise to any common law or legal liability, or otherwise form the basis of any claim, action, suit, proceeding, hearing or investigation, based on or related to the generation, manufacture, distribution, use, treatment, storage, disposal, transport, or handling, or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant or Regulated Substance.

3.5. Landlord, or its authorized representative, agent or contractor, shall have the right, upon reasonable notice, to inspect the Premises and to review and copy documents, records, and data maintained by Tenant relating to substances used and stored on the Premises or disposed of, released or otherwise removed from the Premises, in order to assure itself that Tenant is in compliance with the provisions of this Section 3.

3.6. Landlord shall have the right, at its expense, to perform periodic environmental inspections as Landlord deems necessary using the services of a qualified and duly licensed environmental engineers approved by Tenant whose approval thereof may not be unreasonably withheld. The said engineers shall conduct such sampling and testing of soils, water, substances and emissions as Landlord deems necessary to assure itself that Tenant is in compliance with the

provisions of this Section 3. In the event the results of the inspection indicate a need for further testing and/or remediation as a result of Tenant's use of the Premises in order to comply with ADEQ or EPA remediation standards or guidelines, then Tenant hereby agrees to reimburse Landlord for its reasonable inspection costs and to pay for such additional testing and remediation as will be required as a consequence of Tenant's use of the Premises. Should remediation be required as a consequence of Tenant's use of Premises, Tenant shall immediately undertake such remediation as is necessary to restore the condition of the Premises and shall diligently pursue such work to completion. Tenant's failure to timely perform its obligations set forth herein shall be considered a material breach of this Lease, and Tenant's obligations under this Section 3 shall continue beyond the expiration or termination hereof. Nothing in this Section 3 shall constitute a waiver of any right of Tenant, including without limitation, the right to receive contribution from any individual or entity responsible for contamination of any part of the Premises.

3.6. To the fullest extent permitted by law, Tenant agrees to indemnify, defend and hold Landlord harmless for any costs of legally required remediation of environmental contamination and from any claims, demands, actions, suits, proceedings, hearings, investigations, responsibility, liability, orders, injunctions, judgments, fines, damages and losses of any nature whatsoever, arising out of or relating in any way to Tenant's present or future use of, or activities or operations on or at, the Premises, or arising from or relating to any breach of the provisions of this Section 3. Tenant also agrees to indemnify and hold Landlord harmless any costs and expenses incurred in connection therewith, including without limitation, any attorneys' and expert witness fees, investigation, clean up, removal, disposal, remedial, corrective, or mitigating action costs, fines and penalties related in any way to Tenant's use of the Premises. These indemnities shall survive the termination of this Lease.

#### **4. ENTRY BY LANDLORD.**

4.1 Landlord reserves the right to enter upon or have its agent enter the Premises for purposes of inspection and to verify compliance with this Lease. Landlord shall notify Tenant at least twenty-four hours prior to any inspection, except when circumstances require immediate action. Landlord shall endeavor to schedule all inspections at such times that would have minimal impact on the operations of the business of Tenant.

4.2 Tenant hereby waives any claim for damage for any injury or inconvenience to, or interference with, Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by Landlord's entry unless such claim is a direct result of Landlord's willful misconduct.

4.3 Landlord shall have the right to use any and all means which Landlord deems proper to open any doors or gates in an emergency in order to obtain entry to the Premises and any entry into the Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible, unlawful, negligent entry into, and shall not be construed or deemed as conduct intended to cause damage or injury, or a detainer of the Premises or an eviction of Tenant from the Premises or any portion thereof.

## 5. INDEMNIFICATION AND INSURANCE.

5.1 Disclaimer of Liability. Landlord shall not at any time be liable for injury or damage occurring to any person or property from any cause whatsoever arising out of Tenant's use of the Premises.

### 5.2 Indemnification.

5.2.1 Tenant shall indemnify and hold harmless Landlord, its agents, employees, councilmembers, boards and assignees, from and against any and all liability, claims, damages, penalties, costs, charges, losses and expenses for attorneys, expert witnesses and consultants, for any bodily injury, loss or damage to any person or property arising out of or occasioned by the use or occupancy of the Premises by Tenant and from and against all bodily injury, loss, claim, or damage to any person or property anywhere occasioned by any act or omission of Tenant.

5.2.2 If Landlord shall, without fault of Landlord, be made a party to any litigation commenced by or against Tenant for any of the above reasons, then Tenant shall protect, defend and hold Landlord harmless and pay all costs, penalties, charges, damages, expenses, and reasonable attorney's fees incurred or paid by Landlord.

5.2.3 Tenant shall assume all risks of loss injury or damage of any kind or nature whatsoever to any fixture or other structure belonging to Tenant which may be now or hereafter placed upon or in the Premises and all risks of loss, injury or damage of any kind or nature whatsoever to the contents of such structures or to any goods, merchandise, chattels or any other property now or that may hereafter be upon said leased premises whether belonging to Tenant or others. If there is such loss, injury or damage resulting from fire or other agency, and whether the same be caused by the negligence of Landlord or any of its employees or agents or otherwise and to save and keep harmless Landlord from all claims and suits growing out of any such loss, injury or damage.

5.2.4 As used herein, the term "person" means any person, firm, corporation, association, partnership, trust, joint venture, or other entity.

5.3 Insurance. Tenant, at Tenant's expense, shall obtain and keep in force during the term of this Lease a policy of Comprehensive General Liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Minimum coverage for Comprehensive General Liability insurance is \$2,000,000 per occurrence and \$4,000,000 aggregate. The limit of said insurance shall not, however, limit the liability of the Tenant hereunder. Tenant may carry said insurance under a blanket policy, providing, however, said insurance by Tenant shall have a Landlord's protective liability endorsement attached thereto. If Tenant fails to procure and maintain said insurance, Landlord may, but shall not be required to, procure and maintain same, but at the expense of Tenant. Insurance required hereunder, shall be in companies rated A+, AAA or better in "Best's Insurance Guide". Tenant shall deliver to Landlord prior to occupancy of the Premises copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Landlord.

No policy shall be cancelable or subject to reduction of coverage except after ten (10) days' prior written notice to Landlord.

#### 5.4 Waiver of Subrogation.

5.4.1 The parties release each other, and their respective authorized representatives from any claims for damage to any person or to the Premises and the Building and other improvements in which the Premises are located, and to the fixtures, personal property, Tenant's improvements and alterations of either Landlord or Tenant in or on the Premises and the Building and other improvements in which the Premises are located that are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time of any such damage.

5.4.2 Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy. Neither party shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by this Lease. If any insurance policy cannot be obtained with a waiver of subrogation, or is obtainable only by the payment of an additional premium charge above that charged by insurance companies issuing policies without waiver of subrogation, the party undertaking to obtain the insurance shall notify the other party of this fact. The other party shall have a period of ten (10) days after receiving the notice either to place the insurance with a company that is reasonably satisfactory to the other party and that will carry the insurance with a waiver of subrogation, or to agree to pay the additional cost. If the insurance cannot be obtained or the party in whose favor a waiver of subrogation is desired refuses to pay the additional premium charged, the other party is relieved of the obligation to obtain a waiver of subrogation rights with respect to that particular insurance involved.

### **6. REPAIRS AND MAINTENANCE.**

6.1 Tenant shall repair any damage caused to the Premises by Tenant, its employees, agents, invitees, licensees, or visitors. If Tenant fails to make any such repairs or replacements promptly, Landlord may, in its sole discretion, make such repairs after providing at least thirty (30) days' prior written notice to Tenant, and Tenant shall repay the reasonable cost of such repairs to Landlord upon demand.

6.2 Manure and other animal waste.

6.3 Events – clean up and no overflow to other areas of property or neighbors

**7. COMPLIANCE WITH THE LAW.** Tenant shall not use the Premises or any use or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other

similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

**8. TAXES.** Together with and in addition to any payment of rent or any other sums payable to or for the benefit of Landlord pursuant to this Lease, Tenant shall pay to Landlord any excise, sales, occupancy, franchise, privilege, rental or transaction privilege tax levied by any governmental authority upon Landlord as a result and to the extent of such payments hereunder or as a result of Tenant's use or occupancy of the Premises, and any taxes assessed or imposed in lieu of or in substitution for any of the foregoing taxes whether now existing or hereafter enacted.

