Town of Chino Valley

MEETING NOTICE
TOWN COUNCIL
AGENDA

REGULAR MEETING
TUESDAY, JUNE 28, 2022
6:00 P.M.

Senior Center
1021 W. Butterfield Road
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- Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.

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. 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. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

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

b. Status report by Town Manager Cindy Blackmore regarding Town accomplishments, and current or upcoming projects.

5. 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. **pg.7** Consideration and possible action to approve Resolution No. 2022-1214 authorizing the use of $400,000 out of the Town's General Fund Contingency Account to reduce the Public Safety Personnel Retirement System (PSPRS) unfunded liability amount. (Joe Duffy, Administrative Services Director)

b. **pg.17** Consideration and possible action
to approve the Cooperative Purchasing Agreement with Level 3 Audio Visual to provide audio/visual hardware, installation, and training services for the new Chino Valley Police Department facility in an amount not to exceed $66,881.66. (Spencer Guest, IT Manager)

c. **pg.25** Consideration and possible action to adopt Resolution No. 2022-1215, designating Joe Duffy as Chief Fiscal Officer for officially submitting the Fiscal Year 21/22 and Fiscal Year 22/23, Expenditure Limitation Report to the Arizona Auditor General. (Joe Duffy, Administrative Services Director)

d. **pg.29** Consideration and possible action to approve Resolution No. 2022-1213, authorization to submit a Grant Application to the US Bureau of Reclamation WaterSMART Drought Response Projects FY22/23, Funding Opportunity No R23AS00005, to fund a Water Rate Study, and if the grant is awarded, authorization to adjust the revenue and expenditure budgets, and authorization for the Mayor to sign the funding agreement. (Joe Duffy, Administrative Services Director)

e. **pg.33** Consideration and possible action to approve the Memorandum of Understanding between the Town of Chino Valley and the Chino Valley Police Officers Association. (Laura Kyriakakis, Human Resources Director)

f. **pg.45** Consideration and possible action to approve an Arizona Public Service Company (APS) 8' utility easement to serve the new Police Facility at the Town Hall property. (Frank Marbury, Public Works Director / Town Engineer)

g. **pg.53** Consideration and possible action to approve the Equestrian Facility Lease with Chino Valley Equestrian Association for an initial term of July 1, 2022 - December 31, 2026, with up to four consecutive five-year renewal options, for property located at Old Home Manor in the amount of $10.00 per year. (Terri Denemy, Assistant to the Town Manager)

h. **pg.83** Consideration and possible action to approve the Service Contract with PrimeGov for agenda management software in the amount of $31,572.00 for the first year of implementation. (Erin Deskins, Town Clerk)

i. **pg.99** Consideration and possible action to appoint applicants to the Roads and Streets Committee, Board of Adjustment, and Public Safety Retirement Board, per recommendation of the Appointments Subcommittee. (Erin Deskins, Town Clerk)

j. **pg.101** Consideration and possible action to approve the May 10, 2022, study session meeting minutes. (Erin N. Deskins, Town Clerk)

k. **pg.107** Consideration and possible action to approve the May 10, 2022, regular meeting minutes. (Erin N. Deskins, Town Clerk)

l. **pg.117** Consideration and possible action to approve the May 17, 2022, special meeting and study session minutes. (Erin N. Deskins, Town Clerk)

m. **pg.127** Consideration and possible action to approve the May 24, 2022, study session minutes. (Erin N. Deskins, Town Clerk)

n. **pg.133** Consideration and possible action to approve the May 24, 2022, regular meeting minutes. (Erin N. Deskins, Town Clerk)

6. **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. **pg.149** Update on withdraw of application filed by Jeremy Bach, to rezone approximately 30.15 acres of real property from AR-5 (Agricultural Residential 5-Acre Minimum) to CH/PAD (Commercial Heavy with a Planned Area Development Overlay), for the property located south of 2820 N Road 1 East, Chino Valley, Arizona, APN 306-14-026A. (Will Dingee, Senior Planner).

Recommended Action: No action required.

b. **pg.173** Public hearing, consideration, and possible action to approve Ordinance No. 2022-919 amending the Town of Chino Valley Unified Development Ordinance, section 4.21.10, Sunset Provision. (Will Dingee, Senior Planner)

Recommended Action:
(i) Hold Public Hearing
(ii) Approve Ordinance No. 2022-919 regarding text amendment T-2022-08 as reflected in Attachment A, subject to the staff report and information provided during this hearing.

c. **pg.183** Public Hearing regarding Resolution No. 2022-1202, relating to the Town's Final Budget for Fiscal Year 2022/2023 and the proposed expenditure limitation for the same year, in the amount of $46,544,100. (Joe Duffy, Finance Director)

Recommended Action: Hold the Public Hearing.

d. **pg.185** Public Hearing regarding (i) Resolution No. 2022-1203, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2022/2023, which shall constitute the budgets of the Districts for fiscal year 2022/2023 and (ii) the tax levy anticipated in conjunction with the budgets of the Districts. (Joe Duffy, Finance Director)

Recommended Action: Hold the Public Hearing.

7. **ADJOURNMENT**

SPECIAL MEETING
TUESDAY, JUNE 28, 2022
6:05 P.M.

Senior Center
1021 W. Butterfield Road
Chino Valley, Arizona

AGENDA

a. **CALL TO ORDER; ROLL CALL**

b. **pg.187** Consideration and possible action to approve Resolution No. 2022-1202, relating to the Town's Final Budget for Fiscal Year 2022/2023 and the proposed expenditure limitation for the same year, in the amount of $46,544,100. (Joe Duffy, Administrative Services Director)

Recommended Action: Approve Resolution 2022-1202, adopting the FY 2022-23 Final Budget and establishing the FY 2022-23 expenditure limitation.

c. **pg.205** Consideration and possible action to approve Resolution No. 2022-1203, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2022/2023, which shall constitute and are approved as the final budgets of the Districts for fiscal year 2022/2023. (Joe Duffy, Finance Director)

Recommended Action: Approve Resolution No. 2022-1203, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2022/2023, which shall constitute and are approved as the final budgets of the Districts for fiscal year 2022/2023.

d. **ADJOURNMENT**

EXECUTIVE SESSION
TUESDAY, JUNE 28, 2022
6:30 P.M.

Senior Center
1021 W. Butterfield Road
Chino Valley, Arizona

AGENDA

1. **CALL TO ORDER; ROLL CALL**

2. An executive session pursuant to A.R.S. §38-431.03 (a)(3) for discussion or consultation for legal advice with the Town Attorney regarding potential threatened litigation and A.R.S. §38-431.03 (a)(4) for discussion or consultation with the Town Attorney regarding a potential contract negotiation. (Andrew McGuire, Town Attorney)

3. **ADJOURNMENT**

Dated this 23rd day of June, 2022.

By: *Erin N. Deskins, 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 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.

Council meetings are live-streamed on Town of Chino Valley Facebook page, and Zoom.

Click to join webinar: https://us02web.zoom.us/j/82819522800
One tap mobile : US: +12532158782,83455013925# or +13462487799,83455013925#
Telephone: 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)
Webinar ID: 828 1952 2800

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:____________________
Erin N. Deskins, Town Clerk

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. a.**

Meeting Date:	06/28/2022
Contact Person:	Joe Duffy, Finance Director Phone: 928-636-2646 x-1211
Department:	Finance
Estimated length of staff presentation:	None
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve Resolution No. 2022-1214 authorizing the use of $400,000 out of the Town's General Fund Contingency Account to reduce the Public Safety Personnel Retirement System (PSPRS) unfunded liability amount. (Joe Duffy, Administrative Services Director)

RECOMMENDED ACTION:

Approve Resolution No. 2022-1214 authorizing the use of $400,000 from FY 2021/2022 Contingency Funds to reduce the PSPRS unfunded liability.

SITUATION AND ANALYSIS:

The Chino Valley Police Department's Retirement plan is part of the Arizona Public Safety Personnel Retirement System (PSPRS).

Annually, PSPRS performs an actuarial valuation of the members covered by PSPRS to measure the funding progress and to determine the contribution rate for the next fiscal year.

Beginning in Fiscal Year 2018 the Town began contributing $300,000 annually towards the unfunded liability. The percentage funded increased from 55.5% to 70.90%. Ideally, the Town should have the plan 100% funded. Additional funding each year will have a positive impact on the Town's annual contribution rate.

In order to increase the funded percentage each year, the Town should make additional contributions to the plan. As of June 30, 2022, the Town had an unfunded liability of $3,160,928. The annual contribution should decrease the unfunded liability in future years.

Staff is recommending the Town make an extra contribution each year from unused contingency funds in the General Fund. This fiscal year the Town will have excess contingency funds in the amount of $400,000.

Staff is requesting approval to use $400,000 to reduce the PSPRS unfunded liability.

Fiscal Impact

Fiscal Impact?: Yes
If Yes, Budget Code: 01-95-5600
Available: $400,000
Funding Source:
Funding will come from unused Contingency Funds in the General Fund Budget.

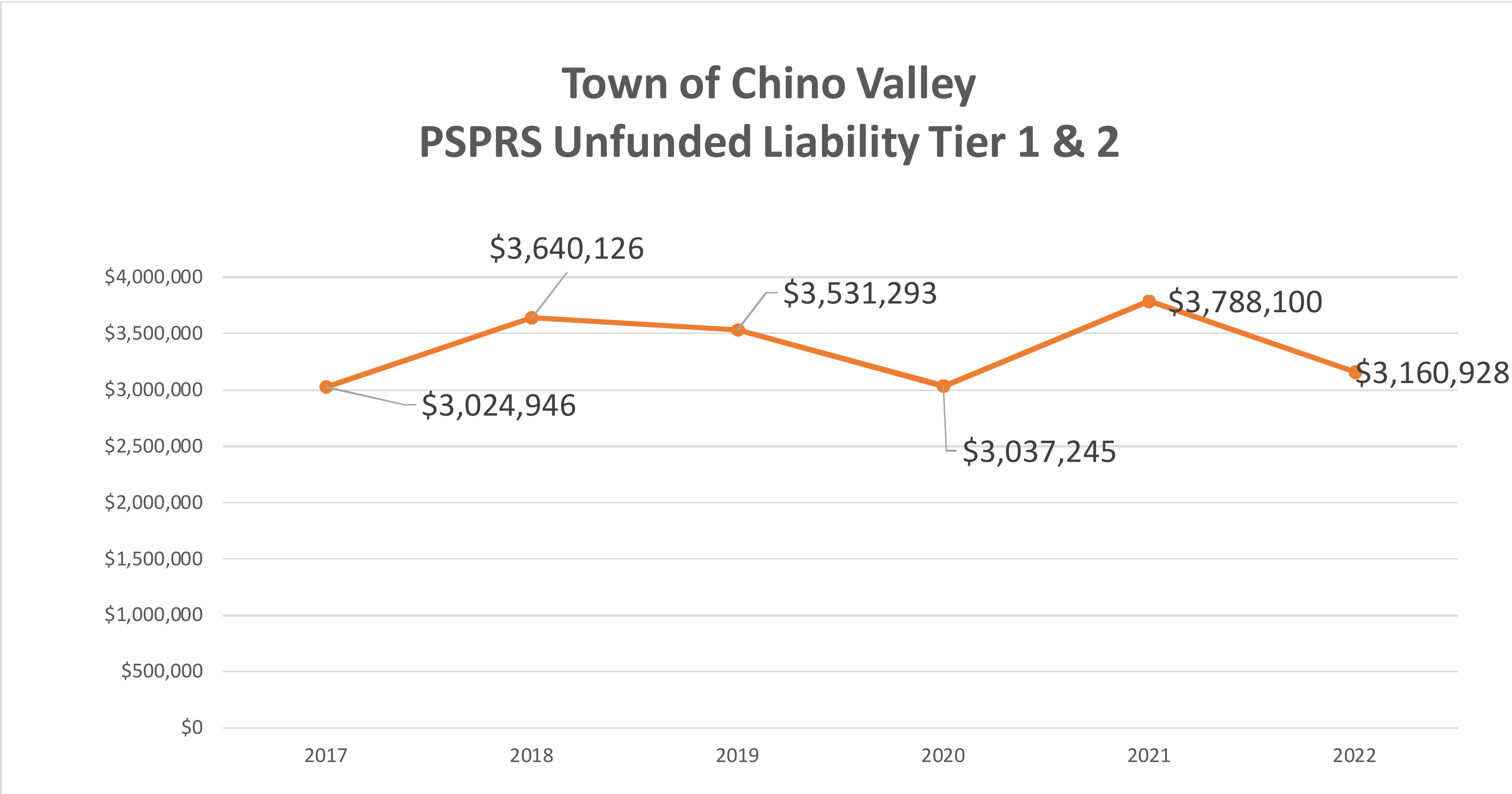
Attachments

PSPRS History
PSPRS Chart
RES - 2022-1214 - Adopting PSPRS Pension Funding Policy 2022

Town of Chino Valley

PSPRS Summary Information Tiers 1 & 2 Pension Only

							FY 2023 to FY 20221	
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Net Change	% Change
General Information								
Total Employer Contribution	33.32%	34.82%	30.82%	30.27%	33.72%	32.35%	-1.37%	-4.06%
Percent Funded - Funding Status	**60.60%**	**55.50%**	**60.00%**	**66.30%**	**63.80%**	**70.90%**	7.10%	-3.77%
Total Value of Pension Obligation	$7,684,130	$8,177,973	$8,832,241	$9,014,855	$10,459,688	$10,866,908	$407,220	16.03%
Value of Assets - Funding Value	$4,659,184	$4,537,847	$5,300,948	$5,977,610	$6,671,588	$7,705,982	$1,034,394	11.61%
Total Unfunded Amount	**$3,024,946**	**$3,640,126**	**$3,531,293**	**$3,037,245**	**$3,788,100**	**$3,160,928**	-$627,172	24.72%
Total Covered Payroll (Estimated)	$1,300,000	$1,300,000	$1,300,000	$1,200,000	$1,200,000	$1,200,000	$0	0.00%
Annual Employer Cost	$433,160	$449,255	$444,294	$379,050	$418,551	$359,960	-$58,591	10.42%
Total Additional Contributions			**$300,000**	**$300,000**	**$300,000**	**$300,000**		
			6/30/2018	6/30/2019	6/30/2020	6/30/2021		
Estimated Annual Savings								
Estimated Employer Contribuition with Additional Contribution			$400,660	$363,240	$404,640	$388,200		
Estimated Employer Contribuition without Additional Contribution			$452,660	$417,840	$417,840	$417,840		
Estimated Annual Savings			**$52,000**	**$54,600**	**$13,200**	**$29,640**		


Town of Chino Valley
PSPRS Unfunded Liability Tier 1 & 2
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
$3,024,946
$3,640,126
$3,531,293
$3,037,245
$3,788,100
$3,160,928
2017
2018
2019
2020
2021
2022

RESOLUTION NO. 2022-1214

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, ADOPTING A PENSION FUNDING POLICY.

WHEREAS, the Fifty-Third Legislature, during the 2018 Second Regular Session, adopted House Bill 2097, which requires the Town of Chino Valley (the "Town") to annually adopt a pension funding policy for public safety employees participating in the Public Safety Personnel Retirement System ("PSPRS") who were hired before July 1, 2017; and

WHEREAS, the Mayor and Council of the Town of Chino Valley (the "Town Council") desires to adopt the required annual policy (the "Pension Funding Policy") and to determine the amount to be contributed for Fiscal Year 2021-2022 beyond the Town's annual required contribution to continually reduce the amount of the Town's unfunded liability until the funding ratio of 100% is achieved; and

WHEREAS, at its regular meeting on June 28, 2022, the Town Council authorized using $400,000 from the Town's General Fund Contingency Account for FY 2021-2022 to reduce the PSPRS unfunded liability amount consistent with the Pension Funding Policy.

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

<u>SECTION 1</u>. The recitals above are hereby incorporated as if fully set forth herein.

<u>SECTION 2</u>. The FY 2021-2022 Pension Funding Policy is hereby adopted in substantially the form attached hereto as <u>Exhibit A</u> and incorporated herein by reference.

<u>SECTION 3</u>. Prior to the end of each fiscal year following adoption of this Resolution, the Town Manager and the Town Finance Director shall prepare a recommendation for action by the Town Council to (i) approve the amount of the unfunded liability contribution for that year; and (ii) update and re-adopt the Pension Funding Policy to account for the additional annual contribution.

