

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

**TUESDAY, JUNE 28, 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, June 28, 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 Present: Town Manager Robert Smith; Assistant Town Manager Cecilia Grittmann; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Police Lieutenant Vince Schaan; Police Officer Steven Angel; Magistrate Catherine Kelley; Court Administrator Ronda Apolinar; Public Works Director/Town Engineer Michael Lopez; Public Works Manager Chris Bartels; Development Services Director Ruth Mayday; Town Clerk Assistant (Recorder) Amy Pyeatt-Lansa

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

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

Mayor Marley led the Pledge of Allegiance.

(Town Attorney Smiley attended via Skype.)

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.

Leslie Horton with Yavapai County Community Health Services spoke about a new program allowing food stamp users to double up on purchases made at the Chino Valley and Prescott Farmers Markets.

Scott Freitag with Central Yavapai Fire & Medical spoke about the Quain Fire in Chino Valley, wildfire prevention and safety, and a project to refresh the Town's emergency plan.

Assistant Town Manager Grittmann spoke about the Senior Center's Car Cruise event on July 9 to raise funds for Meals-On-Wheels.

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.

Mayor Marley reported that this item was on tonight's agenda under item 7a.

- b) Comments regarding council candidacy.

Mayor Marley reported that political campaigning was prohibited during Council meetings.

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.

Vice-Mayor Croft reported on the Town's July 4th Celebration.

Councilmember Cuka and Mayor Marley spoke about items being discussed by the Old Home Manor Recreation Committee.

Mayor Marley read a letter from the Arizona Attorney General's Office regarding their investigation of an alleged Open Meeting Law violation by the Council on February 9, and their conclusion that no violation occurred.

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

Town Manager Smith presented quarterly statistics on permitting and valuation, both of which were stronger than one year ago. He also spoke about the Lion's Club collecting old eye glasses during the 4th of July event.

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 6a, b, c, d and e.

Vote: 6 - 0 PASSED - Unanimously

- 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.

Ms. Grittmann reported that the Town had rented the subject facility to Yavapai County Health Department for over 12 years. To fulfill certain grant requirements, the County needed to extend their lease with the Town for another five-year period.

Craig Brown, District 4 Supervisor; Stephen Tullos, Director, Yavapai Community Health Services; and Willa Miller, WIC Coordinator, related that the WIC Center served 400-450 persons in Chino Valley, Paulden, Ash Fork, and Seligman; and the \$36,000 USDA grant to upgrade the facility would accommodate an expansion of services and increased participation.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to 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.

Vote: 6 - 0 PASSED - Unanimously

- 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..

Mr. Smith recounted that during their last study session, Council asked staff to present the financial model on this proposal.

Brandon Woodward with Climatec reported that:

- Savings from this self-funding energy project will pay for the upgrades costs of just under \$600,000. The Town's first year savings, which included APS rebates, would be \$84,000. Total lifecycle savings equaled \$1.8 million.
- APS had agreed to offset the costs to relocate the sports lights by just under \$50,000.
- They evaluated the ducting in the Library and Police Department and found that it was in good shape and needed no repair.

In response to questions asked during the June 21 study session, he also reviewed information on the life cycle savings calculations, project cash flow per year, and next steps in more detail.

Mr. Smith added that would be some small rebalancing jobs to do in the Police Department and possibly Library that the Town could fund apart from the project.

Council, Mr. Woodward and staff discussed the following:

- *Field light relocations:* These were not self-funded, but the other upgrades would cover the costs.
- *WIC building:* This was not part of the project.
- *Financial review:* Finance reviewed the Town's electrical usage, and found that Climatec's estimates were 7% under the Town's actual usage, so the savings might be a bit greater than the proposal. National Bank would provide 2.75% low-interest financing.
- *Climatec's pricing and fair market value:* Climatec's pricing was vetted through the S.A.V.E. cooperative purchasing contract, and Climatec's savings were guaranteed. Staff was confident and comfortable with this approach.

Council discussed needing to get the most bang for the buck when going into debt and the absolute guarantee making it more comfortable.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Corey Mendoza to direct 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.

Vote: 6 - 0 PASSED - Unanimously

- 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.

Councilmember Cuka recused herself from this item, as she was a member of the Equestrian Association, to avoid the appearance of a conflict of interest.

Ms. Grittmann reviewed key points of the proposed agreement and the original conceptual design and presented the item summary:

- The proposal included a two-year lease for the rodeo grounds and a long-term lease for 80 acres at Old Home Manor (OHM).
- The Equestrian Association was working with the OHM Recreation Committee, Public Works, and Development Services on the exact location for the 80 acres. As there was no legal description, Council could not approve the item tonight.
- While the agreement in the packet was for ten years, the latest version provided tonight recommended a five-year lease. The facility could be used for equestrian-related, entertainment, cultural events, and the like; and the Association would give an annual report to Council.