**9. EMINENT DOMAIN.** Either party may terminate this Lease if the whole or any material part of the Premises shall be taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase, in lieu thereof (a "Taking"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Property which would leave the remainder of the property unsuitable for use. In order to exercise its right to terminate the Lease, Landlord or Tenant, as the case may be, must provide written notice of termination to the other within 45 days after the terminating party first receives notice of the Taking. Any such termination shall be effective as of the date the physical taking of the Premises or the portion of the Property occurs. If this Lease is not terminated, the acreage leased by the Tenant and the Tenant's Pro Rata Share shall, if applicable, be appropriately adjusted. In addition, Rent for any portion of the Premises taken or condemned shall be abated during the unexpired Term of this Lease effective when the physical taking of the portion of the Premises occurs. All compensation awarded for a Taking, or sale proceeds (other than any compensation which may be separately awarded to Tenant pursuant to the terms of the next succeeding sentence), shall be the property of Landlord, any right to receive compensation or proceeds being expressly waived by Tenant. However, Tenant may file a separate claim at its sole cost and expense in connection with such Taking for Tenant's property and Tenant's reasonable relocation expenses, provided the filing of the claim does not diminish the award which would otherwise be receivable by Landlord. As used in this section, the word "condemned" shall include (a) receipt of written notice of the intent to condemn from an entity having the power of eminent domain, (b) the filing of any action or proceeding for condemnation by any such entity, and (c) the conveyance of any interest in the Premises by the Landlord or the Tenant to a public or quasi public authority having the power of eminent domain with respect to the Premises as a result of the authority's express written intent to condemn.

**10. ASSIGNMENT AND SUBLETTING.** Tenant shall not assign, transfer, mortgage, pledge, encumber, sublet or part with the possession of the whole or any part of the Premises without first obtaining the written consent of Landlord.

**11. DEFAULT.**

11.1 **Tenant's Default.** If Tenant fails to pay any rent due hereunder or fails to keep and perform any of the other terms, conditions or covenants set forth herein, or breaches the provisions of this Lease in any other manner, then an Event of Default shall have been deemed to occur.

11.2 **Landlord Default.** It shall be a default if Landlord fails to perform any of its obligations as set forth in this Lease and does not cure such default within thirty (30) days after written notice from Tenant describing the alleged default.

## **12. REMEDIES.**

12.1 **Event of Default by Tenant.** An event of default by Tenant concerning failure to pay rent as required herein shall be cured within ten (10) days after written notice to Tenant. An Event of Default concerning any default other than failure to pay rent shall be cured within thirty (30) days or, if the default cannot be cured within thirty (30) days, such longer period as is reasonably required not to exceed ninety (90) days, provided Tenant is diligent in its efforts to cure, after written notice to Tenant. Upon failure of Tenant to cure any two events of Default (whether the same or different) two times during any twelve (12) month period, Landlord shall have the right, at its option, in addition to any other remedy Landlord may have by operation of law, to terminate this Lease without any further demand or notice.

12.2 **Event of Default by Landlord.** In the event of default by Landlord, Tenant shall have the right, at its option, to terminate this Lease in addition to any other remedy Tenant may have by operation of law, without any further demand or notice.

12.3 **Litigation.** If litigation for breach of this Lease is brought, the prevailing party shall be awarded its reasonable attorney's fees and costs.

**13. TERMINATION.** Either party shall have the right to terminate this Lease as set forth in this Section, by providing written notice to the other party at least ninety (90) days in advance of the date of termination. Termination shall be permitted by mutual written Lease of the Parties. If Tenant terminates the Lease, all rents paid in advance to Landlord become non-refundable.

**14. REDELIVERY OF PREMISES.** Tenant agrees to redeliver to Landlord the physical possession of the Premises at the end of the Term of this Lease, in substantially similar or better condition as delivered to Tenant at the commencement of this Lease. All Improvements placed on the Premises during the Term of this Lease shall be removed at Landlord's request, and at the cost of Tenant. If Tenant fails to remove the Improvements within thirty (30) days of written notice by Landlord to do so, Landlord may remove the Improvements and charge the cost to the Tenant. Tenant shall pay such costs within ten (10) business days of the date of the invoice for such removal.

**15. HOLDING OVER.** Any holding over after the expiration of the Term of this Lease shall be deemed to constitute a tenancy from month to month only, and shall be on the same terms

and conditions as specified in this Lease, so far as applicable, and at a monthly rental equal to that for the last month of the Term of the Lease.

**16. DISPUTE RESOLUTION.**

16.1 Arizona Law. This Lease shall be governed by and all disputes resolved pursuant to the laws of the State of Arizona.

16.2 Mediation. Any disputes that arise out of this Lease shall first be submitted to mediation using a professional, independent mediator, as agreed to by the Parties. No litigation may be filed by either Party unless one party fails to mediate in good faith or good faith mediation by both Parties fails to resolve the dispute.

16.3 Attorney's Fees. If either party institutes a lawsuit against the other to construe, enforce, or for breach of this Lease, or if either party intervenes in any suit in which the other is a party to enforce or protect its interest or rights pursuant to the Lease, the prevailing party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

**17. ENTIRE AGREEMENT.** This Lease constitutes the entire agreement between the parties and supersedes all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents.

**18. NOTICE.** All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given if personally delivered with receipt, or mailed, certified mail, return receipt requested, to the following addresses::

To Landlord: Town Manager  
Town of Chino Valley  
202 North State Route 89  
Chino Valley, AZ 86323

To Tenant:

**19. SEVERABILITY.** The inability or unenforceability of any covenant, term or condition of this Lease shall not affect the validity or enforceability of any other covenant, term or condition of this Lease and such other covenants, terms and conditions shall remain in full force and effect.

**IN WITNESS WHEREOF,** each of Landlord and Tenant have executed this Lease on the dates indicated below.

Entered into this \_\_\_\_ day of \_\_\_\_\_, 2016 by Tenant:

TENANT, \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

LANDLORD, TOWN OF CHINO VALLEY, ARIZONA

\_\_\_\_\_  
Chris Marley, Mayor

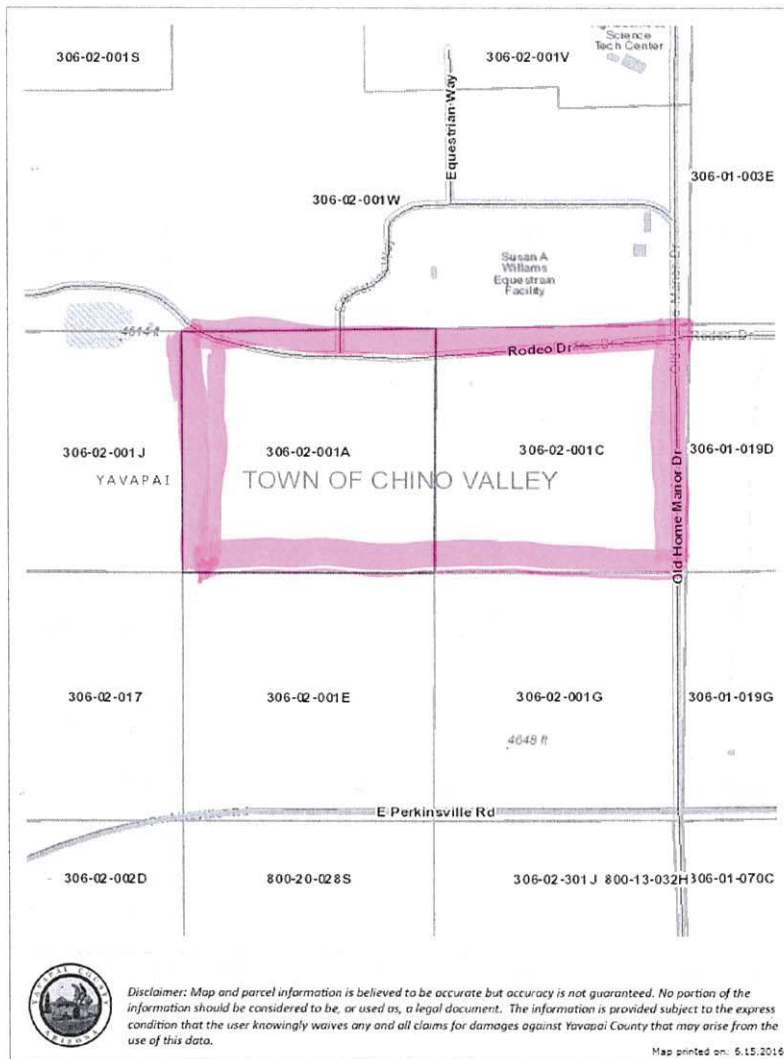
ATTEST:

\_\_\_\_\_

Jami Lewis, Town Clerk

**EXHIBIT A**  
**Legal Description**







## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. d.