<u>SECTION 4</u>. The Mayor, the Town Manager, the Town Clerk, and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 28th day of June, 2022.

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 2022-1214 was duly passed by the Council of the Town of Chino Valley, Arizona, at a special meeting held on June 28, 2022, and that quorum was present thereat and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

____
Erin N. Deskins, Town Clerk

EXHIBIT A
TO
RESOLUTION NO. 2022-1214

[FY 2021-2022 Pension Funding Policy]

See following pages.

Town Of Chino Valley
Public Safety Personnel Retirement System
Pension Funding Policy
Fiscal Year 2021-2022

The intent of this policy is to clearly communicate the Council's pension funding objectives, its commitment to our employees, and the sound financial management of the Town, and to comply with statutory requirements of ARIZ. REV. STAT. § 38-863.01, as amended.

Several terms are used throughout this policy:

Unfunded Actuarial Accrued Liability (UAAL) – Is the difference between trust assets and the estimated future cost of pensions earned by employees. This UAAL results from actual results (interest earnings, member mortality, disability rates, etc.) being different from the assumptions used in previous actuarial valuations.

Annual Required Contribution (ARC) – Is the annual amount required to pay into the pension funds, as determined through annual actuarial valuations. It is comprised of two primary components: normal pension cost – which is the estimated cost of pension benefits earned by employees in the current year; and amortization of UAAL – which is the cost needed to cover the unfunded portion of pensions earned by employees in previous years. The UAAL is collected over a period of time referred to as the amortization period. The ARC is a percentage of the current payroll.

Funded Ratio – Is a ratio of fund assets to actuarial accrued liability. The higher the ratio, the better funded the pension is, with 100% being fully funded.

Intergenerational equity – Ensures that no generation is burdened by substantially more or less pension costs than past or future generations.

The Town's police employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS).

Public Safety Personnel Retirement System (PSPRS)

PSPRS is administered as an agent multiple-employer pension plan. An agent multiple-employer plan has two main functions: 1) to comingle assets of all plans under its administration, thus achieving economy of scale for more cost-efficient investments, and invest those assets for the benefit of all members under its administration; and 2) serve as the statewide uniform administrator for the distribution of benefits.

Under an agent multiple-employer plan, each agency participating in the plan has an individual trust fund reflecting that agency's assets and liabilities. Under this plan, all contributions are deposited to, and distributions are made from, that fund's assets, each fund has its own funded ratio and contribution rate, and each fund has a unique annual actuarial valuation. The Town of Chino Valley has one trust fund for police employees.

Council formally accepts the FY 2021-2022 assets, liabilities, and current funding ratio of the Town's PSPRS trust funds from the June 30, 2021, actuarial valuation, which are detailed below.

Trust Fund	Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
Chino Valley Police	$7,705,982	$10,866,908	$3,160,928	70.90%
Town of Chino Valley Totals	$7,705,982	$10,866,908	$3,160,928	70.90%

PSPRS Funding Goal

Pensions that are less than fully funded place the cost of service provided in earlier periods (amortization of UAAL) on current taxpayers. Fully funded pension plans are the best way to achieve taxpayer and member intergenerational equity. Most funds in PSPRS are significantly underfunded and falling well short of the goal of intergenerational equity.

The Council's PSPRS funding ratio goal is 100% (fully funded) by June 30, 2036. Council established this goal for the following reasons:

- The PSPRS trust funds represent only the Town of Chino Valley's liability
- A fully funded pension is the best way to achieve taxpayer and member intergenerational equity

Council plans to take the following actions to achieve this goal:

- Maintain ARC payment from operating revenues – Council is committed to maintaining the full ARC payment (normal cost and UAAL amortization) from operating funds. The estimated combined ARC for FY22 is $492,520 and will be able to be paid from operating funds without diminishing Town services.
- Additional payments above the ARC
    - Annually evaluate unexpended contingency funds in the general fund at the end of each fiscal year and make an additional payment above the ARC with a portion of the unexpended contingency funds. Based on these actions, the Council plans to achieve its goal of 100% funding by June 30, 2036, in accordance with the amortization timeline set forth by the PSPRS June 30, 2021, Actuarial Valuation.

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. b.**

Meeting Date:	06/28/2022
Contact Person:	Spencer Guest, IT Manager Phone: 928-636-2646 x-1215
Department:	Finance
Estimated length of staff presentation:	None
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve the Cooperative Purchasing Agreement with Level 3 Audio Visual to provide audio/visual hardware, installation, and training services for the new Chino Valley Police Department facility in an amount not to exceed $66,881.66. (Spencer Guest, IT Manager)

RECOMMENDED ACTION:

Approve the Cooperative Purchasing Agreement with Level 3 Audio Visual to provide audio/visual hardware, installation, and training services for the new Chino Valley Police Department facility in an amount not to exceed $66,881.66.

SITUATION AND ANALYSIS:

The planned construction of the new Chino Valley Police facility involves the installation of audio/visual hardware and systems to provide police staff with the technology needed to enhance their operations. Police management staff evaluated the key areas where technology would be most advantageous to their needs. It was determined that the installation of High Definition (HD) television digital signage screens for computer-aided dispatch and surveillance systems placed in strategic locations would be helpful for their daily operations. Additionally, projection equipment, HD television screens, and microphone systems for meeting rooms would be essential for staff training and the Emergency Operation Center's needs. Based upon these recommendations, MIS staff redlined blueprints to provide a guide for a selected audio/visual vendor.

Level 3 Audio Visual, an authorized Arizona state contract vendor, was found to have a good reputation and they were provided with the redline blueprints to propose the hardware, installation, and training services for the new police facility. After Level 3 technicians evaluated the redlined blueprints and the locations for the hardware, they supplied best practice recommendations for type of equipment, installation, and requirements. They provided the included proposal and quoted cost estimate (see ProfSysIntegrationProp_Level3AudVisual.pdf) based upon the Arizona State Contract pricing for the Town's consideration. If approved, procurement of hardware and services will utilize cooperative purchasing using the Arizona State Contract #CTR03014-3. You can review the contract at https://app.az.gov/page.aspx/en/ctr/contract_manage_public/57524

Other Pertinent Documents Available Upon Request:

Appendix 5b-1. A printed copy of the Cooperative Purchasing Agreement with State Contract exhibit is available upon request. The document is available on the Town's website at http:www.chinoaz.net/AgendaCenter with the June 28, 2022, Council meeting documents.

Fiscal Impact

Fiscal Impact?: $66881.66

If Yes, Budget Code: 05-90-5541

Available:

Funding Source:

Funding for this addition is to be provided from the 05-90-5541 Police Department Loan Funds.

Attachments

AGR - COOP Level 3 Audio Visual wo exhibits

COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
LEVEL 3 AUDIO VISUAL, LLC

THIS COOPERATIVE PURCHASING AGREEMENT (this "Agreement") is entered into as of June 28, 2022, between the Town of Chino Valley, an Arizona municipal corporation (the "Town"), and Level 3 Audio Visual, LLC, an Arizona corporation (the "Vendor").

RECITALS

A. After a competitive procurement process, the State of Arizona (the "State") entered into Contract No. ADSPO17-184597, dated October 16, 2017, as amended by Amendment No. 1, dated December 20, 2017, Amendment No. 2 (undated), Amendment No. 3, dated October 1, 2019, Amendment No. 4 (undated), and Amendment No. 5 (undated) (collectively, the "State Contract"), for the purchase of audio-visual equipment and services. A copy of the State Contract is attached hereto as Exhibit A and incorporated herein by reference, to the extent not inconsistent with this Agreement.

B. The Town is permitted to purchase such equipment and services under the State Contract, at its discretion and with the agreement of the awarded Vendor.

C. The Town and the Vendor desire to enter into this Agreement for the purpose of (i) acknowledging their cooperative contractual relationship under the State Contract and this Agreement, (ii) establishing the terms and conditions by which the Vendor may provide the Town with audio-visual equipment and services, as more particularly set forth in Section 2 below (the "Equipment and Services"), and (iii) setting the maximum aggregate amount to be expended pursuant to this Agreement related to the Equipment and Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Vendor hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until June 27, 2023 (the "Term"), unless terminated as otherwise provided in this Agreement or the State Contract. The terms and conditions of the State Contract are incorporated herein and shall survive the termination or expiration thereof.

2. Scope of Work. Vendor shall provide to the Town the Equipment and Services under the terms and conditions of the State Contract and in the configurations set forth in the Quote attached hereto as Exhibit B and incorporated herein by reference.

3. Inspection; Acceptance. All Equipment and Services are subject to final inspection and acceptance by the Town. Equipment failing to conform to the requirements of this Agreement and/or the State Contract will be held at Vendor's risk and may be returned to the Vendor. If so returned, all costs are the responsibility of the Vendor. Upon discovery of non-conforming Equipment or Services, the Town may elect to do either of the following by written notice to the Vendor: (A) waive the non-conformance or (B) bring Equipment or Service into compliance and withhold the cost of same from any payments due to the Vendor.

4. Compensation. The Town shall pay Vendor an amount not to exceed $66,881.66 for Equipment and Services at the unit rates set forth in the State Contract and as more particularly set forth in the Quote.

5. Payments. The Town shall pay the Vendor upon delivery and acceptance of the Equipment and Services and upon submission and approval of the invoice(s). The invoice(s) shall (i) contain a reference to this Agreement and the State Contract and (ii) document the Equipment and Services delivered and accepted to date. Additionally, invoices submitted without referencing this Agreement and the State Contract will be subject to rejection and may be returned.

6. Safety Plan. Vendor shall provide the Services in accordance with a safety plan that is compliant with Occupational Safety and Health Administration ("OSHA"), American National Standards Institute, and National Institute for Occupational Safety and Health standards. If, in the Vendor's sole determination, the Services to be provided do not require a safety plan, Vendor shall notify the Town, in writing, describing the reasons a safety plan is unnecessary. The Town reserves the right to request a safety plan following such notification.

7. Records and Audit Rights. To ensure that the Vendor and its subcontractors are complying with the warranty under Section 8 below, Vendor's and its subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Vendor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (i) evaluation and verification of any invoices, payments or claims based on Vendor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (ii) evaluation of the Vendor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in Section 8 below. To the extent necessary for the Town to audit Records as set forth in this Section, Vendor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Vendor pursuant to this Agreement. Vendor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this Section. The Town shall give Vendor or its subcontractors reasonable advance notice of intended audits. Vendor shall require its subcontractors to comply with the provisions of this Section by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

8. E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Vendor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Vendor or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

9. Israel. To the extent ARIZ. REV. STAT. § 35-393 through § 35-393.03 are applicable, the parties hereby certify that they are not currently engaged in, and agree for the duration of this Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in ARIZ. REV. STAT. § 35-393.

10. Conflict of Interest. This Agreement may be cancelled by the Town pursuant to ARIZ. REV. STAT. § 38-511.

11. Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and a suit pertaining to this Agreement may be brought only in courts in Yavapai County, Arizona.

12. Agreement Subject to Appropriation. The Town is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Town's then-current fiscal year. The Town's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the Town concerning budgeted purposes and appropriation of funds. Should the Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Town shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of the Town's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Town shall keep Vendor informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Town. Vendor hereby waives any and all rights to bring any claim against the Town from or relating in any way to the Town's termination of this Agreement pursuant to this section.

13. Conflicting Terms. In the event of any inconsistency, conflict, or ambiguity among the terms of this Agreement, including any amendments, the State Contract, and invoices, the documents shall govern in the order listed herein. Notwithstanding the foregoing, and in conformity with Section 2 above, unauthorized exceptions, conditions, limitations, or provisions in conflict with the terms of this Agreement or the State Contract (collectively, the "Unauthorized Conditions"), other than the Town's project-specific requirements, are expressly declared void and shall be of no force and effect. Acceptance by the Town of any invoice containing any such Unauthorized Conditions or failure to demand full compliance with the terms and conditions set forth in this Agreement or under the State Contract shall not alter such terms and conditions or

relieve Vendor from, nor be construed or deemed a waiver of, its requirements and obligations in the performance of this Agreement

14. Rights and Privileges. To the extent provided under the State Contract, the Town shall be afforded all of the rights and privileges afforded to State and shall be the "State" (as defined in the State Contract) for the purposes of the portions of the State Contract that are incorporated herein by reference.

15. Indemnification; Insurance. In addition to and in no way limiting the provisions set forth in Section 14 above, the Town shall be afforded all of the insurance coverage and indemnifications afforded to the State to the extent provided under the State Contract, and such insurance coverage and indemnifications shall inure and apply with equal effect to the Town under this Agreement including, but not limited to, the Vendor's obligation to provide the indemnification and insurance. In any event, the Vendor shall indemnify, defend and hold harmless the Town and each council member, officer, employee, or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from, and against any and all losses, claims, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Vendor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement.

16. Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town	Town of Chino Valley 202 North State Route 89 Chino Valley, Arizona 86323 Attn: Town Manager
With copy to:	GUST ROSENFELD P.L.C. One East Washington Street, Suite 1600 Phoenix, Arizona 85004-2553 Attn: Andrew J. McGuire
If to Vendor:	Level 3 Audio Visual, LLC 955 East Javelina Ave. Ste. B-106 Mesa, Arizona 85204 Attn: Kim Song

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

"**Town**"

TOWN OF CHINO VALLEY,
an Arizona municipal corporation

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

"**Vendor**"

LEVEL 3 AUDIO VISUAL, LLC,
an Arizona corporation

By:______________________________

Name:____________________________

Title:_____________________________

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. c.**

Meeting Date:	06/28/2022
Contact Person:	Joe Duffy, Finance Director Phone: 928-636-2646 x-1211
Department:	Finance
Estimated length of staff presentation:	None
Physical location of item:	N/a

AGENDA ITEM TITLE:

Consideration and possible action to adopt Resolution No. 2022-1215, ratifying the actions of Finance Director Joe Duffy as the Town's Chief Fiscal Officer for submitting the Town's annual expenditure limitation report for fiscal year 21/22, and designating Finance Director Joe Duffy as the Town's Chief Fiscal Officer for the purpose of submitting the Town's annual expenditure limitation report for fiscal year 22/23. (Joe Duffy, Administrative Services Director)

RECOMMENDED ACTION:

Adopt Resolution No. 2022-1215, ratifying the actions of Finance Director Joe Duffy as the Town's Chief Fiscal Officer for submitting the Town's annual expenditure limitation report for fiscal year 21/22, and designating Finance Director Joe Duffy as the Town's Chief Fiscal Officer for the purpose of submitting the Town's annual expenditure limitation report for fiscal year 22/23.

SITUATION AND ANALYSIS:

As required by Arizona Revised Statutes 41-1279.07(E), annually by July 31, each county, city, town, and community college district must provide the Auditor General the name of the chief fiscal officer (CFO) the governing board designates to submit the current fiscal year's Annual Expenditure Limitation Report (AELR) and certify to the accuracy of the report.

Fiscal Impact

Fiscal Impact?:	No
If Yes, Budget Code:	
Available:	
Funding Source:	

Attachments

RES - 2022-1215 - Designating CFO for FY22 and FY23

RESOLUTION NO. 2022-1215

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, RATIFYING ACTIONS OF THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2022 EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL; AND DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2023 EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL.

WHEREAS, A.R.S. § 41-1279.07(E) requires each county, city, town, and community college district to annually provide to the Auditor General by July 31 the name of the Chief Fiscal Officer the governing body designated to officially submit the current year's annual expenditure limitation report (AELR) on the governing body's behalf; and

WHEREAS, the Town of Chino Valley Mayor and Council desires to ratify the actions of Finance Director Joe Duffy as the Town's Chief Fiscal Officer for the purpose of submitting the Town's AELR for fiscal year 2022, and to designate the same for fiscal year 2023; and

WHEREAS, entities must submit an updated form and documentation for any changes in the individuals designated to file the AELR.

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

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The actions taken by Finance Director Joe Duffy as the Town's Chief Fiscal Officer for purposes of submitting the fiscal year 2022 AELR to the Arizona Auditor General's Office on the Town of Chino Valley's behalf are hereby ratified.

SECTION 3. Finance Director Joe Duffy is hereby designated as the Town's Chief Fiscal Officer for purposes of submitting the fiscal year 2023 AELR to the Arizona Auditor General's Office on the Town of Chino Valley's behalf.