Susan Cuka clarified that the proposed Lease provided that the Association would remove the assets in the event of their dissolution, but their non-profit paperwork provided that if the Association dissolved, all assets would return to the Town. Town Attorney Smiley advised that there was option for the landlord to request that improvements not be removed, which would result in them becoming the Town's property.

Council requested that the Association include a financial report in its annual report.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to table the item until the next available meeting.

Vote: 6 - 0 PASSED - Unanimously

Mayor Marley recessed the meeting at 6:58 p.m. and reconvened it at 7:14 p.m.

- 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.

MOVED by Vice-Mayor Darryl Croft; seconded by Councilmember Lon Turner to hold public hearing.

Vote: 6 - 0 PASSED - Unanimously

Mr. Duffy reviewed the budget process and budget highlights:

- *Overall:* The overall budget reduction was due to reducing the amount for a water system purchase.
- *General Fund:* Staff proposed to use \$200,000 of carryover funds in next year's budget and put \$400,000 in reserves.
- *HURF:* The fund received an additional \$34,000 from the State; and there was some carryover from this budget year and a transfer in from the General Fund.
- *Capital Improvements:* The budget included an extra \$2 million for grants or emergency; the Road 1 East extension will use up impact fees; and staff was projecting an increase in reserves.
- *Water:* Staff budgeted for an operational loss, but it should net \$51,000 next year. While this trend was good, the Town still needed additional water system users.
- *Sewer:* Projections from this year forward will be in the black, and the budget included the Mollie Rae sewer project.
- *Budget increases were included for:* Elections, MIS enhancements, cloud payroll, Police Department recruitment, additional Police Department officer in 2017, one-half position in Recreation, and sewer system capital repairs.
- *Employee-related increases included:* One additional full-time equivalent; 2% COLA and merit; and slight benefits increases.

Supervisor Craig Brown commended the Finance Department on the budget.

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

Vote: 6 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to 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.

Vote: 6 - 0 PASSED - Unanimously

- 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.

MOVED by Vice-Mayor Darryl Croft; seconded by Councilmember Mike Best to go into public hearing.

Vote: 6 - 0 Passed - Unanimously

Mr. Duffy reported that the Town managed three districts in the Bright Star subdivision. Their revenues were about \$4,000 and the Town paid APS for the expenses.

No one from the public spoke.

MOVED by Vice-Mayor Darryl Croft; seconded by Councilmember Lon Turner to close the public hearing.

Vote: 6 - 0 Passed - Unanimously

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner 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.

Vote: 6 - 0 PASSED - Unanimously

- 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.

Mayor Marley reported that he received a letter from NACOG asking the Town to appoint someone to this position. The group met quarterly.

Vice-Mayor Croft volunteered to represent the Town. Councilmember Turner volunteered as alternate.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to appointment Councilmember Turner as alternate and Vice-Mayor Croft as primary representative to the NACOG Regional Council.

Vote: 6 - 0 PASSED - Unanimously

- 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.

Staff report summary: Council had directed staff 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. They also proposed to add Vice Mayor Croft as an alternate to the committee. Later, staff found that a Water & Utilities Subcommittee already existed. Rather than form an ad hoc subcommittee, the Mayor and staff recommend that Council task the current Water & Utilities Subcommittee with this matter, revise the charter as recommended, and appoint the Vice-Mayor as alternate to the subcommittee.

Mayor Marley reported that the Water and Utilities Subcommittee's members were Councilmember Turner (Chair), and Councilmembers Mendoza and Miller.

Vice-Mayor Croft stated he was willing to serve as alternate.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve the revised Charter and appoint Vice-Mayor Croft as an alternate member for these purposes.

Vote: 6 - 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.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to recess the regular meeting and hold the executive session at 7:41 p.m.

Vote: 6 - 0 PASSED - Unanimously

- 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

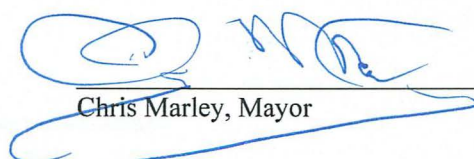
After the Executive Session, Council will reconvene the Regular Meeting.

Mayor Marley reconvened the regular meeting at 7:57 p.m.

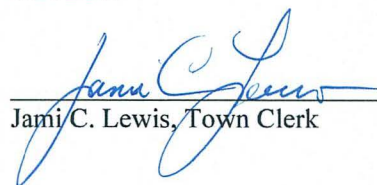
10) ADJOURNMENT

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to adjourn the meeting at 7:57 p.m.

Vote: 6 - 0 PASSED - Unanimously


Chris Marley, Mayor

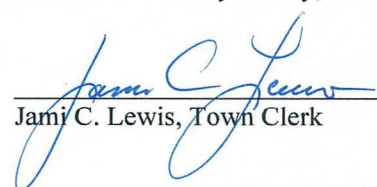
ATTEST:


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 28th day of June, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 26th day of July, 2016.


Jami C. Lewis, Town Clerk