**Meeting Date:** 06/28/2016  
**Contact Person:** Joe Duffy, Finance Director  
 Phone: 928-636-2646 x-1211  
**Department:** Finance  
**Item Type:** Action-Presentation  
**Estimated length of staff presentation:** 15 minutes  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

PUBLIC HEARING and consideration and possible action to approve Resolution No. 16-1085 adopting a Final Budget for fiscal year 2016/2017, and proposed expenditure limitation for the same year, in the amount of \$21,738,500.

### RECOMMENDED ACTION:

(1) Hold public hearing; and (2) Approve Resolution No. 16-1085 adopting a Final Budget and proposed expenditure limitation for fiscal year 2016/2017 in the amount of \$21,738,500.

### SITUATION AND ANALYSIS:

On May 24, 2016 the Mayor and Council adopted Resolution No. 16-1082 adopting the Tentative Budget for the Fiscal Year 2016/2017, and setting the Expenditure Limitation at \$21,738,500. The Tentative Budget was posted on the Town's website.

The State Budget Forms were published two times in the Chino Valley Review.

After the public hearing, staff recommends approving Resolution No. 16-1085 and adopting the Final Budget for Fiscal Year 2016/2017.

### Fiscal Impact

**Fiscal Impact?:** Yes

**If Yes, Budget Code:** All

**Available:**

**Funding Source:**

Adoption of this item establishes a final budget and the expenditure limitation for FY 2016-2017.

### Attachments

Resolution 16-1085  
State Budget Forms

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## RESOLUTION NO. 16-1085

### A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, YAVAPAI COUNTY, ARIZONA, ADOPTING THE FINAL BUDGET FOR THE FISCAL YEAR 2016/2017 AND SETTING AN EXPENDITURE LIMITATION TO GOVERN THE TOWN OF CHINO VALLEY BUDGET FOR FISCAL YEAR 2016/2017; 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 Arizona Revised Statutes ("ARS") Section 41-563.03(C), (E) and (G), the qualified voters of the Town of Chino Valley, on March 12, 2013, adopted an Alternative Expenditure Limitation for the Town; and

WHEREAS, Proposition 424, which set forth said Alternative Expenditure Limitation, provided that 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 ARS Title 42, Chapter 17, Articles 1-5, on May 24, 2016, the Town Council approved a tentative budget for Fiscal Year 2016/2017 setting forth an estimate of the amounts required to meet the public expenditures/expenses for the ensuing year, 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 Arizona state law and following required public notice, the Council met and held a public hearing on June 28, 2016, at which any taxpayer was permitted to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies; and

WHEREAS, the expenditures/expenses in the proposed final budget for Fiscal Year 2016/2017 do not exceed the expenditures/expenses shown on the published tentative budget;

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

1. That the expenditure limitation to govern the Town of Chino Valley budget for Fiscal Year 2016/2017 is hereby established in an amount not to exceed **\$21,738,500**.
2. That the estimates of revenues and expenditures shown on the schedules attached hereto as Exhibit A and expressly incorporated herein by this reference, are hereby adopted as the budget of the Town of Chino Valley for Fiscal Year 2016/2017.

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 28th day of June, 2016.

\_\_\_\_\_  
Chris Marley, Mayor

ATTEST:

\_\_\_\_\_  
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Phyllis L.N. Smiley, Town Attorney

I hereby certify the above foregoing Resolution No. 16-1085 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on June 28, 2016, and that quorum was present thereat and that the vote thereon was \_\_\_\_ ayes and \_\_\_\_ nays and \_\_\_\_ abstentions. \_\_\_\_ Council members were absent or excused.

\_\_\_\_\_  
Jami C. Lewis, Town Clerk

The following exhibits are attached hereto and incorporated herein:

A. Estimates of Revenues and Expenditures

**OFFICIAL BUDGET FORMS**

**Town of Chino Valley**

**Fiscal Year 2017**

**Town of Chino Valley**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2017**

| Fiscal Year                                           | S<br>c<br>h | FUNDS        |                      |                   |                       |                |                            |                        |                 |
|-------------------------------------------------------|-------------|--------------|----------------------|-------------------|-----------------------|----------------|----------------------------|------------------------|-----------------|
|                                                       |             | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Permanent Fund | Enterprise Funds Available | Internal Service Funds | Total All Funds |
| 2016 Adopted/Adjusted Budgeted Expenditures/Expenses* | E           | 8,001,500    | 4,471,500            | 737,000           | 3,393,000             | 0              | 7,334,400                  | 0                      | 23,937,400      |
| 2016 Actual Expenditures/Expenses**                   | E           | 7,494,060    | 2,087,610            | 731,806           | 2,024,883             | 0              | 2,161,292                  | 0                      | 14,499,651      |
| 2017 Fund Balance/Net Position at July 1***           |             |              |                      |                   |                       |                |                            |                        | 0               |
| 2017 Primary Property Tax Levy                        | B           | 0            |                      |                   |                       |                |                            |                        | 0               |
| 2017 Secondary Property Tax Levy                      | B           |              |                      |                   |                       |                |                            |                        | 0               |
| 2017 Estimated Revenues Other than Property Taxes     | C           | 8,054,500    | 4,424,000            | 0                 | 4,046,000             |                | 4,650,500                  |                        | 21,175,000      |
| 2017 Other Financing Sources                          | D           | 0            | 0                    | 0                 | 0                     | 0              | 0                          | 0                      | 0               |
| 2017 Other Financing (Uses)                           | D           | 0            | 0                    | 0                 | 0                     | 0              | 0                          | 0                      | 0               |
| 2017 Interfund Transfers In                           | D           | 250,000      | 75,000               | 727,000           | 553,000               | 0              | 75,000                     | 0                      | 1,680,000       |
| 2017 Interfund Transfers (Out)                        | D           | 75,000       | 0                    | 0                 | 1,605,000             | 0              | 0                          | 0                      | 1,680,000       |
| 2017 Reduction for Amounts Not Available:             |             |              |                      |                   |                       |                |                            |                        |                 |
| LESS: Amounts for Future Debt Retirement:             |             |              |                      |                   |                       |                |                            |                        | 0               |
|                                                       |             |              |                      |                   |                       |                |                            |                        | 0               |
|                                                       |             |              |                      |                   |                       |                |                            |                        | 0               |
|                                                       |             |              |                      |                   |                       |                |                            |                        | 0               |
| 2017 Total Financial Resources Available              |             | 8,229,500    | 4,499,000            | 727,000           | 2,994,000             |                | 4,725,500                  | 0                      | 21,175,000      |
| 2017 Budgeted Expenditures/Expenses                   | E           | 8,429,500    | 4,553,500            | 727,000           | 2,937,500             | 0              | 5,091,000                  | 0                      | 21,738,500      |

**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 expenditure limitation

|    | 2016       | 2017          |
|----|------------|---------------|
| \$ | 23,937,400 | \$ 21,738,500 |
|    | 23,937,400 | 21,738,500    |
| \$ | 23,937,400 | \$ 21,738,500 |