SECTION 4. If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 5. The Mayor, the Town Manager, the Town Clerk, and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution, including submitting an updated form and documentation for any changes in the individuals designated to file the AELR.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 28th day of June, 2022.

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 2022-1215 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on June 28, 2022, and that quorum was present thereat and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

____
Erin N. Deskins, Town Clerk

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. d.**

Meeting Date:	06/28/2022
Contact Person:	Terri Denemy, Assistant to the Town Manager Phone: 928-636-2646 x-1301
Department:	Finance
Estimated length of staff presentation:	None
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve Resolution No. 2022-1213, authorizing the submission of a grant application to the US Bureau of Reclamation WaterSMART Drought Response Projects FY22/23 to fund a Water Rate Study; authorizing an adjustment of the revenue and expenditure budgets; and authorizing the Town Manager to execute any resulting grant agreement. (Terri Denemy, Assistant to the Town Manager)

RECOMMENDED ACTION:

Approve Resolution No. 2022-1213, authorizing the submission of a grant application to the US Bureau of Reclamation WaterSMART Drought Response Projects FY22/23 to fund a Water Rate Study; authorizing an adjustment of the revenue and expenditure budgets; and authorizing the Town Manager to execute any resulting grant agreement.

SITUATION AND ANALYSIS:

The United States Department of the Interior, Bureau of Reclamation, through its WaterSMART Drought Response Program, is offering grant funding for projects that proactively address drought by increasing water supply reliability through improved water resource management. Rate Study projects that include water resource management tools are eligible for funding. The cost of the project is $88,203, 50% of which, if awarded, the town is required to provide as a local match. Funding for a smaller scale rate study is already programmed into the FY22-23 budget at $30,000 - $15,000 in Water Operating and $15,000 in Sewer Operating. This funding opportunity will allow us to expand the scope for a deeper analysis and consider rate tools that can help us manage the water supply to extend precious resources during drought.

Fiscal Impact

Fiscal Impact?:	$88,203
If Yes, Budget Code:	
Available:	$88,203
Funding Source:	

The grant matching funds are budgeted in the FY 2022/2023 budget.

Attachments

Resolution 2022-1213

RESOLUTION NO. 2022–1213

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION FOR THE WATERSMART DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS 2023 GRANT PROGRAM; AND AUTHORIZING THE ACCEPTANCE OF ANY RESULTING GRANT AWARD.

WHEREAS, the United States Department of the Interior, Bureau of Reclamation (the "Bureau"), through its grant program entitled "WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2023" (the "Program"), provides federal cost-share funds for entities to take a proactive approach to drought through building projects that increase water supply reliability and improve water management; and

WHEREAS, the Town of Chino Valley (the "Town") has identified a need for a Water Demand Rate Study (the "Project") and desires to submit a grant application for funding to support the Project; and

WHEREAS, the total cost of the Project is $88,203, fifty percent of which the Town is required to provide as a local match; and

WHEREAS, the Mayor and Common Council of the Town of Chino Valley desire to authorize (i) the submission of the grant application, (ii) the expenditure of any required local match, and (iii) the acceptance of any resulting grant agreement.

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

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Town is capable of providing the funds and/or in-kind contributions to meet the local cost match requirement.

SECTION 3. The Town Manager, or the Town Manager's designee, and the Finance Department Director are hereby authorized to (i) apply for grant funding through the Program and, if awarded, (ii) accept the resulting grant award in an amount not to exceed $41,101.50, (iii) execute all agreements and documents of compliance related to the grant on behalf of the Town, and (iv) adjust the revenue and expenditure budgets in the FY23/24 Budget.

SECTION 4. The Mayor, the Town Manager, the Town Clerk, and the Town Attorney are hereby authorized and directed to take such actions and execute such documents as are necessary to carry out the purpose and intent of this resolution.

(Signatures on the following page)

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 28th day of June, 2022.

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 2022-1213 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on June 28, 2022, and that quorum was present thereat and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

____
Erin N. Deskins, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. e.**

Meeting Date: 06/28/2022

Contact Person: Laura Kyriakakis, Human Resources Director
Phone: 928-636-2646 x-1204

Department: Human Resources

Estimated length of staff presentation: None

Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action regarding the Memorandum of Understanding between the Town of Chino Valley and the Chino Valley Police Officers' Association. (Laura Kyriakakis, Human Resources Director)

RECOMMENDED ACTION:

Approve staff recommendations regarding the Memorandum of Understanding between the Town of Chino Valley and the Chino Valley Police Officers' Association, including amending the Town's holiday pay policy to match holiday pay to employees' work schedules, and establishing a policy regarding bilingual specialty pay.

SITUATION AND ANALYSIS:

The Chino Valley Police Officers' Association (CVPOA) per Town Code, has the right to meet and confer with Town Management, and submit a proposal to same relating to wages, benefits, safety regulations, and other working conditions each year. This fiscal year's proposal has been received and the meet and confer process occurred. Chino Valley Town Code, Chapter 33, §33.07(C)(5) states that each year, all areas of agreement, as well as those areas in dispute, shall be submitted by the Town Manager (or designee) to the Mayor and Council for consideration. The Mayor and Council may accept, reject, or modify the areas in the agreement. The Mayor and Council may also take whatever actions they feel appropriate with regard to those areas in dispute. Final action by the Mayor and Council shall constitute the Memorandum of Understanding (MOU) for the following fiscal year.

The proposal submitted for this year had four areas for consideration. The first request is already in place, Town Management feels it can honor the 2d and 3rd items on a Town-wide employee level, and the 4th item is tabled for review in a future fiscal year. Attached you will find the Response to the CVPOA MOU Proposal. Also attached is the recommended amendment for the Town of Chino Valley Personnel Policy and Administrative Guideline Manual Policy #710 Holidays Policy for regular full-time employees and qualified part-time employees. No MOU Amendment is required for the above recommendations.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:
Available:
Funding Source:

Attachments

CVPOA MOU Response
Holiday Policy #710
Holiday Policy #710 Redlines

Human Resources
1020 Palomino Rd.
Chino Valley, AZ 86323

928-636-2646
humanresources@chinoaz.net
www.chinoaz.net

May 3, 2022

BJ Burns, President
Chino Valley Police Officers' Association
1950 Voss Dr.
Chino Valley, AZ 86323

RE: Chino Valley Police Officers' Association (CVPOA) Memorandum of Understanding (MOU) Proposal

Dear BJ,

We are in receipt of the letter from the CVPOA, dated January 2022. The MOU requests, outlined in the letter, and corresponding responses from the Town of Chino Valley are listed below:

REQUEST #1:
Minimum Staffing Overtime
In a recent event, it was found an employee was not paid for overtime due to the fact that he had missed time in the 80 hour pay period due to a sickness. The employee was under the impression since he worked as an emergency shift coverage, his time would be paid at an overtime rate.

The CVPOA is requesting during emergency shift coverage (less than 24 hour notice) employees will be compensated at an overtime rate regardless of the employees current hours worked for the same pay period. Shift coverage is a difficult task to begin with and being paid a regular hour wage will definitely make this task harder.

RESPONSE #1:
The above request is already in place. The event mentioned above was due to a misinterpretation of the existing policy and the appropriate accrual correction was made to that particular employee's compensatory time off. Training will be provided to Police staff to explain the policy in more detail so unintentional reporting errors are minimized/eliminated. Below is a quick FAQ that explains the difference between overtime under the Federal Fair Labor Standards Act (FLSA) and the Town's Special Overtime policy.

> **What is overtime?**
> The Federal Fair Labor Standards Act (FLSA) requires that **non-exempt** (hourly) employees receive one and one half times their regular hourly rate, in the form of pay or compensatory time, for all hours **worked** in excess of 40 in a work week (or 80 in a 14 day work period for applicable police staff). Eligible employees cannot waive their rights to overtime under the FLSA.

Human Resources
1020 Palomino Rd.
Chino Valley, AZ 86323

928-636-2646
humanresources@chinoaz.net
www.chinoaz.net

What if I get called out on other than regular work hours?
If you are called out, on other than your regular work hours, you will paid a minimum of two (2) hours of overtime or compensatory time off per the Town's Special Overtime Policy.

REQUEST #2:
Holiday hours (2 items)
A. Currently, the holiday hours are given as a straight time 8 hours on the observed holiday date. A majority of Town of Chino Valley employees are on a 10-hour schedule. The CVPOA proposes to update holiday hours to 10 in order to accommodate the work schedule.

B. The CVPOA also proposes the hours earned on observed holidays as stated above to have the option of being credited as comp time instead of pay, at the discretion of the employee.

RESPONSE #2:
The Town agrees that holiday pay should match an employee's typical work schedule. This policy will be put into place town-wide to provide holiday pay equivalent to normally scheduled work hours on a holiday. Employee holiday pay may be placed in the Personal Holiday accrual bank, in lieu of payment at the discretion of the employee's supervisor, and must be used no later than June 30th of the fiscal year in which it was accrued.

REQUEST #3:
Bi-Lingual Pay
In the MOU of 2020, the issue of Bi-Lingual pay for certified interpreters was presented for consideration. The Town of Chino Valley stated in response to the 2020 proposal:
"The Town is open to looking into court certifications for bi-lingual court-recognized interpreters, once we know what is required for the certification."
The CVPOA is requesting at this time for the Town to look into what is required to have the bi-lingual employees to become certified and compensated if they are interested.

RESPONSE #3:

Utilizing the skill set of bilingual employees is beneficial to communicating with the citizens of Chino Valley in meeting their needs. Further, the Town believes it is appropriate to fairly compensate all employees, town-wide, who have demonstrated their knowledge, skills and abilities in speaking a second language. To the extent employees meet requirements set by the Town on an organization-wide level, employees eligible for bilingual pay will receive the established specialty pay for all hours, based upon skill level. In addition, the additional compensation, which will be set in the upcoming fiscal year, along with a set policy, will be required to provide bilingual services (translation and/or conversation assistance) as part of their regular job duties. Employees receiving bilingual pay agree to provide bilingual services whenever needed and is not limited to their specific department.

Human Resources
1020 Palomino Rd.
Chino Valley, AZ 86323

928-636-2646
humanresources@chinoaz.net
www.chinoaz.net

The Human Resources Director or designee will work with Department Directors and Town Manager to determine fair compensation that is in-line with other Arizona municipalities and also determine eligible employees through a process that demonstrates competency in speaking both English and another language through an appropriately established proficiency testing/evaluation process.

REQUEST #4:

Specialty Pay (SRO, Drug Recognition Expert, Phlebotomist, Firearms instructor)

This issue was also addressed in the MOU of 2020. The Town of Chino Valley stated in response to the

2020 proposal:
"We are also open to conducting a cost-benefit analysis on specialty pay for Drug Recognition Experts and Phlebotomists."

Prescott Valley Police Department

The Prescott Valley Police Department currently pay specialties at the rate of $75.00 per paycheck. This amount is budgeted to raise to the rate of $100.00 per paycheck in July 2022. This pay is given to any Officer who qualifies, the maximum amount is $75.00 no matter how many specialties a single Officer has. Examples of the specialties include but not limited to Drug Recognition Expert, Phlebotomist, School Resource Officer, Accident Reconstructionist, Firearm Instructors.

Prescott Police Department

The Prescott Police Department uses a tier system, which ranges from a minimum of $3,000 to a maximum of $4,000 a year. Examples of the specialties include but not limited to Drug Recognition Expert, Phlebotomist, School Resource Officer, Accident Reconstructionist, Firearm Instructors, SWAT.

The CVPOA is proposing a similar pay structure to compensate employees with specialized trainings to assist in employee retention.

Currently the School Resource Officer position is the only specialty position that is not compensated for the extra responsibilities. The School Resource Officer conducts patrols of all Chino Valley Schools and works various hours and schedules due to school events. The SRO has to be knowledgeable in all area of State Law, School policies and a mentor to the school children. This position goes above and beyond the normal police work and is classified as a specialty position. This position is also compensated as listed above by the surrounding Police Departments.

DRE, Phlebotomists and Firearms instructors are specialized training which requires at least 40 hours a year to remain proficient and current on certifications. These Officers also have continuing education requirements, which need to be completed every two years. These specialized Officers are also on call and are expected to respond if able. The CVPOA proposes a compensation to these positions at a similar rate of the neighboring agencies.

Human Resources
1020 Palomino Rd.
Chino Valley, AZ 86323

928-636-2646
humanresources@chinoaz.net
www.chinoaz.net

As a firearms instructor you carry a tremendous responsibility, not just with your own agency but with agencies across the state as you are expected to participate in NARTA Recruit training on a bi annual basis.

Firearms Instructors carry this vicarious liability as it follows officers throughout their careers whether it is for your own agency or any agency that an officer transfers to. This liability is also carried when the individual officers are off duty should they encounter a use of deadly force.

Our officers are required to certify twice yearly in both day/nighttime qualifications. Instructor are also required to ensure proper up to date training on both handgun and rifle as well as judgmental shooting and proper use of force.

At this time, the Chino Valley Police Department has eight (8) employees that would fall into this category regarding the specialty pay.

RESPONSE #4:

We recognize the value that specialty training and certifications obtained by officers brings to the Town and Department. When possible, staff should be acknowledged for certain specialized knowledge that benefits and supports the Town through continued employee development support and/or appropriate compensation structures.

Due to the upcoming FY22/23 Police Department market salary adjustments, which were determined by a recent classification and compensation study, and other budgetary commitments made by the Town, enhancements to the Specialty Pay Program will be evaluated in a future fiscal year, to determine if additional compensation can be provided for specialized certifications and services.

Sincerely,

Laura Kyriakakis

Laura Kyriakakis,
Human Resources Director

Policy No. 710
Amended July 1, 2022
Page 1 of 2

HOLIDAYS

I. PURPOSE:

To provide a competitive paid-time-off benefit to recognize Town approved holidays.

II. SCOPE:

This policy applies to regular, full-time, and qualified part-time Town employees.

III. POLICY AND GUIDELINES:

A. Unless otherwise specified, all references in this Policy to the term “holiday” refer to those holidays observed by the Town in accordance with Section C below.

B. Regular employees who work 20 or more hours per week shall be allowed time off with pay for any holiday unless the employee is required to work to maintain essential Town services. Employees are paid for each holiday, at their regular rate of pay, for the number of hours they would normally work were it not a holiday. All non-exempt employees **required to work on a holiday** shall be paid both (i) the actual hours worked, at the rate of one and one half (1 1/2) times their regular pay, **and** (ii) the hours they would normally work were it not a holiday, at their normal rate. Employees’ holiday pay may be placed in their Personal Holiday accrual bank, in lieu of payment, at the discretion of the employee’s supervisor, and must be used no later than June 30th of the fiscal year in which it was accrued.

C. The Town observes the following holidays:

New Year’s Day	January 1
Martin Luther King Jr. Day	Third Monday in January
President’s Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	First Monday in September
Veteran’s Day	November 11th
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Fourth Friday in November
Christmas Day	December 25th

Each December, the Human Resources Department will publish a schedule indicating when the following calendar year’s holidays will be observed.

D. When a holiday falls on Friday, the holiday shall be observed on the preceding Thursday, or as a Personal Holiday, for employees not normally scheduled to work on Friday. When a holiday falls on Saturday, the holiday shall be observed on the preceding Friday, or as a Personal Holiday, for employees not normally scheduled to work on Saturday. When a holiday falls on Sunday, the holiday shall be observed on the following Monday for employees not normally scheduled to work on Sunday.

For employees normally scheduled to work on Friday, Saturday, or Sunday, the actual holiday shall be treated as the observed holiday.

E. If a holiday falls during an employee's scheduled vacation, the holiday will not be counted as part of the vacation leave taken.

F. An employee who separates or commences an unpaid leave of absence on the last scheduled workday preceding a holiday will not receive holiday pay.

'Policy No. 710
Amended July 1, 2022
Page 1 of 2

HOLIDAYS

I. PURPOSE:

To provide a competitive paid-time-off benefit to recognize Town approved holidays.

II. SCOPE:

This policy applies to regular, full-time, and qualified part-time Town employees.

III. POLICY AND GUIDELINES:

A. Unless otherwise specified, all references in this Policy to the term "holiday" refer to those holidays observed by the Town in accordance with Section C below.