☐ x 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 the 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 on this line represent Fund Balance/Net Position 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**  
**Tax Levy and Tax Rate Information**  
**Fiscal Year 2017**

|                                                                                                                                                                                                                                                                                                                                       | <b>2016</b>                    | <b>2017</b>                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| 1. Maximum allowable primary property tax levy.<br>A.R.S. §42-17051(A)                                                                                                                                                                                                                                                                | \$ <u>                    </u> | \$ <u>                    </u> |
| 2. Amount received from primary property taxation in<br>the <b>current year</b> in excess of the sum of that year's<br>maximum allowable primary property tax levy.<br>A.R.S. §42-17102(A)(18)                                                                                                                                        | \$ <u>                    </u> |                                |
| 3. Property tax levy amounts                                                                                                                                                                                                                                                                                                          |                                |                                |
| A. Primary property taxes                                                                                                                                                                                                                                                                                                             | \$ <u>                    </u> | \$ <u>                    </u> |
| B. Secondary property taxes                                                                                                                                                                                                                                                                                                           | \$ <u>                    </u> | \$ <u>                    </u> |
| C. Total property tax levy amounts                                                                                                                                                                                                                                                                                                    | \$ <u>                    </u> | \$ <u>                    </u> |
| 4. Property taxes collected*                                                                                                                                                                                                                                                                                                          |                                |                                |
| A. Primary property taxes                                                                                                                                                                                                                                                                                                             |                                |                                |
| (1) <b>Current</b> year's levy                                                                                                                                                                                                                                                                                                        | \$ <u>                    </u> |                                |
| (2) Prior years' levies                                                                                                                                                                                                                                                                                                               | \$ <u>                    </u> |                                |
| (3) Total primary property taxes                                                                                                                                                                                                                                                                                                      | \$ <u>                    </u> |                                |
| B. Secondary property taxes                                                                                                                                                                                                                                                                                                           |                                |                                |
| (1) <b>Current</b> year's levy                                                                                                                                                                                                                                                                                                        | \$ <u>                    </u> |                                |
| (2) Prior years' levies                                                                                                                                                                                                                                                                                                               | \$ <u>                    </u> |                                |
| (3) Total secondary property taxes                                                                                                                                                                                                                                                                                                    | \$ <u>                    </u> |                                |
| C. Total property taxes collected                                                                                                                                                                                                                                                                                                     | \$ <u>                    </u> |                                |
| 5. Property tax rates                                                                                                                                                                                                                                                                                                                 |                                |                                |
| A. City/Town tax rate                                                                                                                                                                                                                                                                                                                 |                                |                                |
| (1) Primary property tax rate                                                                                                                                                                                                                                                                                                         | <u>                    </u>    | <u>                    </u>    |
| (2) Secondary property tax rate                                                                                                                                                                                                                                                                                                       | <u>                    </u>    | <u>                    </u>    |
| (3) Total city/town tax rate                                                                                                                                                                                                                                                                                                          | <u>                    </u>    | <u>                    </u>    |
| B. Special assessment district tax rates                                                                                                                                                                                                                                                                                              |                                |                                |
| Secondary property tax rates - As of the date the proposed budget was prepared, the<br>city/town was operating <u>    3    </u> special assessment districts for which secondary<br>property taxes are levied. For information pertaining to these special assessment districts<br>and their tax rates, please contact the city/town. |                                |                                |

\* 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  
Revenues Other Than Property Taxes  
Fiscal Year 2017**

| <b>SOURCE OF REVENUES</b>      | <b>ESTIMATED<br/>REVENUES<br/>2016</b> | <b>ACTUAL<br/>REVENUES*<br/>2016</b> | <b>ESTIMATED<br/>REVENUES<br/>2017</b> |
|--------------------------------|----------------------------------------|--------------------------------------|----------------------------------------|
| <b>GENERAL FUND</b>            |                                        |                                      |                                        |
| <b>Local taxes</b>             |                                        |                                      |                                        |
| Sales Taxes                    | \$ 3,904,000                           | \$ 3,951,879                         | \$ 4,066,000                           |
| Franchise Taxes                | 134,500                                | 136,767                              | 128,000                                |
| <b>Licenses and permits</b>    |                                        |                                      |                                        |
| Building Permits               | 125,000                                | 175,118                              | 175,000                                |
| Business Licenses              | 60,000                                 | 59,187                               | 62,000                                 |
| Plan Check Fees                | 65,000                                 | 88,892                               | 90,000                                 |
| Other Licenses and Permits     | 10,000                                 | 14,941                               | 11,000                                 |
| <b>Intergovernmental</b>       |                                        |                                      |                                        |
| State Shared Sales Tax         | 1,033,000                              | 1,033,737                            | 1,046,000                              |
| State Shared Income Tax        | 1,302,000                              | 1,302,365                            | 1,359,000                              |
| Vehicle License Tax            | 641,000                                | 644,260                              | 663,000                                |
| Yavapai County Library Funds   | 109,000                                | 101,087                              | 101,000                                |
| Police Dept Grants             | 32,500                                 | 6,528                                | 7,500                                  |
| Senior Nutrition Grant         | 72,000                                 | 50,652                               | 52,000                                 |
| <b>Charges for services</b>    |                                        |                                      |                                        |
| Engineering Fees               | 2,500                                  | 18,050                               | 5,000                                  |
| Senior Nutrition Program Fees  | 8,500                                  | 16,126                               | 16,000                                 |
| Facility Use Fees              | 18,000                                 | 23,218                               | 25,000                                 |
| Police Report Fees             | 3,000                                  | 2,430                                | 3,000                                  |
| Aquatic Center Fees            | 73,500                                 | 72,358                               | 75,000                                 |
| Other Charges for Services     | 2,500                                  | 989                                  | 3,500                                  |
| <b>Fines and forfeits</b>      |                                        |                                      |                                        |
| Animal Control Fees            | 31,000                                 | 26,998                               | 30,000                                 |
| Library Fines                  | 4,000                                  | 3,482                                | 4,000                                  |
| Court Fines and Forfeitures    | 105,000                                | 117,973                              | 124,000                                |
| <b>Interest on investments</b> |                                        |                                      |                                        |
| Interest                       | 500                                    | 2,128                                | 1,500                                  |
| <b>Contributions</b>           |                                        |                                      |                                        |
| Sponsorships                   | 2,000                                  | 708                                  | 1,000                                  |
| Senior Center Thrift Store     | 1,500                                  | 1,329                                | 1,500                                  |
| Friends of the Library         |                                        |                                      |                                        |
| <b>Miscellaneous</b>           |                                        |                                      |                                        |
| Other Revenues                 | 1,500                                  | 5,960                                | 4,500                                  |
| <b>Total General Fund</b>      | <b>\$ 7,741,500</b>                    | <b>\$ 7,857,162</b>                  | <b>\$ 8,054,500</b>                    |

\* 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  
Revenues Other Than Property Taxes  
Fiscal Year 2017**

| <b>SOURCE OF REVENUES</b>                 | <b>ESTIMATED<br/>REVENUES<br/>2016</b> | <b>ACTUAL<br/>REVENUES*<br/>2016</b> | <b>ESTIMATED<br/>REVENUES<br/>2017</b> |
|-------------------------------------------|----------------------------------------|--------------------------------------|----------------------------------------|
| <b>SPECIAL REVENUE FUNDS</b>              |                                        |                                      |                                        |
| Highway User Revenue Fund                 |                                        |                                      |                                        |
| Highway User Revenue                      | \$ 843,000                             | \$ 875,938                           | \$ 853,000                             |
| Interest                                  | 500                                    | 935                                  | 1,000                                  |
| Miscellaneous                             | 1,500                                  | 1,822                                | 1,500                                  |
|                                           | <u>\$ 845,000</u>                      | <u>\$ 878,695</u>                    | <u>\$ 855,500</u>                      |
| CDBG Grants                               | \$                                     | \$                                   | \$                                     |
|                                           | <u>\$</u>                              | <u>\$</u>                            | <u>\$</u>                              |
| Miscellaneous Grants                      | \$ 3,385,000                           | \$ 1,100,000                         | \$ 3,500,000                           |
|                                           | <u>\$ 3,385,000</u>                    | <u>\$ 1,100,000</u>                  | <u>\$ 3,500,000</u>                    |
| Special Revenue Fund-Court                | \$ 9,500                               | \$ 10,751                            | \$ 9,500                               |
| Special Revenue Fund-PD                   | 45,000                                 | 60,937                               | 55,000                                 |
| Lighting Improvement Districts #1, #2, #3 | 4,000                                  | 4,000                                | 4,000                                  |
|                                           | <u>\$ 58,500</u>                       | <u>\$ 75,688</u>                     | <u>\$ 68,500</u>                       |
| <b>Total Special Revenue Funds</b>        | <u>\$ 4,288,500</u>                    | <u>\$ 2,054,383</u>                  | <u>\$ 4,424,000</u>                    |
| <b>CAPITAL PROJECTS FUNDS</b>             |                                        |                                      |                                        |
| Impact Fee Funds                          | \$                                     | \$ 12,570                            | \$                                     |
| Capital Improvements Fund                 | 4,060,500                              | 1,973,902                            | 4,035,500                              |
| Replacement Fund                          | 500                                    | 51,964                               | 10,500                                 |
|                                           | <u>\$ 4,061,000</u>                    | <u>\$ 2,038,436</u>                  | <u>\$ 4,046,000</u>                    |
| <b>Total Capital Projects Funds</b>       | <u>\$ 4,061,000</u>                    | <u>\$ 2,038,436</u>                  | <u>\$ 4,046,000</u>                    |
| <b>ENTERPRISE FUNDS</b>                   |                                        |                                      |                                        |
| Water Enterprise Fund                     | \$ 5,038,000                           | \$ 568,649                           | \$ 2,531,000                           |
| Sewer Enterprise Fund                     | 2,134,500                              | 1,566,663                            | 2,119,500                              |
|                                           | <u>\$ 7,172,500</u>                    | <u>\$ 2,135,312</u>                  | <u>\$ 4,650,500</u>                    |
| <b>Total Enterprise Funds</b>             | <u>\$ 7,172,500</u>                    | <u>\$ 2,135,312</u>                  | <u>\$ 4,650,500</u>                    |
| <b>TOTAL ALL FUNDS</b>                    | <u>\$ 23,263,500</u>                   | <u>\$ 14,085,293</u>                 | <u>\$ 21,175,000</u>                   |