B. Regular employees who work 20 or more hours per week shall be allowed time off with pay for any holiday ~~adopted by the Town Council,~~ unless the employee is required ~~by a department~~ to work ~~in order~~ to maintain essential Town services. Employees are paid for each holiday, at their regular rate of pay, for ~~any~~the number of hours ~~that~~they would normally ~~be scheduled on Town approved holidays~~work were it not a holiday. All non~~-~~-exempt employees **required to work on ~~an actual~~a holiday** shall be paid ~~for~~both (i) the actual ~~holiday~~ hours worked, at the rate of one and one half (1 1/2) times their regular pay, ~~in addition to being paid for~~**and** (ii) the hours ~~of scheduled regular holiday pay. Employee~~they would normally work were it not a holiday, at their normal rate. Employees' holiday pay may be placed in ~~the~~their Personal Holiday accrual bank, in lieu of payment, at the discretion of the employee's supervisor, and must be used no later than June 30th of the fiscal year in which it was accrued.

~~A. A schedule of approved holidays to be observed during the calendar year will be published in December of the preceding year by the Human Resources Department~~C. The Town observes the following holidays:

New Year's Day	January 1
Martin Luther King Jr. Day	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	First Monday in September
Veteran's Day	November 11th
Thanksgiving Day	Fourth Thursday in November

Day after Thanksgiving	Fourth Friday in November
Christmas Day	December 25^{th}

Each December, the Human Resources Department will publish a schedule indicating when the following calendar year's holidays will be observed.

~~B. Town-paid holidays which fall on Saturday may be observed on the preceding Friday or that regularly scheduled workday; paid holidays which fall on Sunday may be observed the following Monday or that regularly scheduled workday.~~

~~C~~
D. When a holiday falls on Friday, the holiday shall be observed on the preceding Thursday, or as a Personal Holiday, for employees not normally scheduled to work on Friday. When a holiday falls on Saturday, the holiday shall be observed on the preceding Friday, or as a Personal Holiday, for employees not normally scheduled to work on Saturday. When a holiday falls on Sunday, the holiday shall be observed on the following Monday for employees not normally scheduled to work on Sunday.

For employees normally scheduled to work on Friday, Saturday, or Sunday, the actual holiday shall be treated as the observed holiday.

E. If a ~~Town-paid~~ holiday falls during an employee's scheduled vacation, the holiday will not be counted as part of the vacation leave taken.

~~D.~~ F. An employee who separates or commences an unpaid leave of absence on the last scheduled workday preceding a holiday will not receive holiday pay.

Document comparison by Workshare 10.0 on Wednesday, June 15, 2022 5:00:12 PM

Input:	
Document 1 ID	iManage://GRWORK01/Phoenix/4489247/1
Description	#4489247v1<Phoenix> - DRAFT Holiday Policy No. 710 2022.07.01 - Tracked changes accepted.docx
Document 2 ID	iManage://GRWORK01/Phoenix/4489247/5
Description	#4489247v5<Phoenix> - POLICY - Holiday Policy No. 710 2022.07.01 (MG2 6.8.22).docx
Rendering set	Standard

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Moved to	
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Format change	
~~Moved deletion~~	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Deletions	19
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	45

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. f.**

Meeting Date:	06/28/2022
Contact Person:	Frank Marbury, Public Works Director/Town Engineer Phone: 928-636-7140 x-1226
Department:	Public Works
Estimated length of staff presentation:	None
Physical location of item:	220 N. SR-89

AGENDA ITEM TITLE:

Consideration and possible action to approve an Arizona Public Service Company (APS) 8' utility easement to serve the new Police Facility at the Town Hall property. (Frank Marbury, Public Works Director / Town Engineer)

RECOMMENDED ACTION:

Approve the Arizona Public Service Company (APS) 8' utility easement to serve the new Police Facility at the Town Hall property.

SITUATION AND ANALYSIS:

APS is requiring a new 8' utility easement for new electrical conduit, wire, and transformer to serve the new police facility.

Fiscal Impact

Fiscal Impact?: 0

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Utility Easement

SE-22-16N-2W

APN 306-23-047F
NWP-22-92
WA645959
AJS/JBC

TOWN OF CHINO VALLEY-APS UTILITY EASEMENT

TOWN OF CHINO VALLEY, a municipal subdivision of the State of Arizona, (hereinafter called "Grantor"), is the owner of the following described real property located in Yavapai County, Arizona (hereinafter called "Grantor's Property"):

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Grantor, for and in consideration of One Dollar ($1.00) and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant and convey to **ARIZONA PUBLIC SERVICE COMPANY**, an Arizona corporation, (hereinafter called "Grantee"), and to its successors and assigns, a non-exclusive right, privilege, and easement, 8 feet in width or as further described in attached exhibits at locations and elevations, in, upon, over, under, through and across, a portion of Grantor's Property described as follows (herein called the "Easement Premises"):

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

Grantee is hereby granted the right to: construct, reconstruct, replace, repair, operate and maintain electrical lines, together with appurtenant facilities and fixtures for use in connection therewith, for the transmission and distribution of electricity to, through, across, and beyond Grantor's Property; and install, operate and maintain telecommunication wires, cables, conduits, fixtures and facilities solely for Grantee's own use incidental to supplying electricity (said electrical and telecommunication lines, facilities and fixtures collectively herein called "Grantee Facilities"). Grantee Facilities shall consist of underground electric lines and appurtenant facilities including pad mounted equipment. In no event may any overhead electric lines and associated overhead equipment be installed unless in an emergency to restore power. Grantee shall at all times have the right of full and free ingress and egress to and along the Easement Premises for the purposes herein specified.

Grantee is hereby granted the right, but not the obligation, to trim, prune, cut, and clear away trees, brush, shrubs, or other vegetation on, or adjacent to, the Easement Premises whenever in Grantee's judgment the same shall be necessary for the convenient and safe exercise of the rights herein granted.

Grantor shall not locate, erect or construct, or permit to be located, erected or constructed, any building or other structure or drill any well within the limits of the Easement Premises; nor shall Grantor plant or permit to be planted any trees within the limits of the Easement Premises without the prior written consent of Grantee. However, Grantor reserves all other rights, interests and uses of the Easement Premises that are not inconsistent with Grantee's easement rights herein conveyed and which do not interfere with or endanger any of the Grantee Facilities, including, without limitation, granting others the right to use all or portions of the Easement Premises for utility or roadway purposes and constructing improvements within the Easement Premises such as paving, sidewalks, landscaping, driveways, and curbing. Notwithstanding the foregoing, Grantor shall not have the right to lower by more than one foot or raise by more than two feet the surface grade of the Easement Premises without the prior written consent of Grantee, and in no event shall a change in the grade compromise Grantee's minimum cover requirements or interfere with Grantee's operation, maintenance or repair.

Grantee shall not have the right to use the Easement Premises to store gasoline or petroleum products, hazardous or toxic substances, or flammable materials; provided however, that this prohibition shall not apply to any material, equipment or substance contained in, or a part of, the Grantee Facilities, provided that Grantee must comply with all applicable federal, state and local laws and regulations in connection therewith. Additionally, the Easement Premises may not be used for the storage of construction-related materials or to park or store construction-related vehicles or equipment except on a temporary basis to construct, reconstruct, replace, repair, operate, or maintain the Grantee Facilities.

Grantor shall maintain clear areas that extend: 1) 3 feet from and around all edges of all switching cabinet pads and 2 feet from and around all edges of all transformer pads and other equipment pads, and 2) a clear operational area that extends 10 feet immediately in front of all transformer, switching cabinet and other equipment openings, and 3) a 6 feet by 6 feet hot-stick operating area off the front left corner of all transformers. No obstructions, trees, shrubs, large landscape rocks, fences, fixtures, or permanent structures shall be placed by Grantor within said clear areas; nor shall Grantor install landscape irrigation or sprinkler systems within said clear areas. Landscape irrigation or sprinkler systems installed adjacent to the clear areas shall be installed and maintained so that the transformers, switching cabinets or any other equipment do not get wet by spray or irrigation.

By accepting and utilizing this easement, Grantee agrees that following any installation, excavation, maintenance, repair, or other work by Grantee within the Easement Premises, the affected area will be restored by Grantee to as close to original condition as is reasonably practicable, at the expense of Grantee; and that Grantee shall indemnify Grantor, to the extent required by law, for any loss, cost or damage incurred by Grantor as a result of any negligent installation, excavation, maintenance, repair or other work performed by Grantee within the Easement Premises.

Grantee shall exercise reasonable care to avoid damage to the Easement Premises and all improvements thereon and agrees that following any installation, excavation, maintenance, repair, or other work by Grantee within the Easement Premises, the affected area, including without limitation, all pavement, landscaping, cement, and other improvements permitted within the Easement Premises pursuant to this easement will be restored by Grantee to as close to original condition as is reasonably possible, at the expense of Grantee.

Grantor reserves the right to require the relocation of Grantee Facilities to a new location within Grantor's Property; provided however, that: (1) Grantor pays the entire cost of redesigning and relocating Grantee Facilities; and (2) Grantor provides Grantee with a new easement in a form and location acceptable to Grantee and at no cost to Grantee. Upon the acceptance by Grantee of a new easement and after the relocation of Grantee Facilities to the new easement area, Grantee shall abandon its rights to use the Easement Premises granted in this easement. The easement granted herein shall not be deemed abandoned except upon Grantee's execution and recording of a formal instrument abandoning the easement.

If any of Grantee's electric facilities in this easement are not being used or are determined not to be useful, Grantor may request that the facilities that are no longer needed be removed and that portion of the easement be abandoned. Grantee will execute and record a formal instrument abandoning the easement, or a portion thereof. Any facilities that are determined to still be needed for Grantee's electrical system can be relocated pursuant to the above relocation requirements.

Grantee shall not have the right to transfer, convey or assign its interests in this easement to any individual, corporation, or other entity (other than to an affiliated entity of Grantee or an entity that acquires from Grantee substantially all of Grantee's electric distribution facilities within the area of Grantor's Property) without the prior written consent of Grantor, which consent shall not be unreasonably withheld. Grantee shall notify Grantor of the transfer, conveyance or assignment of any rights granted herein.

The covenants and provisions herein set forth shall extend and inure in favor and to the benefit of, and shall be binding on the heirs, administrators, executors, successors in ownership and estate, assigns and lessees of Grantor and Grantee.

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IN WITNESS WHEREOF, **TOWN OF CHINO VALLEY,** a municipal subdivision of the State of Arizona, has caused this Utility Easement to be executed by its duly authorized representative, this __ day of________, 202__.

APPROVED AS TO FORM:

____
Town Attorney

TOWN OF CHINO VALLEY

By: ____________________________________
Jack W. Miller - Mayor

ATTEST:

____
City Clerk

STATE OF ___________ }
} ss.
County of ____________ }

This instrument was acknowledged before me this ___ day of ______________, 202__ by _____________________________________ of _______________________________, on behalf of ____________________________.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Notary Seal

____
Notary Public

EXHIBIT "A"

(LEGAL DESCRIPTION OF GRANTOR'S PROPERTY)
AS RECORDED IN BOOK 4671, PAGE 122 Y.C.R.

That portion of the Southeast Quarter of Section 22, Township 16 North, Range 2 West, of the Gila and Salt River Base and Meridian, in the Town of Chino Valley, County of Yavapai, State of Arizona, described more particularly as follows:

Commencing at the south quarter corner of said Section 22, being marked by a 3 inch diameter brass cap monument;

Thence N02°17'59"E (Basis of Bearings for this description), (N01°50'50"E Record) along the north-south mid section line of said Section 22, a distance of 938.43 feet (938.44 feet Record) to the northwest corner of the land described as Exception Tract B in deed to the Yavapai County Community College District recorded in Book 4275, Page 94 of Official Records, in the office of the Recorder of said County, said point being marked with a ½ inch diameter rebar capped LS 12005, and being the TRUE POINT OF BEGINNING;

Thence continuing N02°17'59"E (N01°50'50"E Record) along said north-south mid section line, a distance of 384.44 feet (384.42 feet Record) to the northwest corner of the land described in said deed recorded in Book 4275, Page 94 of Official Records;

Thence S89°58'45"E (N89°33'09"E Record) along the north line of said land, a distance of 342.52 feet (342.51 feet Record) to the northwest corner of the land described as Exception Tract C in said deed, said point being marked by a½" diameter rebar capped LS 12005;

Thence S02°59'47"W (S02°33'30"W Record) along the west line of said Tract C, a distance of 75.00 feet to the southwest corner of said Tract C;

Thence S89°58'45"E (N89°33'09"E Record) along the south line of said Tract C, a distance of 277.23 feet to the westerly right-of-way of State Highway 89 as described in Book 340, Page 46 of Official Records of said County;

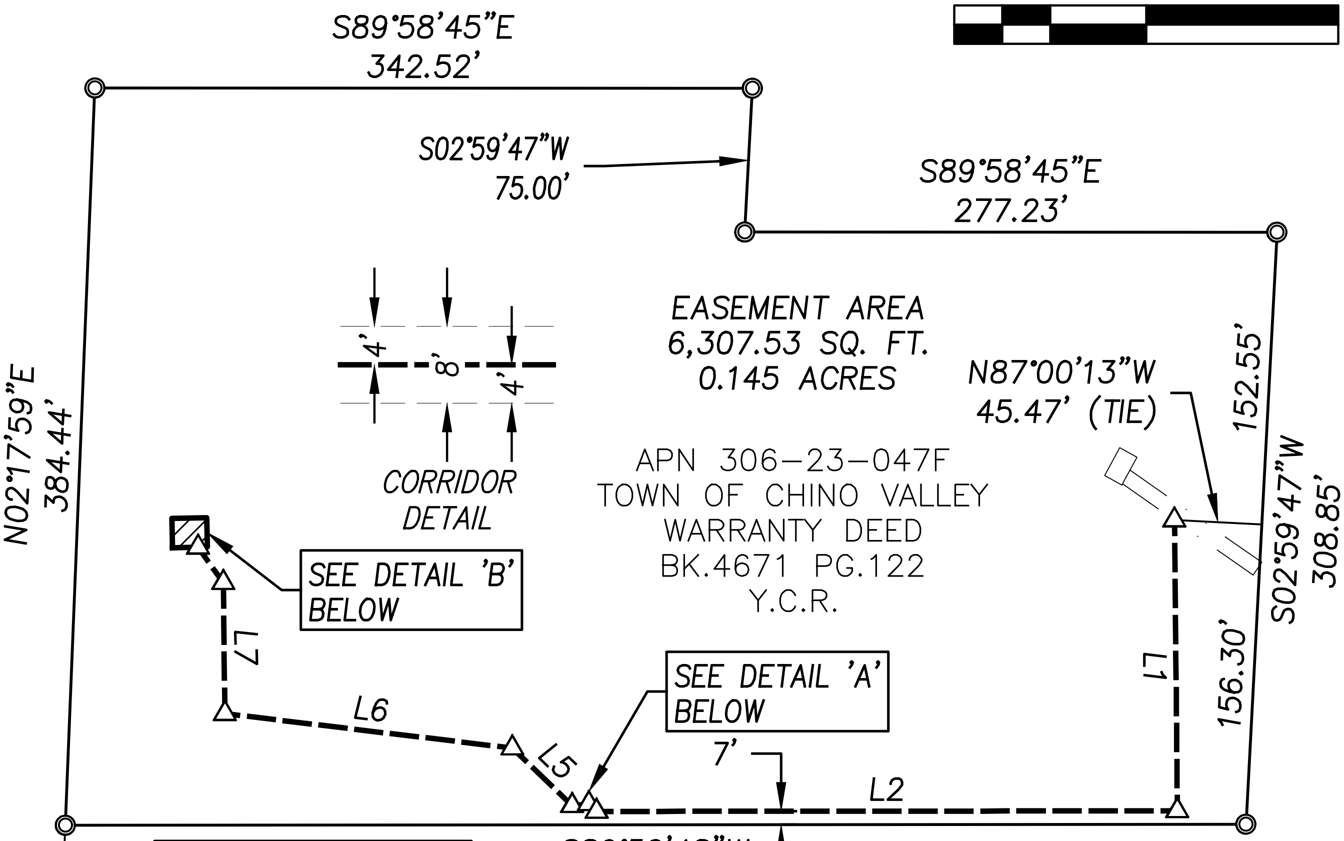
Thence S02°59'47"W (S02°33'30"W Record) along said right-of-way, a distance of 308.85 feet (309.06 feet Record) to the southeast corner of said land described in deed to Yavapai County Community College District;

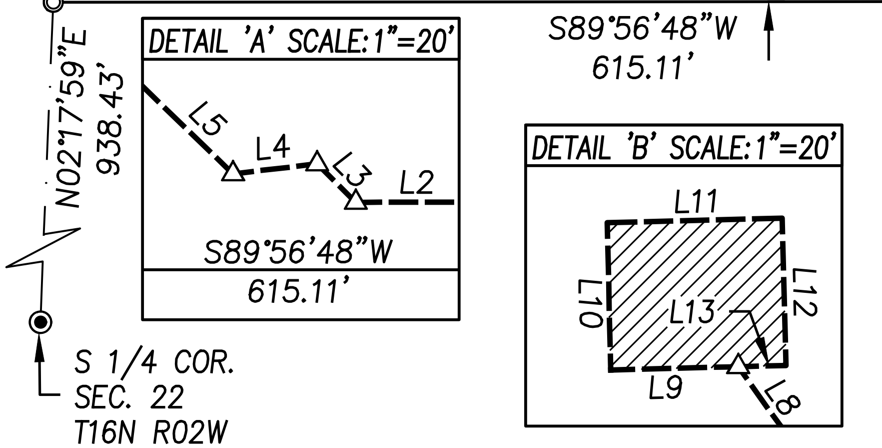
Thence S89°56' 48"W (S89°29' 55"W Record) along the south line of said land, a distance of 615.11 feet (615.16 feet Record) to the TRUE POINT OF BEGINNING.

EXHIBIT "B"

ARIZONA PUBLIC SERVICE COMPANY

SKETCH SHOWING THE LOCATION AND
LIMITS OF UTILITY EASEMENT.





L#	BEARING	DISTANCE
L1	S00°33'54"E	151.50'
L2	S89°56'48"W	302.49'
L3	N45°10'49"W	5.67'
L4	S83°14'15"W	8.83'
L5	N46°01'13"W	43.19'
L6	N83°09'04"W	150.89'
L7	N00°42'21"W	68.23'
L8	N35°29'35"W	22.66'
L9	S88°33'06"W	13.29'
L10	N01°26'54"W	15.33'
L11	N88°33'06"E	18.25'
L12	S01°26'54"E	15.33'
L13	S88°33'06"W	4.96'

LEGEND

- SECTION CORNER
- PARCEL CORNER
- ANGLE OR TERMINATION POINT
- PARCEL BOUNDARY
- PROPOSED CENTER LINE OF EASEMENT
- PROPOSED EASEMENT AREA
- APS EASEMENT PER BK.2595 PG.255 Y.C.R.
- MATHEMATICAL TIE

aps

S 1/4 SEC. 22 T 16N R 02W
SURVEY FERGUSON LAND SERVICES
DRAWN: AJJ VERSION: 1
DATE: 04-26-22 JOB NO. WA645959
SCALE: 1"=100' SHEET: 1 OF 1

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. g.**

Meeting Date:	06/28/2022
Contact Person:	Terri Denemy, Assistant to the Town Manager Phone: 928-636-2646 x-1301
Department:	Town Manager
Estimated length of staff presentation:	None
Physical location of item:	Old Home Manor

AGENDA ITEM TITLE:

Consideration and possible action to approve the Equestrian Facility Lease with Chino Valley Equestrian Association for an initial term of July 1, 2022 - December 31, 2026, with up to four consecutive five-year renewal options, for property located at Old Home Manor in the amount of $10.00 per year. (Terri Denemy, Assistant to the Town Manager)

RECOMMENDED ACTION:

Approve the Equestrian Facility Lease with Chino Valley Equestrian Association for an initial term of July 1, 2022 - December 31, 2026, with up to four consecutive five-year renewal options, for property located at Old Home Manor in the amount of $10.00 per year.

SITUATION AND ANALYSIS:

The Town of Chino Valley and the Chino Valley Equestrian Association originally entered into a lease on October 24, 2016, for use of property located at Old Home Manor for an initial term of five years. That lease was amended in January 2017 to allow the Association to move Town-owned equipment from the Cameron Ranch property in Paulden, AZ to the leased property and authorizing the use of the fixtures and equipment by the Equestrian Association on the leased premises. The lease expired in 2021 and the Equestrian Association has been operating the facility under that lease's month-to-month provision, while new lease terms were being negotiated.

The Mission of the Equestrian Association is to promote and preserve the equestrian lifestyle through building and operating a facility for events that supports all disciplines of horsemanship and the camaraderie of recreational and competitive sportsmanship. The goal of the town for the equestrian facility as stated in the lease is to "provide the Town and its community with recreational and quality of life benefits, as well as economic benefits, including but not limited to, improving the Premises as further described herein, alleviating maintenance costs, attracting visitors to the community for equestrian events, and creating demands for services."

On May 24, 2022, Cooper Anderson, Chino Valley Equestrian Association Board President spoke before Council on the value to the Town of Chino Valley to renew the Association's lease of the Equestrian Park and discussed short and long range operating and infrastructure plans that will meet both parties' stated goals and missions, providing opportunity for questions and input before the final lease agreement was brought before Mayor and Council for action.

Fiscal Impact

Fiscal Impact?: No
If Yes, Budget Code:
Available:
Funding Source:
$10.00 revenue per year.

Attachments

LSE - CV Equestrian Association lease at OHM

EQUESTRIAN FACILITY LEASE
BETWEEN THE TOWN OF CHINO VALLEY, ARIZONA,
AND
CHINO VALLEY EQUESTRIAN ASSOCIATION

This Equestrian Facility Lease ("Lease") is entered into July 1, 2022 (the "Effective Date"), by and between the Town of Chino Valley, Arizona, a municipal corporation ("Landlord" or "Town"), and Chino Valley Equestrian Association, an Arizona non-profit corporation ("Tenant"). Landlord and Tenant may be referred to herein collectively as "Parties," or each individually as a "Party."

RECITALS

1. Landlord warrants and represents that it owns that certain real property consisting of approximately seventy-eight (78) acres of real property, which is legally described and depicted on Exhibit A (the "Property"), which is attached hereto and incorporated herein by this reference.

2. Landlord desires to lease the Property to Tenant and Tenant desires to lease the Property and certain buildings and other structures on the Property ("Facilities") from Landlord. The Facilities comprise Landlord's Fixtures, as defined below, and the modular office building located on the Property, as allocated in Sections 1.1.1 and 1.1.2. The Property and the Facilities may be collectively referred to herein as the "Premises."

3. Landlord and Tenant acknowledge that Landlord currently uses certain Facilities at the Property for Town purposes and that such use may continue for a limited time. To that end, certain Facilities may be temporarily shared by Landlord and Tenant as set forth in this Lease.

4. Tenant intends to use and develop the Premises primarily for equestrian and other related purposes that will work toward the goal for the property as set forth in Recital 5 and be consistent with Tenant's Mission, which is to promote and preserve the equestrian lifestyle through building and operating a facility for events that supports all disciplines of horsemanship and the camaraderie of recreational and competitive sportsmanship.

5. The Town believes that the use and development of the Premises by Tenant will provide the Town and its community with recreational and quality of life benefits, as well as economic benefits, including but not limited to, improving the Premises as further described herein, alleviating maintenance costs, attracting visitors to the community for equestrian events, and creating demands for services.

NOW, **THEREFORE**, in consideration of the mutual promises and covenants 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 Property, as described and depicted on Exhibit A, with the Facilities thereon, subject to the provisions of Sections 1.1.1 and 1.1.2.

1.1.1 Initial Premises. The Initial Premises shall consist of the Property and Facilities except, for a limited period, one-half of the modular office building, which is located on the Rodeo Grounds parcel. The Quonset hut and maintenance yard (fenced area), which are also located on the Property, are not part of the Facilities or the Premises. Landlord's use of the Quonset hut, maintenance yard (fenced area), and, for a limited period, one-half of the modular office building, shall be separate from and shall not interfere with Tenant's use of the Premises.

1.1.2 Premises after Landlord Relocation and Abandonment of Use. By no later than the end of the first three months of the Initial Term and after ensuring that Landlord's half of the modular office building is in good condition and repair (normal wear and tear excepted), Landlord shall vacate that one-half of the modular office building currently being used by Landlord, at which time the Lease terms and conditions as set forth herein shall apply to all Premises.

1.2 Permitted Uses.

1.2.1 Tenant may use and occupy the Premises and approved improvements thereon primarily for the following purposes: equestrian events and equestrian-related activities, including but not limited to equestrian-related education, recreation, entertainment, artistic, cultural, or convention activities and events, including related concessions ("Permitted Uses"). Subject to the provisions of Section 4 (Hazards), 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 Permitted Uses shall be considered allowed pursuant to this Lease. Tenant's use of the Premises for any unrelated purpose without prior written approval from Landlord may, at Landlord's discretion, constitute a breach. Tenant shall not use or allow the Premises to be used for any unlawful or unsafe purpose, or in any way that violates the terms of this Lease. Landlord makes no representation regarding the suitability of the Premises for the Permitted Uses.

1.2.2 Tenant may, from time to time, allow the 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 with rough stock activities and other potentially hazardous events, Tenant and any third-party provider shall also comply with the requirements set forth below in Sections 4 (Hazards) and 6 (Insurance and Indemnification).

1.2.3 Intoxicating Beverages and Liquor. 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. Nothing in this Lease shall prohibit Tenant or its agents, employees, or representatives from obtaining a Special Event Liquor License.

Private individuals authorized in writing by Tenant to use the Premises for private parties may serve alcohol on the Premises, so long as such use is within the same restrictions as those applying to Tenant.

1.2.4 Whenever feasible, Tenant shall place the Town of Chino Valley logo upon its website and other marketing materials, provided such marketing materials relate to activities arising from this Lease. Landlord may, in its absolute and sole discretion, revoke Tenant's use of Landlord's logo at any time. Landlord may, at its own expense, install signs or other indicia identifying the Property as owned by the Town of Chino Valley.

1.2.5 Tenant shall be permitted to allow for dry camping on the premises without interference from Landlord provided such use does not create a legally-recognized nuisance to neighbors and is connected with scheduled events sponsored by Tenant.

1.3 Term.

1.3.1 Initial Term. Initial Term. The initial term of this lease shall commence July 1, 2022, and end December 31, 2026 ("Initial Term"), or until said term is sooner terminated or extended pursuant to the provisions of this Lease.

1.3.2 Extended Term. Tenant may elect to extend the Initial Term of this Lease for up to four (4) consecutive five-year terms following the expiration of the Initial Term (each an "Extended Term"), upon the terms, covenants, conditions, conditional limitations, and agreements herein contained, in accordance with and subject to the following conditions: (1) within thirty (30) days of receipt of Tenant's written notice of election, Landlord shall have provided its written consent to the Extended Term (where Landlord agrees that such consent shall not be withheld absent Cause, default, or breach under this Agreement); (2) the election for the Extended Term (the "Election") shall comply with the requirements of Section 2.3 (Required Improvements and Alterations) herein or such election shall be null and void; (3) the Election 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 the then-current Extended Term); and (4) 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 or the then-current Extended Term, Landlord has delivered to Tenant written notice of default under the terms of this Lease, and such default is not timely cured pursuant to Section 13 (Remedies).

1.3.3 Any reference hereinafter in this Lease to the "Term" shall be deemed to refer to the Initial Term plus, as applicable, any Extended 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. The rent from the Effective Date through December 31, 2022, 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.

1.4.2 Security Deposit. No security deposit shall be required.

1.4.3 Utilities. Except as to the utilities to the modular office building prior to the Town vacating that building, Tenant shall be responsible for and shall promptly pay all gas, electric, water, and utility fees and charges occasioned by its use of the Premises. For additional facilities constructed or installed by Tenant, Tenant shall pay for and Town shall install any required metering devices for said utilities and shall maintain a separate account 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. Prior to installation of any utility extensions, Tenant shall obtain all permits and approvals required by the Town. At the time the Town vacates the modular office building, all utility accounts for services to that building will be transferred to Tenant.

1.4.4 Traffic Control. For events held by Tenant or others on the Premises where, due to the size or nature of the event, traffic in the area may be impacted, Tenant shall be responsible for providing traffic control, as required by the Chino Valley Police Department ("CVPD"). Tenant shall notify CVPD in writing at least thirty (30) days in advance of the event, providing its nature, size, and potential traffic impacts, and shall comply with Town traffic control requirements and bear all reasonable costs associated with providing such traffic control. If thirty days' notice is not possible, notice shall be provided as soon as possible before the event.

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.

1.6 Use by Landlord. Tenant shall permit Landlord to use the Premises for a scheduled event free of charge for a minimum of at least one time per quarter per calendar year subject to the schedule of events of Tenant so as not to interfere with Tenant's scheduled activities. Such permission by Tenant shall not be unreasonably withheld.

2. IMPROVEMENTS AND ALTERATIONS

2.1 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 requirements for screening, perimeter landscaping, setbacks and similar provisions required for the Permitted Uses in the Public Lands zoning district.

2.2 Tenant shall not make any structural or exterior alterations to the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld; provided that any such alteration or improvement shall comply with applicable requirements and procedures set forth in the UDO and other applicable Town Codes.

2.3 Required Improvements and Alterations. Tenant and Landlord agree that improvements and alterations to the Property are necessary to meet the goals of Recitals 4 and 5. As a material condition of this Lease, Tenant shall, subject to Town approval, where applicable, and subject to available funding, improve and alter the Property as set forth in Exhibit B (the "Improvements and Alterations"), which is attached hereto and incorporated herein by this reference. Tenant shall make good faith efforts to obtain all necessary funding for said Improvements and Alterations. Tenant shall obtain required approvals, construct, and obtain a certificate of occupancy for such Improvements and Alterations in compliance with the following schedule:

2.3.1 Within the Initial Term of Lease, as defined in Section 1.3.1, Tenant shall submit to the Town Development Services Department an application for approval of all Improvements and Alterations specified in Exhibit B, subject to applicable funding.

2.3.2 All of the improvements that are approved by the Town Development Services Department shall be constructed, and a certificate of occupancy obtained, on an agreed-upon timeline, but by no later than the end of the Initial Term of this Lease.

2.3.3 Tenant shall construct any additional improvements on a schedule to be determined and agreed upon by Tenant and Landlord during the remainder of the Lease Term.

2.3.4 To the extent that, at the time Tenant provides notice of its election of the Extended Term pursuant to Section 1.3.2, (1) 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 (2) 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 not be conditioned upon completion of required improvements.

2.4 Non-required Improvements and Alterations. Tenant, at its sole cost, shall have the right to make, without Landlord's consent, non-structural alterations to the interior of the Facilities 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:

2.4.1 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.

2.4.2 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.

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

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

2.5 Any alterations made shall remain on and be surrendered with the Premises on expiration or termination of this Lease, except that Landlord may elect within thirty (30) days before the expiration of this Lease, or within five (5) days after the termination of this 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.

2.6 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, or 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 cause by the removal.

2.7 Events and Participation. Tenant and Landlord agree that, in addition to Improvements and Alterations, a diverse program schedule are necessary to meet the shared goals stated in Recitals 4 and 5. Tenant shall carry out programming as set forth in Exhibit B. Tenant shall report any updates thereto to Town Council pursuant to Section 3 (Required Annual Reports).

3. REQUIRED ANNUAL REPORTS

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

3.1.1 Activities held by Tenant during the past year, including the following:

(a) Activity- or event-specific attendance numbers, showing both member-only and general public attendance;

(b) Number of multi-day events and number of events that included dry camping, if any;

(c) Type and frequency of Facilities use by members;

(d) Progress on improvements planned, constructed, and built during the year; and

(e) Financial report of Tenant’s 501(c)3.

3.1.2 Contact information for Tenant’s point of contact.

3.1.3 Activities held by third parties during the past year, including types of events, attendance, event sponsorships, and any additional information relevant to the Town.

3.1.4 Level of Membership & Volunteer Efforts

3.1.5 Information regarding the upcoming year, including schedules for improvements and events planned, anticipated attendance and the expected impact to the Town.