\* 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**  
**Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2017**

| <b>FUND</b>                         | <b>OTHER FINANCING<br/>2017</b> |                     | <b>INTERFUND TRANSFERS<br/>2017</b> |                    |
|-------------------------------------|---------------------------------|---------------------|-------------------------------------|--------------------|
|                                     | <b>SOURCES</b>                  | <b>&lt;USES&gt;</b> | <b>IN</b>                           | <b>&lt;OUT&gt;</b> |
| <b>GENERAL FUND</b>                 |                                 |                     |                                     |                    |
| Capital Improvement Fund            | \$                              | \$                  | \$ 250,000                          | \$                 |
| General Fund                        |                                 |                     |                                     | 75,000             |
| <b>Total General Fund</b>           | \$                              | \$                  | \$ 250,000                          | \$ 75,000          |
| <b>SPECIAL REVENUE FUNDS</b>        |                                 |                     |                                     |                    |
| HURF Fund                           |                                 |                     | 75,000                              |                    |
| <b>Total Special Revenue Funds</b>  | \$                              | \$                  | \$ 75,000                           | \$                 |
| <b>DEBT SERVICE FUNDS</b>           |                                 |                     |                                     |                    |
| Capital Improvement Fund            | \$                              | \$                  | \$ 727,000                          | \$                 |
| <b>Total Debt Service Funds</b>     | \$                              | \$                  | \$ 727,000                          | \$                 |
| <b>CAPITAL PROJECTS FUNDS</b>       |                                 |                     |                                     |                    |
| Capital Improvement Fund            | \$                              | \$                  | \$ 553,000                          | \$ 1,052,000       |
| Road Impact Fee Fund                |                                 |                     |                                     | 553,000            |
| <b>Total Capital Projects Funds</b> | \$                              | \$                  | \$ 553,000                          | \$ 1,605,000       |
| <b>ENTERPRISE FUNDS</b>             |                                 |                     |                                     |                    |
| Water Enterprise                    | \$                              | \$                  | \$ 75,000                           | \$                 |
| <b>Total Enterprise Funds</b>       | \$                              | \$                  | \$ 75,000                           | \$                 |
| <b>TOTAL ALL FUNDS</b>              | \$                              | \$                  | \$ 1,680,000                        | \$ 1,680,000       |

**Town of Chino Valley  
Expenditures/Expenses by Fund  
Fiscal Year 2017**

| <b>FUND/DEPARTMENT</b>              | <b>ADOPTED<br/>BUDGETED<br/>EXPENDITURES/<br/>EXPENSES<br/>2016</b> | <b>EXPENDITURE/<br/>EXPENSE<br/>ADJUSTMENTS<br/>APPROVED<br/>2016</b> | <b>ACTUAL<br/>EXPENDITURES/<br/>EXPENSES*<br/>2016</b> | <b>BUDGETED<br/>EXPENDITURES/<br/>EXPENSES<br/>2017</b> |
|-------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| <b>GENERAL FUND</b>                 |                                                                     |                                                                       |                                                        |                                                         |
| Prosecutor                          | \$ 130,600                                                          | \$                                                                    | \$ 130,600                                             | \$ 123,700                                              |
| Town Clerk                          | 197,600                                                             |                                                                       | 183,373                                                | 224,000                                                 |
| Town Manager                        | 392,500                                                             |                                                                       | 395,000                                                | 371,400                                                 |
| Human Resources                     | 195,300                                                             |                                                                       | 195,300                                                | 221,600                                                 |
| Magistrate Court                    | 261,900                                                             |                                                                       | 254,788                                                | 278,600                                                 |
| Finance                             | 329,200                                                             |                                                                       | 329,200                                                | 343,200                                                 |
| Mgmt Info Systems                   | 273,600                                                             |                                                                       | 267,900                                                | 336,400                                                 |
| Mayor & Council                     | 33,000                                                              |                                                                       | 32,500                                                 | 43,200                                                  |
| Planning                            | 186,300                                                             |                                                                       | 190,850                                                | 207,000                                                 |
| Building Inspection                 | 277,100                                                             |                                                                       | 262,700                                                | 257,700                                                 |
| Police                              | 2,651,800                                                           |                                                                       | 2,499,661                                              | 2,768,800                                               |
| Animal Control                      | 123,300                                                             |                                                                       | 123,300                                                | 128,300                                                 |
| Recreation                          | 63,800                                                              |                                                                       | 70,600                                                 | 96,100                                                  |
| Library                             | 309,600                                                             |                                                                       | 309,455                                                | 312,600                                                 |
| Senior Center                       | 242,400                                                             |                                                                       | 241,800                                                | 271,600                                                 |
| Parks                               | 333,200                                                             |                                                                       | 386,870                                                | 373,400                                                 |
| Aquatic Center                      | 244,900                                                             |                                                                       | 232,902                                                | 220,400                                                 |
| Facilities Maintenance              | 345,900                                                             |                                                                       | 354,755                                                | 343,500                                                 |
| Fleet Maintenance                   | 341,000                                                             |                                                                       | 236,807                                                | 283,000                                                 |
| Engineering                         | 122,000                                                             |                                                                       | 141,841                                                | 125,900                                                 |
| Customer Service                    |                                                                     |                                                                       |                                                        | 118,100                                                 |
| Non-Departmental                    | 566,500                                                             |                                                                       | 653,858                                                | 581,000                                                 |
| Contingency                         | 380,000                                                             |                                                                       |                                                        | 400,000                                                 |
| <b>Total General Fund</b>           | <b>\$ 8,001,500</b>                                                 | <b>\$</b>                                                             | <b>\$ 7,494,060</b>                                    | <b>\$ 8,429,500</b>                                     |
| <b>SPECIAL REVENUE FUNDS</b>        |                                                                     |                                                                       |                                                        |                                                         |
| Highway User Revenue Fund           | \$ 1,014,000                                                        | \$                                                                    | \$ 905,351                                             | \$ 966,000                                              |
| Miscellaneous Grants Fund           | 3,385,000                                                           |                                                                       | 1,100,000                                              | 3,500,000                                               |
| Special Revenue Fund -- Court       | 38,500                                                              |                                                                       | 38,500                                                 | 38,500                                                  |
| Special Revenue Fund -- PD          | 30,000                                                              |                                                                       | 40,000                                                 | 45,000                                                  |
| Lighting Improvement Districts      | 4,000                                                               |                                                                       | 3,759                                                  | 4,000                                                   |
| <b>Total Special Revenue Funds</b>  | <b>\$ 4,471,500</b>                                                 | <b>\$</b>                                                             | <b>\$ 2,087,610</b>                                    | <b>\$ 4,553,500</b>                                     |
| <b>DEBT SERVICE FUNDS</b>           |                                                                     |                                                                       |                                                        |                                                         |
| Debt Service Fund                   | \$ 737,000                                                          | \$                                                                    | \$ 731,806                                             | \$ 727,000                                              |
| <b>Total Debt Service Funds</b>     | <b>\$ 737,000</b>                                                   | <b>\$</b>                                                             | <b>\$ 731,806</b>                                      | <b>\$ 727,000</b>                                       |
| <b>CAPITAL PROJECTS FUNDS</b>       |                                                                     |                                                                       |                                                        |                                                         |
| Capital Improvements Fund           | \$ 3,304,000                                                        | \$                                                                    | \$ 1,953,845                                           | \$ 2,869,000                                            |
| Impact Fees Funds                   | 79,000                                                              |                                                                       | 47,639                                                 | 18,500                                                  |
| Asset Replacement Fund              | 10,000                                                              |                                                                       | 23,399                                                 | 50,000                                                  |
| <b>Total Capital Projects Funds</b> | <b>\$ 3,393,000</b>                                                 | <b>\$</b>                                                             | <b>\$ 2,024,883</b>                                    | <b>\$ 2,937,500</b>                                     |
| <b>ENTERPRISE FUNDS</b>             |                                                                     |                                                                       |                                                        |                                                         |
| Water Enterprise Fund               | \$ 5,130,200                                                        | \$                                                                    | \$ 516,740                                             | \$ 2,606,000                                            |
| Sewer Enterprise Fund               | 2,204,200                                                           |                                                                       | 1,644,552                                              | 2,485,000                                               |
| <b>Total Enterprise Funds</b>       | <b>\$ 7,334,400</b>                                                 | <b>\$</b>                                                             | <b>\$ 2,161,292</b>                                    | <b>\$ 5,091,000</b>                                     |
| <b>TOTAL ALL FUNDS</b>              | <b>\$ 23,937,400</b>                                                | <b>\$</b>                                                             | <b>\$ 14,499,651</b>                                   | <b>\$ 21,738,500</b>                                    |