4. HAZARDS

4.1 Definitions. For purposes of this Lease:

4.1.1. "Hazardous Materials" means any of the following, in any amount: (a) any petroleum or petroleum product, asbestos in any form, urea formaldehyde and polychlorinated biphenyls; (b) any radioactive substance; (c) any toxic, infectious, reactive, corrosive, ignitable or flammable chemical or chemical compound; (d) any chemicals, materials or substances, whether solid, liquid or gas, defined as or included in the definitions of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "solid waste," or words of similar import in any federal, state or local statute, law, ordinance or regulation now existing or existing on or after the date of this Lease as the same may be interpreted by government offices and agencies, including, without limitation, (i) trichloroethylene, tetrachloroethylene, perchloroethylene and other chlorinated solvents, (ii) oil or any petroleum products or fractions thereof, (iii) asbestos, (iv) polychlorinated biphenyls, (v) flammable explosives, (vi) urea formaldehyde, (vii) radioactive materials and waste, and (viii) infectious waste; (e) any substance the presence of which on the Premises causes or threatens to cause a nuisance or health hazard affecting human health, the environment, the Premises, or property adjacent thereto; and (f) any other substance or material with respect to which any federal, state, or local laws or governmental agency requires environmental investigation, monitoring, regulation or remediation.

4.1.2 "Hazardous Materials Laws" means any federal, state, or local laws, ordinances, codes, statutes, regulations, administrative rules, policies and orders, and other authority, existing now or in the future, which classify, regulate, list, or define Hazardous Materials, including but not limited to, 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. §§ 49-1001, *et. seq.*; Arizona Hazardous Waste Management Act, A.R.S. §§ 49-901, *et seq.*; and any similar and applicable state law or regulation.

4.2 Tenant's Compliance with Hazardous Materials Laws. Except as permitted under Section 4.3, Tenant will not cause any Hazardous Materials to be brought upon, kept, or used on the Premises in a manner or for any purpose that violates any Hazardous Materials Laws. Tenant, at its sole cost and expense, will comply with all Hazardous Materials Laws related to Tenant's use of the Premises.

4.3 Permitted Hazardous Materials. Tenant may bring upon, keep, or use on the Premises those Permitted Hazardous Materials listed on Exhibit C (the "Permitted Hazardous Materials"), which is attached hereto and incorporated herein by this reference, provided Tenant complies with all applicable Hazardous Materials Laws.

4.4 If Tenant's use of the Premises, or if Tenant allows the Premises to be used, for any purpose which causes an increase in the existing insurance rates under Landlord's policies for the Premises, or causes the cancellation of any insurance policy of Landlord's covering the Premises, Tenant shall bear all costs associated with such increases or, in the event of cancellation, for providing reasonably equivalent replacement coverage. If Landlord provides notice to Tenant that Tenant's use or planned use is prohibited by Landlord's insurance policies, Tenant shall promptly discontinue or cancel such use and bear all associated costs, if any. Tenant shall not 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.

4.5 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.

4.6 Tenant shall not hold or allow others to hold rough stock 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.

4.7 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").

4.8 Tenant shall immediately notify Landlord, by phone, confirmed in writing, upon discovery of any of the following: (a) a release or discharge at the Premises of any Hazardous Materials in quantities required to be reported to a public agency pursuant to Hazardous Materials Laws, and if such a release or discharge poses an immediate threat to public health and safety, **Tenant shall immediately call 911 (or its successor) and report the incident**; (b) 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; (c) 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 Hazardous Material.

4.9 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 Section 4.

4.10 Landlord shall have the right, at its expense, to perform periodic environmental inspections as Landlord deems necessary using the services of qualified and duly licensed environmental engineers approved by Tenant whose approval thereof shall 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 Section 4. 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 Section 4 shall continue beyond the expiration or termination hereof. Nothing in Section 4 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.

4.11 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 Section 4. 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.

5. ENTRY BY LANDLORD.

5.1 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.

5.2 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.

5.3 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.

6. INSURANCE AND INDEMNIFICATION.

6.1 General.

6.1.1 Insurer Qualifications. Without limiting any obligations or liabilities of Tenant, Tenant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to Landlord. Failure to maintain insurance as specified herein may result in termination of this Lease at Landlord's option.

6.1.2 No Representation of Coverage Adequacy. By requiring insurance herein, Landlord does not represent that coverage and limits will be adequate to protect Tenant. Landlord reserves the right to review any and all of the insurance policies and/or endorsements cited in this Lease, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Lease or failure to identify any insurance deficiency shall not relieve Tenant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Lease.

6.1.3 Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Lease, Landlord, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Lease. Tenant shall ensure all necessary endorsements are executed related to the Additional Insured coverage.

6.1.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Lease are satisfactorily performed, completed, and formally accepted by Landlord unless specified otherwise in this Lease.

6.1.5 Primary Insurance. Tenant's insurance shall be primary insurance with respect to performance of this Lease and in the protection of Landlord as an Additional Insured.

6.1.6 Claims Made. In the event any insurance policies required by this Lease are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

6.1.7 Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against Landlord, its agents, representatives, officials, officers, and employees for any claims arising out of the work or services of Tenant. Tenant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

6.1.8 Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to Landlord. Tenant shall be solely responsible for any such deductible or self-insured retention amount.

6.1.9 Use of Subcontractors. If any work under this Lease is subcontracted in any way, Tenant shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting Landlord and Tenant. Tenant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance and endorsements verifying the insurance requirements.

6.1.10 Evidence of Insurance. Prior to commencing any work or services under this Lease, Tenant will provide Landlord with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Lease, issued by Tenant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages (including necessary endorsements), conditions and limits of coverage specified in this Lease and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Lease. Landlord shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Lease. If any of the policies required by this Lease expire during the life of this Lease, it shall be Tenant's responsibility to forward renewal certificates and declaration page(s) to Landlord 30 days prior to the expiration date. All certificates of insurance and declarations required by this Lease shall be identified by referencing this Lease. A $25.00 administrative fee shall be assessed for all certificates or declarations received without a reference to this Lease. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing this Lease will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(a) Landlord, its agents, representatives, officers, directors, officials, and employees are Additional Insureds on policies required under this provision as follows:

(1) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 04 13 or equivalent.

(2) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(3) Excess Liability – Follow Form to underlying insurance.

(b) Tenant's insurance shall be primary insurance with respect to performance of this Lease.

(c) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Landlord, its agents, representatives, officers, officials, and employees for any claims arising out of work or services performed by Tenant under this Lease.

ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision "endeavor to" and "but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives" shall be deleted. Certificate forms other than ACORD forms shall have similar restrictive language deleted.

6.2 Required Insurance Coverage.

6.2.1 Commercial General Liability. Tenant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $2,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $5,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury, and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Lease, Landlord, its agents, representatives, officers, officials, and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 04 13, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this Subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

6.2.2 Property Insurance. Tenant will maintain insurance on the Facilities providing coverage comparable to that provided by a standard causes of loss – special form property insurance policy. Tenant may maintain such insurance in whole or in part under a blanket policy. Tenant is not required by this Lease to maintain personal property or business interruption insurance. Accordingly, Tenant's Personal Property is located at the Premises at Tenant's sole risk, and Landlord is not liable for any damage to or loss or destruction of Tenant's Personal Property.

6.2.3 Vehicle Liability. If Tenant assigns or uses vehicles in the performance of the Tenant's work or services under this Lease, Tenant shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Tenant's owned, hired, and non-owned vehicles assigned to or used in the performance of the Tenant's work or services under this Lease. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, Landlord, its agents, representatives, officers, directors, officials, and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this Subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

6.2.4 Professional Liability. If this Lease is the subject of any professional services or work, or if the Tenant engages in any professional services or work in any way related to performing the work under this Lease, the Tenant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the professional services performed by the Tenant, or anyone employed by the Tenant, or anyone for whose negligent acts, mistakes, errors, and omissions the Tenant is legally liable, with an unimpaired liability insurance limit of $2,000,000 each claim and $2,000,000 annual aggregate.

6.2.5 Workers' Compensation Insurance. If Tenant employs anyone who is required by law to be covered by Workers' Compensation Insurance, Tenant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Tenant's employees engaged in the performance of work or services under this Lease and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

6.3 Cancellation and Expiration Notice. Tenant shall provide at least 30 days prior written notice to Landlord before insurance required herein expires, is canceled, or is materially changed.

6.4 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.

6.5 Indemnification.

6.5.1 To the extent permitted by law, Tenant shall indemnify, defend and hold harmless Landlord, its agents, employees, councilmembers, boards, and assignees (Landlord and any such person being herein called an “Indemnified Party”) for, from and against any and all losses, claims, damages, liabilities, cost and expenses (including, but not limited to reasonable attorneys’ fees, court costs and the cost of appellate proceedings) to which any such Indemnified Party may become subject, on account of (A) any damages, injury to person or property, or death of any person arising out of any acts, intentional misconduct, errors, omissions, of Tenant, its employees, agents, representatives, consultants or subcontractors, their employees, agents, or representatives on the Premises; or (B) any worker’s compensation claims, unemployment compensation claims or unemployment disability compensation claims of employees of Tenant or claims under similar such laws or obligations to the extent arising out of Tenant’s use of the Premises. The amount and type of insurance coverage requirements set forth herein shall in no way be construed as limiting the scope of the indemnity in this Section.

6.5.2 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.

6.5.3 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 ordinary negligence of Landlord or any of its employees or agents or otherwise, Tenant shall save and keep harmless Landlord from all claims and suits growing out of any such loss, injury or damage.

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

7. REPAIRS AND MAINTENANCE.

7.1 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.

7.2 Tenant shall be responsible for removal of manure and other animal waste and for mitigating environmental effects thereof, including making reasonable efforts to control odors and flies.

7.3 Tenant shall ensure that events held on the Premises are contained within the Premises and do not overflow to adjacent properties without the written consent of the property owners and advance notice to Landlord. Tenant shall be responsible for cleaning up within a reasonable amount of time after every event to restore the Premises to pre-event conditions. If there is overflow to other properties, Tenant shall be wholly liable and responsible for any and all encroachments and damages that are incurred due to such overflow and shall fully indemnify and defend Landlord as set forth in Section 6.

8. FIXTURES AND PERSONAL PROPERTY.

8.1 Landlord's Property. The fixtures and personal property listed in Exhibit D ("Landlord's Fixtures"), which is attached hereto and incorporated herein by this reference, are owned by Landlord and shall remain Landlord's personal property. Tenant may use and enjoy Landlord's Fixtures provided that Tenant maintains and repairs said fixtures as reasonably required.

8.2 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, 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. At Tenant's election and with Landlord consent, property otherwise covered under this provision may remain on site and become property of Landlord upon adequate compensation by Landlord.

9. **COMPLIANCE WITH THE LAW**. Tenant shall not use the Premises or allow 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.

10. TAXES.

10.1 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.

10.2 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.

11. ASSIGNMENT AND SUBLETTING.

11.1 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.

11.2 Tenant shall be afforded a "Right of First Refusal" in the event Landlord seeks to sell the Premises during the term of this lease, including any Extension Periods. Such "Right of First Refusal" shall afford Tenant a 30-day period in which to determine interest and ability to purchase said property listed at a price determined by Landlord but within reasonable market values.

12. DEFAULT.

12.1 Tenant's Default. Tenant shall be considered to be in default of this Lease upon the occurrence of any of the following events of default:

12.1.1 Tenant's failure to pay when due all or any portion of the Rent, if the failure continues for ten (10) business days after written notice to Tenant ("Monetary Default").

12.1.2 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 this Lease. However, if Tenant's breach creates a hazardous condition, including but not limited to any breach of the provisions of Section 4, 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 this 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.

12.1.3 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.

12.1.4 Tenant is in default beyond any notice and cure period under any other lease or agreement with Landlord.

12.2 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.

13. REMEDIES.

13.1 Event of Default by Tenant. Upon the occurrence of any Event of Default under this Lease, regardless of whether specifically enumerated in Section 12, Landlord shall have the option to terminate this Lease and Tenant's right of possession in accordance with Section 14, in addition to any relief allowed at law or in equity.

13.2 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 accordance with Section 14 in addition to any other remedy Tenant may have by operation of law, without any further demand or notice.

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

14. TERMINATION.

14.1 Mutual Agreement. The Parties may terminate this Lease upon mutual written agreement of the Parties.

14.2 For Cause. Either Party may terminate this Lease upon 30 days' written notice following the expiration of any applicable cure periods set forth above should the other Party fail to substantially perform in accordance with this Lease's terms, through no fault of the Party initiating the termination. In the event of such termination for cause, payment shall be made by the Lessee to the Town for the undisputed portion of any Rent due as of the termination date.

14.3 Conflict of Interest. This Lease is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Lease without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Lease on behalf of the Town or any of its departments or agencies is, at any time while this Lease or any extension of this Lease is in effect, an employee of any other Party to this Lease in any capacity or a consultant to any other Party of the Lease with respect to the subject matter of this Lease.

15. 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, except as provided in Section 2.5, at Landlord's cost. 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. In such instance, Tenant shall pay such costs within ten (10) business days of the date of the invoice for such removal.

16. 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 this Lease.

17. DISPUTE RESOLUTION.

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

17.2 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.

17.3 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 this Lease, the prevailing Party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

18. REFERENCES TO "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.

19. LANDLORD'S LIEN.

19.1 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.

19.2 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. 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.

20. 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.

21. 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: Cooper Anderson, President
Chino Valley Equestrian Association
P.O. Box 381
Chino Valley, Arizona 86323

22. SEVERABILITY. The invalidity 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.

23. RELATIONSHIP. Nothing contained herein shall be deemed or construed by the Parties hereto, nor by any third party, as creating a relationship between the Parties hereto other than the relationship of Landlord and Tenant.

24. 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.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the date first above written.

TENANT, CHINO VALLEY EQUESTRIAN ASSOCIATION

____

By: ___________________________________

Its: ___________________________________

LANDLORD, TOWN OF CHINO VALLEY, ARIZONA

____

Jack W. Miller, Mayor

ATTEST:

____

Erin N. Deskins, Town Clerk

Approved as to Form:

____

Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

EXHIBIT A
TO
EQUESTRIAN FACILITY LEASE
BETWEEN THE TOWN OF CHINO VALLEY, ARIZONA,
AND
CHINO VALLEY EQUESTRIAN ASSOCIATION

[Legal Description of Property]

See following pages.

EXHIBIT "A"

LAND DESCRIPTION

TOWN OF CHINO VALLEY

THAT PORTION OF TRACT 44, LOCATED IN SECTION 12, TOWNSHIP 16 NORTH, RANGE 2 WEST, GILA AND SALT RIVER BASE AND MERIDIAN, IN THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, STATE OF ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS……

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 12;

THENCE ALONG THE EASTERLY LINE OF SAID SECTION 12 SOUTH 00° 34' 57" WEST A DISTANCE OF 2,764.95 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 12;

THENCE SOUTH 75° 36' 24" WEST A DISTANCE OF 625.58 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 88° 26' 52" WEST A DISTANCE OF 1255.68 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 2000.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC LENGTH OF 387.68 FEET THROUGH A CENTRAL ANGLE OF 11° 06' 23";

THENCE NORTH 77° 20' 30" WEST A DISTANCE OF 142.16 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 500.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC LENGTH OF 252.59 FEET THROUGH A CENTRAL ANGLE OF 28° 56' 42";

THENCE NORTH 48° 23' 48" WEST A DISTANCE OF 14.68 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 25.00 FEET (MEASURED AT RIGHT ANGLES) EASTERLY OF THE QUARTER SECTION LINE OF SAID SECTION;

THENCE ALONG SAID PARALLEL LINE NORTH 00° 05’ 24” EAST A DISTANCE OF 2610.35 FEET TO A LINE WHICH IS PARALLEL WITH AND DISTANT 25.00 FEET (MEASURED AT RIGHT ANGLES) SOUTHERLY OF THE NORTHERLY LINE OF SAID SECTION 12;

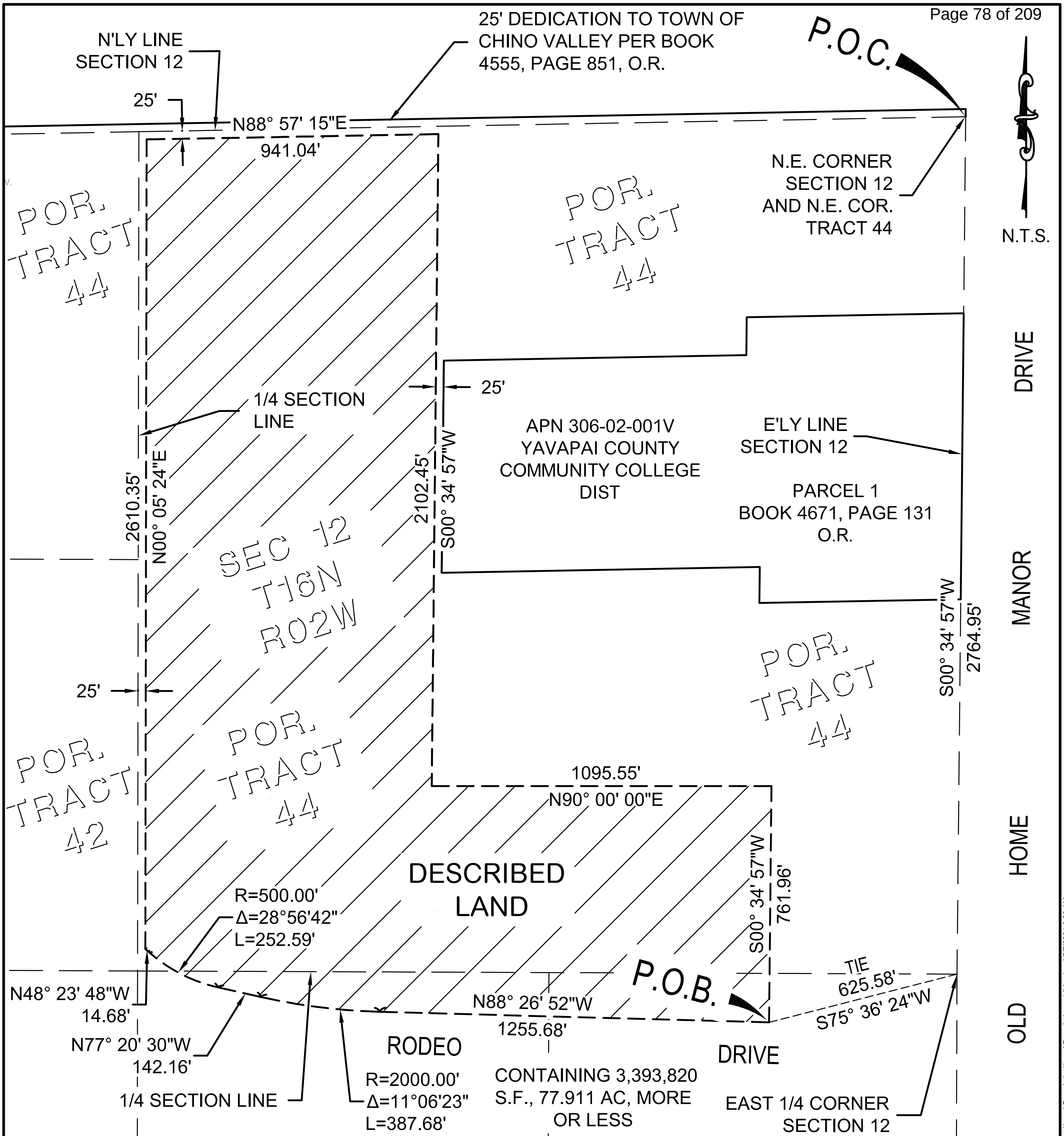
THENCE ALONG SAID PARALLEL LINE NORTH 88° 57’ 15” EAST A DISTANCE OF 941.04 TO A LINE THAT IS PARALLEL WITH AND DISTANT 25.00 FEET (MEASURED AT RIGHT ANGLES) WESTERLY OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF THE LAND DESCRIBED IN DEED TO YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT RECORDED IN BOOK 4671, PAGE 131 OF OFFICIAL RECORDS OF SAID COUNTY;

THENCE ALONG SAID PARALLEL LINE SOUTH 00° 34’ 57” WEST A DISTANCE OF 2102.45 FEET;

THENCE NORTH 90° 00’ 00” EAST A DISTANCE OF 1095.55 FEET;

THENCE SOUTH 00° 34’ 57” WEST A DISTANCE OF 761.96 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 3,393,820 SQUARE FEET, OR 77.911 ACRES, MORE OR LESS.



REGISTERED LAND SURVEYOR
CERTIFICATE NO.
51524
KENNETH R. DAVIDSON
DATE SIGNED 6-29-2021
ARIZONA, U.S.A.

Kenneth R. Davidson

CIVILTEC engineering inc.

Civil, Water, Wastewater, Drainage, and Transportation Engineering
Construction Management • Surveying
California • Arizona

CHINO VALLEY, AZ

TOWN OF CHINO VALLEY
SECTION 12 LEGAL DESCRIPTION
EXHIBIT B

DE: KRD	CH: BT	DR: KRD	JN: 2021722.00	SHEET 1 OF 1

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EXHIBIT B
TO
EQUESTRIAN FACILITY LEASE
BETWEEN THE TOWN OF CHINO VALLEY, ARIZONA,
AND
CHINO VALLEY EQUESTRIAN ASSOCIATION

[Improvements and Alterations]

<u>The following are intended Improvements and Alterations to be made in accordance with the provisions of Section 2 of the Lease, and are subject to Tenant's ability to secure and raise the necessary funds to support said Improvements and Alterations</u>:

- Install Bleachers for the Main Arena
- Rebuild nonfunctional equipment in the Main Arena to ensure proper functionality for rodeos and other stock events
- Install cattle pens for stock events
- Install new gates and automated entry system for two entrances
- Cut in new Hunt Course and begin building the related hazards
- Expand the existing trail course and build a minimum of 8 more permanent obstacles.
- Build the Driving Court and adjoining announcer stand for The Arizona Driving Society
- Expand water delivery system to access the LASER stalls
- Install lights for LASER stalls
- Develop a new dry camping location for event overnighters
- Build a new caged area for the equipment to be housed for prevention of theft
- Continue landscaping improvements

In addition to the specified Improvements and Alterations, Tenant will need to support the proper maintenance of the property through the purchase of additional heavy equipment, specifically a new water truck for arena prep and a second, larger tractor. The cost of equipment is understood by Landlord to factor into the funds required for overall Improvements and Alterations.

As referenced in Section 2.7 of the Lease, Tenant intends to host various events intended to draw participants and audiences to the area. Such events could include a variety of focused equestrian events, such as Equine competitions under EXCA, AQHA, Working Equitation, Dressage, Combined Driving, Eventing, Show Jumping, Reining, Cutting, Gymkhana, Barrel Racing, Team Penning, and Trail Obstacle. Tenant intends to consider additional multi-disciplinary events such as Rodeo, Rough Stock events and exhibitions. Tenant will also sponsor Clinics, both single and multi-day, offered by a variety of clinicians in a number of specific disciplines. Additional other events will be included if sufficient interest is shown in a particular area. Annual reporting, as specified in Section 3 of the Lease, will include past and future data on all such events and programs.

EXHIBIT C
TO
EQUESTRIAN FACILITY LEASE
BETWEEN THE TOWN OF CHINO VALLEY, ARIZONA,
AND
CHINO VALLEY EQUESTRIAN ASSOCIATION

[Permitted Hazardous Materials]

See following page(s).

EXHIBIT D
TO
EQUESTRIAN FACILITY LEASE
BETWEEN THE TOWN OF CHINO VALLEY, ARIZONA,
AND
CHINO VALLEY EQUESTRIAN ASSOCIATION

[Landlord’s Fixtures]

Amount	Description
70	12’ Corral Panels
18	8 1/2’ Gates with “Ride-Thru”
6	Bucking Chutes
8	Lead-up Alleys
2	7’ Lead-up Alleys
55	6’ Connectors Posts
5	12’ Panels with 4’ Gates
28	10’ Panels
3	4’ Gates
5	2’ Gates
1	12’ “Walk-Thru” with two 4’ Gates

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. h.**

Meeting Date:	06/28/2022
Contact Person:	Erin Deskins, Town Clerk Phone: 928-636-2646 x-1208
Department:	Town Clerk
Estimated length of staff presentation:	5 minutes
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve the Service Contract with PrimeGov for agenda management software in the amount of $31,572.00 for the first year of implementation. (Erin Deskins, Town Clerk)

RECOMMENDED ACTION:

Approve the Service Contract with PrimeGov for agenda management software in the amount of $31,572.00 for the first year of implementation.

SITUATION AND ANALYSIS:

Our current agenda management software is outdated and not user-friendly. Staff had been researching for an updated agenda management program. Three companies were evaluated, and PrimeGov was selected as the program best suited for the Town. PrimeGov integrates with OnBase, our current document management system. Some key benefits to the program are, time stamping option for video recordings online. This allows anyone trying to locate a specific item on our video recording to jump to the item directly, rather than watching the entire meeting. Staff will have the option to draft their staff reports using Microsoft Word, which is integrated within PrimeGov. Another key component in which we are lacking currently, users will not have to navigate through different screens to achieve an agenda item creation. Council will have the option to access paperless agendas through the PrimGov app accessed on I-Pads, saving the Town printing and ink costs associated with paper packets.

Fiscal Impact

Fiscal Impact?:	Yes
If Yes, Budget Code:	01-95-5600
Available:	$50,000
Funding Source:	

The Town included $50,000 in FY 2022/2023 budget.

Attachments

Chino Valley - PrimeGov Service Agreement

PRIMEGOV SERVICE AGREEMENT ("Agreement")

THIS AGREEMENT is made on the day of 20

BETWEEN

1. **PRIME GOVERNMENT SOLUTIONS Inc,** having its principal office at 4250 Drinkwater Blvd., Suite 300, Scottsdale, AZ 85251 (the **"Supplier"**); and
2. **Town of Chino Valley** (the "**Customer**")**,** whose registered office is at 202 N. State Route 89 Chino Valley, AZ 86323;

the Supplier and Customer are each at times referred to individually in this Agreement as a "**party,**" or together as the "**parties**").

BACKGROUND

A. The Supplier has developed and owns the Service (as defined in clause 1) and has granted to the Customer a non-exclusive license to use such Service solely for Customer's internal operations and in accordance with the terms and conditions of this Agreement. The terms of this Agreement shall also apply to any updates and upgrades subsequently provided by Supplier to Customer for the Service. Supplier may update the functionality of or make modifications to the Service and user interface of the Service from time to time in its sole discretion and shall not be liable to Customer or to any third party for any modification of the Service. Supplier will use commercially reasonable efforts to notify Customer of any material modifications.

B. The Customer wishes the Supplier to provide certain support services in respect of the Service in accordance with the provisions set out in Schedule 1 of this Agreement ("**Support Services**").

OPERATIVE PROVISIONS

1 DEFINITIONS

In this Agreement the following expressions will have the following meanings unless inconsistent with the context:

"Affiliate"	means any company or non-corporate entity that controls, is controlled by, or is under common control with a party. An entity shall be regarded as in control of another company or entity if it owns or directly or indirectly controls more than 50 per cent. of the voting rights of the other company or entity.
"Application Password"	means any encryption keys, certificates, passwords, access codes, user IDs or other login information provided to or used by Customer for the purpose of accessing and using the Service.
"Business Day"	a day that is not a Saturday, Sunday, or public holiday.
"Client Environment"	means the Customer hardware and software system containing the minimum specification, which the Customer, as advised by Supplier, is required to have to enable the Customer to connect with the Service.
"Customer Data"	means data, information or material provided or submitted by Customer or any User to the Supplier in the course of utilizing the Service.
"Data Controller"	means the party that controls the procedures and purpose of data usage, including collection, modification, storage, and disposal.
"Data Processor"	means the party that processes the data under the Data Controller's specific instruction.
"Effective Date"	means the date of this Agreement signed by the Supplier and the Customer.
"Intellectual Property Rights"	means all intellectual and industrial property rights of any kind whatsoever, registered or unregistered, including patents, know-how, software, code, intellectual property specifications, design plans, prototypes, drawings, software, software documentation, material, documents, ideas, operations, processes, product information, know- how, and the like including mode and procedures of development of source code, registered trademarks, registered designs, utility models, applications for and rights to apply for any of the foregoing, unregistered design rights, unregistered trademarks, rights to prevent passing off for unfair competition and copyright, database rights, topography rights, and any other rights in any invention, discovery or process, in each case in all countries in the world and together with all renewals and extensions.
"Personal Data"	means data that is processed by the Supplier on behalf of the Customer in relation to this Agreement and may include any information or data derived from Services that alone or together with any other information relates to an identified or identifiable natural person, or data considered to be personal data as defined under applicable privacy law.

"Pricing Schedule"	means Schedule 2 to this Agreement which sets out the prices and payment terms for the Service.
"Professional Services"	means the general consulting, implementation and/or training services to be provided to Customer.
"Purchase Order"	means a purchase order issued by the Customer to the Supplier for the Service.
"Service"	means Supplier's online software applications purchased by Customer and maintained through Support Services by Supplier including associated offline components and ancillary online or offline services to which Customer is granted access under this Agreement.
"Service Level Commitments"	the service level commitments in respect of the Service to the Customer as more particularly set out in Schedule 1.
"Term"	means the term of this Agreement as specified in clause 3.
"User"	means one (or, if more than one, "**Users**") of Customer's employees, representatives, consultants, contractors or agents and other persons expressly permitted by Customer in connection with Customer's business affairs who are authorized to use the Service and have been supplied User identifications and passwords by Customer.

2 INTERPRETATION

2.1 **Person:** The expression "person" means any individual, firm, body corporate, unincorporated association, or partnership, government, state, or agency of a state or joint venture.

2.2 **Headings:** The index and headings to the clauses, the Appendices and Schedules of this Agreement are for convenience only and will not affect its construction or interpretation.

2.3 **Statutes:** Any reference to a statute or statutory provision and all regulations and notices made pursuant to it (whether made before or after the date of this Agreement), includes a reference to the same as from time to time amended, modified, extended, re-enacted, consolidated, or replaced provided that amendments, consolidations, modifications, extensions, re-enactments or replacements made after the date of this Agreement will not have substantively changed any provision which is relevant to this Agreement.

2.4 **Provisions of the Agreement:** Any reference in this Agreement to a clause, Schedule or Appendix is a reference to a clause, Schedule or Appendix of this Agreement and references in any Schedule or Appendix to paragraphs relate to the paragraphs in that Schedule or Appendix. The Schedules and Appendices form part of this Agreement and will have the same force and effect as if expressly set out in the body of this Agreement and any reference to this Agreement will include the Schedules and Appendices.

2.5 **Writing:** Any references to "writing" or "written" includes references to any communication effected by post, facsimile, email or any comparable means.

3 TERM

3.1 This Agreement commences on the Effective Date and, unless terminated in accordance with clause 19, shall continue for an initial period of 1 year therefrom (the "**Initial Term**").

3.2 The term of this Agreement shall automatically extend for a period of one (1) year (the "**Extended Term**") at the end of the Initial Term and at the end of each Extended Term, up to a total of five (5) one (1) year terms, unless either party gives written notice to the other party not later than three (3) months before the end of the Initial Term or the relevant Extended Term, to terminate this Agreement at the end of the Initial Term or the relevant Extended Term, as the case may. By accepting any automatic renewal, the Parties affirmatively assert that (i) neither is currently in default, nor has been in default at any time prior to said renewal, under any of the terms or conditions of the Agreement and (ii) any and all claims, known and unknown, relating to this Agreement and existing on or before the date of said renewal are forever waived.

3.3 Customer is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Customer's then-current fiscal year. The Customer's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the Customer concerning budgeted purposes and appropriation of funds. Should the Customer elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Customer shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Customer has no obligation or duty of good faith to budget or appropriate the payment of the Customer's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Customer shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Customer shall keep Contractor informed as to the availability of funds for this Agreement. The obligation of the Customer to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Customer. Contractor hereby waives any and all rights to bring any claim against the Customer from or relating in any way to the Customer's termination of this Agreement pursuant to this Section.

4 CUSTOMER USE OF THE SERVICE

4.1 Supplier grants Customer a license to access and use the Service during the Term via the internet under and subject to the terms of this Agreement. Supplier reserves the right to make changes and updates to the functionality and/or documentation of the Service from time to time.

5 FEES AND PAYMENT

5.1 Customer agrees to pay fees as set forth in the Pricing Schedule ("**Service Fees**") (Attached)

5.2 The Service Fees are to be paid annually in advance commencing on the Effective Date of this agreement and are non-refundable.

5.3 The Service Fees shall be billable and payable annually in advance for a twelve (12) month period at a time (a "**Service Year**") on the anniversary of the Effective Service Date ("**Renewal Date**") for the first year and for each year thereafter the Service Fees shall be payable annually in advance on each subsequent anniversary of the Renewal Date. One month prior to the expiry of a Service Year ("**Service Year Expiry Date**") the Service Fees for the Service Year will be invoiced by the Supplier to the Customer in respect of the Service to be provided in the following Service Year. The Customer shall pay the Service Fees on or before the relevant Service Year Expiry Date.