\* 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  
Expenditures/Expenses by Department  
Fiscal Year 2017**

| <b>DEPARTMENT/FUND</b>     | <b>ADOPTED<br/>BUDGETED<br/>EXPENDITURES/<br/>EXPENSES<br/>2016</b> | <b>EXPENDITURE/<br/>EXPENSE<br/>ADJUSTMENTS<br/>APPROVED<br/>2016</b> | <b>ACTUAL<br/>EXPENDITURES/<br/>EXPENSES*<br/>2016</b> | <b>BUDGETED<br/>EXPENDITURES/<br/>EXPENSES<br/>2017</b> |
|----------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| <b>Prosecutor</b>          |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 130,600                                                          | \$                                                                    | \$ 130,600                                             | \$ 123,700                                              |
| <b>Department Total</b>    | <b>\$ 130,600</b>                                                   | <b>\$</b>                                                             | <b>\$ 130,600</b>                                      | <b>\$ 123,700</b>                                       |
| <b>Town Clerk</b>          |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 197,600                                                          | \$                                                                    | \$ 183,373                                             | \$ 224,000                                              |
| <b>Department Total</b>    | <b>\$ 197,600</b>                                                   | <b>\$</b>                                                             | <b>\$ 183,373</b>                                      | <b>\$ 224,000</b>                                       |
| <b>Town Manager</b>        |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 392,500                                                          | \$                                                                    | \$ 395,000                                             | \$ 371,400                                              |
| <b>Department Total</b>    | <b>\$ 392,500</b>                                                   | <b>\$</b>                                                             | <b>\$ 395,000</b>                                      | <b>\$ 371,400</b>                                       |
| <b>Human Resources</b>     |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 195,300                                                          | \$                                                                    | \$ 195,300                                             | \$ 221,600                                              |
| <b>Department Total</b>    | <b>\$ 195,300</b>                                                   | <b>\$</b>                                                             | <b>\$ 195,300</b>                                      | <b>\$ 221,600</b>                                       |
| <b>Municipal Court</b>     |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | 261,900                                                             |                                                                       | 254,788                                                | 278,600                                                 |
| Special Revenue Fund       | \$ 38,500                                                           | \$                                                                    | \$ 38,500                                              | \$ 38,500                                               |
| <b>Department Total</b>    | <b>\$ 300,400</b>                                                   | <b>\$</b>                                                             | <b>\$ 293,288</b>                                      | <b>\$ 317,100</b>                                       |
| <b>Finance</b>             |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 329,200                                                          | \$                                                                    | \$ 329,200                                             | \$ 343,200                                              |
| <b>Department Total</b>    | <b>\$ 329,200</b>                                                   | <b>\$</b>                                                             | <b>\$ 329,200</b>                                      | <b>\$ 343,200</b>                                       |
| <b>Mgmt Info Systems</b>   |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 273,600                                                          | \$                                                                    | \$ 267,900                                             | \$ 336,400                                              |
| <b>Department Total</b>    | <b>\$ 273,600</b>                                                   | <b>\$</b>                                                             | <b>\$ 267,900</b>                                      | <b>\$ 336,400</b>                                       |
| <b>Mayor and Council</b>   |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 33,000                                                           |                                                                       | 32,500                                                 | 43,200                                                  |
| <b>Department Total</b>    | <b>\$ 33,000</b>                                                    | <b>\$</b>                                                             | <b>\$ 32,500</b>                                       | <b>\$ 43,200</b>                                        |
| <b>Planning</b>            |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 186,300                                                          | \$                                                                    | \$ 190,850                                             | \$ 207,000                                              |
| <b>Department Total</b>    | <b>\$ 186,300</b>                                                   | <b>\$</b>                                                             | <b>\$ 190,850</b>                                      | <b>\$ 207,000</b>                                       |
| <b>Building Inspection</b> |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 277,100                                                          |                                                                       | 262,700                                                | 257,700                                                 |
| <b>Department Total</b>    | <b>\$ 277,100</b>                                                   | <b>\$</b>                                                             | <b>\$ 262,700</b>                                      | <b>\$ 257,700</b>                                       |
| <b>Police</b>              |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | 2,651,800                                                           |                                                                       | 2,499,661                                              | 2,768,800                                               |
| Impact Fee Fund            | \$ 63,000                                                           | \$                                                                    | \$ 25,639                                              | \$                                                      |
| Special Revenue Fund       | 30,000                                                              |                                                                       | 30,000                                                 | 45,000                                                  |
| <b>Department Total</b>    | <b>\$ 2,744,800</b>                                                 | <b>\$</b>                                                             | <b>\$ 2,555,300</b>                                    | <b>\$ 2,813,800</b>                                     |
| <b>Animal Control</b>      |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 123,300                                                          |                                                                       | 123,300                                                | 128,300                                                 |
| <b>Department Total</b>    | <b>\$ 123,300</b>                                                   | <b>\$</b>                                                             | <b>\$ 123,300</b>                                      | <b>\$ 128,300</b>                                       |
| <b>Recreation</b>          |                                                                     |                                                                       |                                                        |                                                         |
| General Fund               | \$ 63,800                                                           | \$                                                                    | \$ 70,600                                              | \$ 96,100                                               |
| Impact Fee Fund            | 16,000                                                              |                                                                       |                                                        | 18,283                                                  |
| <b>Department Total</b>    | <b>\$ 79,800</b>                                                    | <b>\$</b>                                                             | <b>\$ 70,600</b>                                       | <b>\$ 114,383</b>                                       |

**Town of Chino Valley  
Expenditures/Expenses by Department  
Fiscal Year 2017**

| <b>DEPARTMENT/FUND</b>                      | <b>ADOPTED<br/>BUDGETED<br/>EXPENDITURES/<br/>EXPENSES<br/>2016</b> | <b>EXPENDITURE/<br/>EXPENSE<br/>ADJUSTMENTS<br/>APPROVED<br/>2016</b> | <b>ACTUAL<br/>EXPENDITURES/<br/>EXPENSES*<br/>2016</b> | <b>BUDGETED<br/>EXPENDITURES/<br/>EXPENSES<br/>2017</b> |
|---------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| <b>Library</b>                              |                                                                     |                                                                       |                                                        |                                                         |
| General Fund                                | \$ 309,600                                                          | \$                                                                    | \$ 309,455                                             | \$ 312,600                                              |
| <b>Department Total</b>                     | <b>\$ 309,600</b>                                                   | <b>\$</b>                                                             | <b>\$ 309,455</b>                                      | <b>\$ 312,600</b>                                       |
| <b>Senior Center</b>                        |                                                                     |                                                                       |                                                        |                                                         |
| General Fund                                | \$ 242,400                                                          | \$                                                                    | \$ 241,800                                             | \$ 271,600                                              |
| <b>Department Total</b>                     | <b>\$ 242,400</b>                                                   | <b>\$</b>                                                             | <b>\$ 241,800</b>                                      | <b>\$ 271,600</b>                                       |
| <b>Parks Maintenance</b>                    |                                                                     |                                                                       |                                                        |                                                         |
| General Fund                                | \$ 333,200                                                          | \$                                                                    | \$ 386,870                                             | \$ 373,400                                              |
| <b>Department Total</b>                     | <b>\$ 333,200</b>                                                   | <b>\$</b>                                                             | <b>\$ 386,870</b>                                      | <b>\$ 373,400</b>                                       |
| <b>Aquatics Center</b>                      |                                                                     |                                                                       |                                                        |                                                         |
| General Fund                                | \$ 244,900                                                          | \$                                                                    | \$ 232,902                                             | \$ 220,400                                              |
| <b>Department Total</b>                     | <b>\$ 244,900</b>                                                   | <b>\$</b>                                                             | <b>\$ 232,902</b>                                      | <b>\$ 220,400</b>                                       |
| <b>Facilities Maintenance</b>               |                                                                     |                                                                       |                                                        |                                                         |
| General Fund                                | \$ 345,900                                                          | \$                                                                    | \$ 354,755                                             | \$ 343,500                                              |
| <b>Department Total</b>                     | <b>\$ 345,900</b>                                                   | <b>\$</b>                                                             | <b>\$ 354,755</b>                                      | <b>\$ 343,500</b>                                       |
| <b>Fleet Maintenance</b>                    |                                                                     |                                                                       |                                                        |                                                         |
| General Fund                                | \$ 341,000                                                          | \$                                                                    | \$ 236,807                                             | \$ 283,000                                              |
| <b>Department Total</b>                     | <b>\$ 341,000</b>                                                   | <b>\$</b>                                                             | <b>\$ 236,807</b>                                      | <b>\$ 283,000</b>                                       |
| <b>Engineering</b>                          |                                                                     |                                                                       |                                                        |                                                         |
| General Fund                                | \$ 122,000                                                          | \$                                                                    | \$ 141,841                                             | \$ 125,900                                              |
| <b>Department Total</b>                     | <b>\$ 122,000</b>                                                   | <b>\$</b>                                                             | <b>\$ 141,841</b>                                      | <b>\$ 125,900</b>                                       |
| <b>Customer Service</b>                     |                                                                     |                                                                       |                                                        |                                                         |
| General Fund                                | \$                                                                  | \$                                                                    | \$                                                     | \$ 118,100                                              |
| <b>Department Total</b>                     | <b>\$</b>                                                           | <b>\$</b>                                                             | <b>\$</b>                                              | <b>\$ 118,100</b>                                       |
| <b>Non-Departmental</b>                     |                                                                     |                                                                       |                                                        |                                                         |
| General Fund                                | \$ 996,500                                                          | \$                                                                    | \$ 603,859                                             | \$ 981,000                                              |
| Debt Service Fund                           | 737,000                                                             |                                                                       | 731,806                                                | 727,000                                                 |
| Capital Improvement Fund                    | 3,304,000                                                           |                                                                       | 816,845                                                | 2,869,217                                               |
| Grant Fund                                  | 3,385,000                                                           |                                                                       | 1,100,000                                              | 3,500,000                                               |
| Asset Replacement Fund                      | 10,000                                                              |                                                                       | 23,399                                                 | 50,000                                                  |
| <b>Department Total</b>                     | <b>\$ 8,432,500</b>                                                 | <b>\$</b>                                                             | <b>\$ 3,275,909</b>                                    | <b>\$ 8,127,217</b>                                     |
| <b>Water Utilities</b>                      |                                                                     |                                                                       |                                                        |                                                         |
| Water Enterprise Fund                       | \$ 5,130,200                                                        | \$                                                                    | \$ 516,740                                             | \$ 2,606,000                                            |
| <b>Department Total</b>                     | <b>\$ 5,130,200</b>                                                 | <b>\$</b>                                                             | <b>\$ 516,740</b>                                      | <b>\$ 2,606,000</b>                                     |
| <b>Sewer Utilities</b>                      |                                                                     |                                                                       |                                                        |                                                         |
| Sewer Enterprise Fund                       | \$ 2,204,200                                                        | \$                                                                    | \$ 1,644,552                                           | \$ 2,485,000                                            |
| <b>Department Total</b>                     | <b>\$ 2,204,200</b>                                                 | <b>\$</b>                                                             | <b>\$ 1,644,552</b>                                    | <b>\$ 2,485,000</b>                                     |
| <b>Roads</b>                                |                                                                     |                                                                       |                                                        |                                                         |
| HURF                                        | \$ 1,014,000                                                        | \$                                                                    | \$ 905,351                                             | \$ 966,000                                              |
| <b>Department Total</b>                     | <b>\$ 1,014,000</b>                                                 | <b>\$</b>                                                             | <b>\$ 905,351</b>                                      | <b>\$ 966,000</b>                                       |
| <b>Street Lighting Improvement District</b> |                                                                     |                                                                       |                                                        |                                                         |
| SLID Fund                                   | \$ 4,000                                                            | \$                                                                    | \$ 3,759                                               | \$ 4,000                                                |
| <b>Department Total</b>                     | <b>\$ 4,000</b>                                                     | <b>\$</b>                                                             | <b>\$ 3,759</b>                                        | <b>\$ 4,000</b>                                         |
| <b>TOTAL ALL DEPARTMENTS</b>                | <b>\$ 23,987,400</b>                                                | <b>\$</b>                                                             | <b>\$ 13,280,652</b>                                   | <b>\$ 21,738,500</b>                                    |

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**  
**Full-Time Employees and Personnel Compensation**  
**Fiscal Year 2017**

| <b>FUND</b>                        | <b>Full-Time<br/>Equivalent (FTE)<br/>2017</b> | <b>Employee Salaries<br/>and Hourly Costs<br/>2017</b> | <b>Retirement Costs<br/>2017</b> | <b>Healthcare Costs<br/>2017</b> | <b>Other Benefit<br/>Costs<br/>2017</b> | <b>Total Estimated<br/>Personnel<br/>Compensation<br/>2017</b> |
|------------------------------------|------------------------------------------------|--------------------------------------------------------|----------------------------------|----------------------------------|-----------------------------------------|----------------------------------------------------------------|
| <b>GENERAL FUND</b>                | 79.0                                           | \$ 4,272,604                                           | \$ 649,749                       | \$ 672,800                       | \$ 410,709                              | = 6,005,862                                                    |
| <b>SPECIAL REVENUE FUNDS</b>       |                                                |                                                        |                                  |                                  |                                         |                                                                |
| Highway User Revenue               | 7.0                                            | \$ 279,343                                             | \$ 31,677                        | \$ 52,354                        | \$ 40,060                               | = 403,434                                                      |
| <b>Total Special Revenue Funds</b> | 7.0                                            | \$ 279,343                                             | \$ 31,677                        | \$ 52,354                        | \$ 40,060                               | = 403,434                                                      |
| <b>ENTERPRISE FUNDS</b>            |                                                |                                                        |                                  |                                  |                                         |                                                                |
| Water Enterprise Fund              | 2.5                                            | \$ 114,637                                             | \$ 13,000                        | \$ 23,316                        | \$ 12,127                               | = 163,080                                                      |
| Sewer Enterprise Fund              | 3.5                                            | \$ 169,140                                             | \$ 19,180                        | \$ 31,326                        | \$ 17,309                               | = 236,955                                                      |
| <b>Total Enterprise Funds</b>      | 6.0                                            | \$ 283,777                                             | \$ 32,180                        | \$ 54,642                        | \$ 29,436                               | = 400,035                                                      |
| <b>TOTAL ALL FUNDS</b>             | 92.0                                           | \$ 4,835,724                                           | \$ 713,606                       | \$ 779,796                       | \$ 480,205                              | = 6,809,331                                                    |



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. e.

**Meeting Date:** 06/28/2016  
**Contact Person:** Joe Duffy, Finance Director  
 Phone: 928-636-2646 x-1211  
**Department:** Finance  
**Item Type:** Action  
**Estimated length of staff presentation:** None  
**Physical location of item:** Bright Star Subdivision

### AGENDA ITEM TITLE:

PUBLIC HEARING and consideration and possible action to adopt Resolution No. 16-1084, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2016/2017, pursuant to Section 48-616, Arizona Revised Statutes, as amended provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the districts.

### RECOMMENDED ACTION:

(1) Hold a public hearing; and (2) Approve Resolution No. 16-1084, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2016/2017.

### Fiscal Impact

**Fiscal Impact?:** Yes

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

Approval will create a levy to pay for street lighting within the CVSLID street lighting districts. The districts are accounted for in a separate fund by the Town.

### Attachments

Res 16-1084

**RESOLUTION NO. 16-1084****A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, 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 2016/2017 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 2016/2017; and

WHEREAS, public hearings on said statements and estimates of expenses were held on June 28, 2016 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, County of Yavapai, Arizona, that:

1. The Statement and Estimates of Expenses of the Town of Chino Valley, Arizona Street Lighting Improvement Districts for Fiscal Year 2016/2017, attached hereto and incorporated herein as Exhibit A is hereby approved.

2. Said adopted estimates shall constitute the budgets of the Chino Valley Street Lighting Improvement Districts for Fiscal Year 2016/2017.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona this 28th day of June, 2016.

---

Chris Marley, Mayor

ATTEST:

\_\_\_\_\_  
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Phyllis L.N. Smiley, Town Attorney

I hereby certify the above foregoing Resolution No. 16-1084 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on June 28, 2016, and that quorum was present thereat and that the vote thereon was \_\_\_\_ ayes and \_\_\_\_ nays and \_\_\_\_ abstentions. \_\_\_\_ Council members were absent or excused.

\_\_\_\_\_  
Jami C. Lewis, Town Clerk

The following exhibits are attached hereto and incorporated herein:

1. Exhibit A: Statement and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2016/2017

**Exhibit A****TOWN OF CHINO VALLEY, ARIZONA****STREET LIGHTING IMPROVEMENT DISTRICTS****Schedule of Estimated Assessments - Fiscal Year 2016/2017**

| Co. No. | Dist. No.    | Town ID No.                                                           | Town ID Name | A<br>2015/2016<br>Estimated<br>Actual<br>Expenses | B<br>2015/2016<br>Levy<br>Request | C<br>2015/2016<br>Difference<br>on<br>Expenses<br>vs. Levy | D<br>2016/2017<br>Projected<br>Expenses | E<br>2016/2017<br>Levy<br>Request |
|---------|--------------|-----------------------------------------------------------------------|--------------|---------------------------------------------------|-----------------------------------|------------------------------------------------------------|-----------------------------------------|-----------------------------------|
| 13004   | CVSLID<br>1  | Chino Valley, Arizona,<br>CVSLID #1 Lighting<br>Improvement District  |              | \$ 1,947                                          | \$ 1,987                          | \$ 40                                                      | \$ 2,042                                | \$ 2,000                          |
| 13005   | CVSLID<br>2  | Chino Valley, Arizona,<br>CVSLID #2 Lighting<br>Improvement District  |              | \$ 999                                            | \$ 994                            | \$ (4)                                                     | \$ 1,048                                | \$ 1,000                          |
| 13006   | CVSLID<br>3A | Chino Valley, Arizona,<br>CVSLID #3A Lighting<br>Improvement District |              | \$ 909                                            | \$ 1,001                          | \$ 92                                                      | \$ 958                                  | \$ 1,000                          |



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. f.

**Meeting Date:** 06/28/2016  
**Contact Person:** Jami Lewis, Town Clerk  
 Phone: 928-636-2646 x-1208  
**Department:** Council  
**Item Type:** Action  
**Estimated length of staff presentation:** None  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Consideration and possible action to appoint members of the Council as the Town's representative and alternate representative to the Northern Arizona Council of Governments (NACOG) Regional Council.

### RECOMMENDED ACTION:

Appoint councilmembers as representative and alternate representative to the NACOG Regional Council.

### SITUATION AND ANALYSIS:

#### Issue Statement

Mayor Marley has requested a discussion regarding the Council's representative for NACOG next year. Currently, Mayor Marley is the Town's representative. Rather than appoint a specific alternate, Council authorized the Mayor to select a designee as the need arose. This position is typically filled by an elected official. Typically, staff brings entity appointments to Council for updating after each election, but NACOG sent the Mayor a request form asking who the Town's representative would be.

#### Applicable "Policy"

#### Satisfaction of "Policy"

#### Summary of Issues and Staff Rationale

#### Findings of Fact

### Fiscal Impact

### Attachments

*No file(s) attached.*

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. g.

**Meeting Date:** 06/28/2016  
**Contact Person:** Jami Lewis, Town Clerk  
 Phone: 928-636-2646 x-1208  
**Department:** Council  
**Item Type:** Action Item  
**Estimated length of staff presentation:** None  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Consideration and possible action to revise the Subcommittee Charter of the Water & Utilities Subcommittee; to direct the Subcommittee to negotiate and work with the Chino Valley Irrigation District ("CVID") regarding possible acquisition by the Town of water distribution facilities and/or other water-related projects; and appoint Vice-Mayor Croft as an alternate member for these purposes. (Mayor Marley)

### RECOMMENDED ACTION:

Approve the revised Charter and appoint Vice-Mayor Croft as an alternate member for these purposes.

### SITUATION AND ANALYSIS:

#### Issue Statement

This item is presented at the direction of Council to form an Ad Hoc Subcommittee to facilitate discussions with CVID and others related to acquisition of water distribution facilities and to potentially work with CVID and others regarding other water-related matters. Additionally, it is proposed to add Vice Mayor Croft as an alternate to the committee. After receiving Council's direction, staff found that there already exists a Water & Utilities Subcommittee, consisting of Councilmembers Turner (Chair), Miller, and Mendoza. Rather than form an Ad Hoc Subcommittee, the Mayor and staff recommend that the current Water & Utilities Subcommittee be tasked with this matter, the charter revised if necessary, and that the Vice-Mayor be appointed as alternate to the Subcommittee. Upon review of the charter, Staff determined that a revision is necessary, as shown in the revised version in the Council packet.

--

#### Applicable "Policy"

Water & Utilities Subcommittee Charter

#### Satisfaction of "Policy"

#### Summary of Issues and Staff Rationale

**Findings of Fact**

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**Fiscal Impact**

**Fiscal Impact?:** No

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

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**Attachments**

Water & Utilities Subcommittee Charter

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Town of Chino Valley  
COUNCIL SUBCOMMITTEE CHARTER:  
**WATER AND UTILITIES SUBCOMMITTEE**

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COMMITTEE'S PURPOSE:                  | Provide direction and review reports on utilities impacting the Town, review & make recommendations to Council on utility franchise agreements as they come due, provide review and proposals for resource acquisitions to include private and municipal water companies and wells; TO MEET AND NEGOTIATE WITH OTHER PARTIES REGARDING SUCH ACQUISITIONS OR PARTNERSHIPS FOR PROVIDING THE TOWN WITH WATER RESOURCES; and plan for future waste water system needs and other related matters. |
| MEMBERSHIP:                           | 3 members, appointed by the Council                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| QUORUM:                               | 2 members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| OFFICERS:                             | Chair appointed by Mayor & approved by Council                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| MEETING FREQUENCY:                    | Annually and as needed                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| MEETING DAY & TIME:                   | To be determined per need                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| MEETING LOCATION:                     | Council Chambers Conference Room<br>202 N. State Route 89, Chino Valley, AZ                                                                                                                                                                                                                                                                                                                                                                                                                   |
| STAFF LIAISON:                        | <del>Ron Gritman</del> TOWN ENGINEER                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| LIAISON'S RESPONSIBILITIES:           | <ul style="list-style-type: none"> <li>• Meeting agenda topics</li> <li>• Meeting packet, if applicable</li> <li>• Council agenda staff reports</li> </ul>                                                                                                                                                                                                                                                                                                                                    |
| TOWN CLERK'S OFFICE RESPONSIBILITIES: | <ul style="list-style-type: none"> <li>• Final meeting agenda</li> <li>• Meeting minutes</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                           |
| MEETING AGENDA HEADINGS:              | <ol style="list-style-type: none"> <li>1) <i>CALL TO ORDER</i></li> <li>2) <i>ROLL CALL</i></li> <li>3) <i>APPROVAL OF MINUTES</i></li> <li>4) <i>CALL TO THE PUBLIC (if applicable)</i></li> <li>5) <i>OLD BUSINESS</i></li> <li>6) <i>NEW BUSINESS</i></li> <li>7) <i>ADJOURN</i></li> </ol>                                                                                                                                                                                                |

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 8. a.

**Meeting Date:** 06/28/2016  
**Contact Person:** Jami Lewis, Town Clerk  
Phone: 928-636-2646 x-1208  
**Department:** Council  
**Estimated length** None  
**of Staff Presentation:**  
**Physical location of item:** N/A

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#### AGENDA ITEM TITLE:

An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding a contract with Prescott Sportsmen's Club related to management of the Chino Valley Shooting Range Facility that is the subject of negotiations.

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#### Attachments

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