5.4 Where any additional Service(s) is acquired by the Customer during the period between one Renewal Date and the next Renewal Date (the "**Installation Year**") the Service Fees payable shall be calculated pro-rata, from the date of the Purchase Order for the Service(s) in the Installation Year up to the next Renewal Date applicable to Customer's other Licenses. For all subsequent years thereafter, the Service Fees shall be payable annually in advance on each anniversary of the Renewal Date in accordance with this Agreement.

5.5 Where the Supplier performs Professional Services under this Agreement (such as configuration of the Support Service if requested by Customer or migration of Customer Data to the Service), such services shall be invoiced by the Supplier on a time and material basis in accordance with the Supplier's rates in effect at the time of provision of such services ("**Professional Services Fees**") unless otherwise agreed in writing between the Parties and will be payable without withholding, deduction or off set of any amounts for any purpose.

5.6 The Service Fees and Professional Service Fees do not include local or foreign taxes, duties, fees, and levies imposed from time to time by any government or other authority ("**Taxes**") and such Taxes, where applicable, will be payable by the Customer on the Service Fees and Professional Services Fees, at the rate applicable at the time of supply of the Service and/or Professional Services.

5.7 The Customer shall pay each invoice within thirty (30) days of receipt of this invoice.

5.8 Customer agrees to provide Supplier billing and contact information as Supplier may reasonably require. Customer agrees to update this information promptly by means of email to the Supplier and in any case within fifteen (15) days, if there is any change.

6 NON-PAYMENT

6.1 Customer's account will be considered delinquent (in arrears) if the Supplier has not received payment in full within thirty (30) days after the due date, and without prejudice to any other rights and remedies of the Supplier;

6.2 Interest shall accrue on any payments (or any part thereof) outstanding at a rate of one and a half per cent (1.5%) per month or the highest rate allowed by applicable law, whichever is lower, plus all expenses of collection, including reasonable legal fees and court costs;

6.3 Subject to clause 6.4 below, the Supplier may, upon giving ten (10) days written notice but without liability to the Customer, disable/suspend the Customer's password, account and access to all or part of the Service and the Supplier shall be under no obligation to provide any or all of the Service while the invoice(s) or any part thereof, remains unpaid;

6.4 Supplier may in its discretion, decide not to exercise its rights under clause 6.2 (interest) and 6.3 (suspension), if Customer is disputing the applicable Service Fees and/or Professional Services Fees reasonably and in good faith and is cooperating diligently to resolve the dispute.

6.5 Supplier reserves the right to impose a reconnection fee if the Service is suspended (as a result of Customer's breach) but subsequently reinstated.

6.6 Without recourse to clause 6.1 (delinquency), Supplier reserves the right to terminate this Agreement if Customer's account falls into arrears thirty (30) days after the due date.

7 RESTRICTIONS ON USE OF THE SERVICE

7.1 The Customer may not:

7.1.1 make the Service or use the Service for the benefit of anyone else other than the Customer and the Customer's Users. Customer shall access and use the Service only to the extent of authorizations acquired by the Customer in accordance with this Agreement (for example the quantity specified in the relevant Purchase Order) and Customer agrees that the Customer is solely responsible for use of the Service by any Users who access and/or use the Service. Customer agrees to immediately notify the Supplier if Customer becomes aware of any loss or theft or unauthorized use of Customer's account credentials.

7.1.2 sublicense, resell or supply the Service for use in or for the benefit of any other organization, entity, business, or enterprise without Supplier's prior written consent;

7.1.3 submit to the Service any material that is illegal, misleading, defamatory, indecent or obscene, in poor taste, threatening, infringing of any third-party proprietary rights, invasive of personal privacy, or otherwise objectionable (collectively "**Objectionable Matter**"). Customer will be responsible to ensure that its Users do not submit any Objectionable Matter. In addition, the Supplier may, at its option, adopt rules for permitted and appropriate use and may update them from time to time on the Supplier web site and Customer and Customer's Users will be bound by any such rules. Supplier reserves the right to remove any Customer Data that constitutes Objectionable Matter or violates any Supplier rules regarding appropriate use but is not obligated to do so. Customer and Customer's Users will comply with all applicable laws regarding Customer Data and use of the Service.

7.1.4 interfere with or disrupt the integrity or attempt to gain unauthorized access to the Service or the Supplier's intellectual property therein;

7.1.5 copy the Service or any part, feature, function or user interface thereof;

7.1.6 frame or mirror any part of any Service on any other server or wireless or internet-based device outside of the agreed usage in this contract; or

7.1.7 access any part of the Service in order to build a competitive product or service or to build a product using similar ideas, features, functions or graphics of the Service;

7.2 Supplier reserves the right to disable, suspend or terminate this Agreement for cause in case the Customer breaches the provisions of this clause 7.

8 CUSTOMER DATA

8.1 The Customer shall own all rights, title and interest in and to all of the Customer Data and shall have sole responsibility for the legality, reliability, integrity, accuracy and quality of the Customer Data.

8.2 Supplier will use best efforts to provide protection using current technological standards to protect Customer Data against unauthorized disclosure or use.

8.3 In the event of any loss or damage to Customer Data, the Customer's sole and exclusive remedy shall be for the Supplier to use reasonable commercial endeavors to restore the lost or damaged Customer Data from the latest back-up of such Customer Data maintained by the Supplier. The Supplier shall not be responsible for any loss, destruction, alteration, or disclosure of Customer Data caused by any third party (except those third parties sub-contracted by the Supplier to perform services related to Customer Data maintenance and back-up).

8.4 Subject to the terms and conditions of this Agreement, Customer grants to Supplier a non-exclusive license to use, copy, store, transmit and display Customer Data to the extent reasonably necessary to provide and maintain the Service.

9 CUSTOMER'S OBLIGATIONS

9.1 The Customer shall:

9.1.1 provide the Supplier with:

(i) all necessary co-operation in relation to this Agreement; and

(ii) all necessary access to such information as may be required by the Supplier in order to render the Service, including but not limited to Customer Data, security access information and configuration services;

9.1.2 comply with all applicable laws and regulations with respect to its activities under this Agreement;

9.1.3 carry out all other Customer responsibilities set out in this Agreement in a timely and efficient manner. In the event of any delays in the Customer's provision of such assistance as agreed by the parties, the Supplier may adjust any agreed timetable or delivery schedule as reasonably necessary;

9.1.4 ensure that the Users use the Service in accordance with the terms and conditions of this Agreement;

9.1.5 obtain and shall maintain all necessary licenses, consents, and permissions necessary for the Supplier, its contractors and agents to perform their obligations under this Agreement, including without limitation the Service;

9.1.6 ensure that its network and systems comply with the relevant specifications provided by the Supplier from time to time;

9.1.7 shall be solely responsible for protecting and safeguarding all Application Passwords, as Customer will be the only party with knowledge of its passwords. If Customer makes such Application Passwords available to any third party, Customer shall be liable for all actions taken by such third party in connection with the Service. Customer shall not disclose or make available the Application Password other than to Customer's authorized employees or contractors, shall use all commercially reasonable efforts to prevent unauthorized access to, or use of, the Application Password and the Service and will notify the Supplier promptly of any such unauthorized access or use and make any disclosures related to such unauthorized access or use which may be required under any applicable laws; and

9.1.8 be solely responsible for procuring and maintaining its network connections and telecommunications links from its systems to the Supplier, and all problems, conditions, delays, delivery failures and all other loss or damage arising from or relating to the Customer's network connections or telecommunications links or caused by the internet.

10 PROFESSIONAL SERVICES

10.1 Customer may retain Supplier to perform Professional Services as the parties may agree upon in writing ("**Work Order**"). Supplier will use reasonable efforts to carry out the Professional Services stated in the Work Order and to provide any resulting functionality in the Service made available online to Customer and Customer's Users. Except as the parties otherwise agree in a Work Order, Professional Services and the results thereof are made available "AS IS."

10.2 Unless otherwise agreed in writing either under this Agreement or in the Work Order, Professional Services are provided by Supplier on a time and materials basis. Maintenance and support of code or functionality created by means of Professional Services will likewise be on a Work Order basis under this clause 10 unless otherwise agreed in writing. The code and functionality made or provided under this clause 10 and all proprietary and intellectual property interests therein, will be Supplier's property. Access to the results of Professional Services will be available, subject to any further terms as may be agreed between the parties, as part of the Service during the Term unless otherwise agreed in writing.

11 INTELLECTUAL PROPERTY RIGHTS

11.1 Customer will not acquire any title copyright or other proprietary rights or Intellectual Property Rights in the Service or to the source code of the Service including in any materials or supporting documentation provided under the Service as provided in this Agreement.

11.2 The Supplier shall at all times be the sole owner of all title and Intellectual Property Rights emanating from any intellectual property, additional coding, data or patents, any discovery, invention, secret process, development, research or improvement in procedure that may be generated in connection with this Agreement including, but not limited to, any derivative works and Customer-specific enhancements and modifications. All intellectual property and other proprietary rights made, conceived or developed by the Supplier alone or in connection with the Customer in the course of the supply of the Service shall at all times be and remain the sole and exclusive property of the Supplier along with any improvement of any process, know-how, technology and any other materials in respect of the Service to be provided under this Agreement.

11.3 The Customer agrees not to remove, modify or use in any way any of Supplier's proprietary marking, including any trademark, product or service names or copyright notice, without the prior written consent of the Supplier.

12 PRIVACY

Supplier agrees to implement its privacy policies in effect from time to time.

13 SERVICE LEVEL WARRANTY

Supplier warrants during the Term of this Agreement that the Service will meet the Service Level Commitment stated in Schedule 1.

14 ADDITIONAL WARRANTIES

Each party represents and warrants that it has the legal power and authority to enter into this Agreement.

15 INDEMNIFICATION

15.1 Supplier will defend, indemnify, and hold Customer (and its officers, directors, employees and agents) harmless from and against all costs, liabilities, losses, and expenses (including reasonable legal fees) (collectively, "**Losses**") arising from any third-party claim, suit, action, or proceeding arising from the actual or alleged infringement of any copyright, patent, trademark, or misappropriation of a trade secret by the Service or Supplier Content (other than that due to Customer Data). In case of such a claim, Supplier may, in its discretion, procure a license that will protect Customer against such claim without cost to Customer or replace the Service with a non-infringing Service. THIS CLAUSE 15.1 STATES CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES FOR INFRINGEMENT OR CLAIMS ALLEGING INFRINGEMENT. This indemnity by Supplier shall not apply to the extent that the claim of infringement of Intellectual Property Rights arose as a result of i) any negligent act or omission or willful misconduct of the Customer pursuant to this Agreement; (ii) any misuse or modification of the Service by the Customer, including, but not limited to the Customer's use of the Service in a manner inconsistent with information, directions, specifications, or instructions provided and approved by Supplier; (iii) the Customer's use of the Service in combination or conjunction with any product, service, device, or method not owned, developed, furnished, recommended, or approved by Supplier; (iv) the combination, operation or use of the Service with non-Supplier programs, data, methods or technology if such infringement would have been avoided without the combination, operation or use of the Service with other programs, data, methods or technology, or (v) Customer's breach of any of the provisions of section 7 of this Agreement.

15.2 To the extent permitted by law, Customer will defend, indemnify, and hold Supplier (and its officers, directors, employees and agents) harmless from and against all Losses arising out of or in connection with a claim, suit, action, or proceeding by a third party (i) alleging that the Customer Data or other data or information supplied by Customer infringes the intellectual property rights or other rights of a third party or has caused harm to a third party or (ii) arising out of breach of clause 7 above.

15.3 Customer will defend Supplier (and its officers, directors, employees and agents) from any third-party subpoena or compulsory legal order or process that seeks Customer Data and/or other Customer-related information or data.

15.4 In case of any claim that is subject to indemnification under this Agreement, the party that is indemnified ("**Indemnitee**") will provide the indemnifying party ("Indemnitor") reasonably prompt notice of the relevant claim. Indemnitor will defend and/or settle, at its own expense, any demand, action, or suit on any claim subject to indemnification under this Agreement. Each party will cooperate in good faith with the other to facilitate the defense of any such claim and will tender the defense and settlement of any action or proceeding covered by this clause 15 to the Indemnitor upon request. Claims may be settled without the consent of the Indemnitee, unless the settlement includes an admission of wrongdoing, fault, or liability.

16 DISCLAIMERS AND LIMITATIONS

16.1 Except with regard to Customer's payment obligations under clause 5 and with regard to either party's indemnification obligations under clause 15, in no event will either party's aggregate liability exceed the Service Fees due for the preceding twelve (12) month period at the time of the event or circumstance giving rise to such claim. Except in regard to Customer's breach of clause 7, in no event will either party be liable for any indirect, special, incidental, consequential damages of any type or kind (including, without limitation, loss of data, revenue, profits, use or other economic advantage).

16.2 The Supplier is not responsible for any defects or damages resulting from Customer's or Customer's agents or employees mishandling, abuse, misuse, accident, or Force Majeure. The Customer agrees to inform the Supplier of any Customer system change that may reasonably be expected to affect the Supplier's ability to provide the Service and shall notify the Supplier of any change to its IT configuration affecting the Services. The Supplier shall not be held responsible for the availability of telephone lines, the Internet, electricity, or servers outside its reasonable control. The Supplier provides no warranty or guarantee in relation to speed of delivery of the Service, including the speed of any restores. The speed of delivery of the Service is dependent on factors outside the control of the Supplier including inter alia the speed, functionality and condition of the Customer's IT infrastructure, the amount of data being restored and/or the bandwidth of the Customer's internet connection. Any errors caused arising from the inadequacy or defectiveness of the Customer's IT infrastructure and/or the connectivity and bandwidth of the Customer's internet connection may affect the delivery of the Service including the performance of any restores. The Supplier will notify Customer of any technical failures in respect of delivery of the Service of which it is aware and subject to the terms of the Service Level Commitments, will endeavor to work with Customer to assist with rectification of any such failures. Customer acknowledges that changes may be required to the Customer's IT infrastructure and/or to its internet connectivity including its bandwidth capacity or otherwise to improve the speed, performance and/or delivery of the Service. Customer shall be responsible for the cost of any such changes. Any administrative and technical notifications in respect of the delivery of the Service will be sent by email to the Customer.

16.3 Except as set forth in the Service Level Commitments, the Supplier makes no warranty that the Service will be uninterrupted, timely, secure or error free. The Supplier expressly disclaims all liability howsoever arising from any change made to the Customer's IT configuration of the Client Environment of which Customer has not notified the Supplier in writing. No statement, whether oral or written, obtained by Customer from the Supplier shall create any warranty not expressly made herein.

16.4 The Customer recognizes that the Internet consists of multiple participating networks that are separately owned and not subject to the Supplier's control. The Customer agrees that the Supplier shall not be liable for damages incurred or sums paid when the Service is temporarily or permanently unavailable due to malfunction of, or cessation of, internet services by networks or Internet service providers not subject to the Supplier's control, or for transmission errors in, corruption of, or the security of the Customer Data or data transmitted through the Service carried on such networks or Internet service providers. The Supplier shall have no liability hereunder for damages incurred or sums paid due to any fault of Customer or any third party, or by any harmful components (such as computer viruses, worms and computer sabotage). The Supplier is not liable for any breach of security on the Customer's network, regardless of whether any remedy provided in this Agreement fails in its essential purpose.

16.5 THE WARRANTIES EXPRESSLY STATED IN THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE WARRANTIES OFFERED BY SUPPLIER. THERE ARE NO OTHER WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE SERVICES ARE PROVIDED TO CUSTOMER ON AN "AS IS" AND "AS AVAILABLE" BASIS. CUSTOMER ASSUMES ALL RESPONSIBILITY FOR DETERMINING WHETHER THE SERVICE OR THE INFORMATION GENERATED THEREBY IS ACCURATE OR SUFFICIENT FOR CUSTOMER'S PURPOSES.

17 CONFIDENTIALITY

17.1 "**Confidential Information**" means non-public information, technical data or know-how of a party and/or its Affiliates, which is furnished to the other party in written or tangible form in connection with this Agreement. Oral disclosure will also be deemed Confidential Information if it would reasonably be considered to be of a confidential nature or if it is confirmed at the time of disclosure to be confidential.

17.2 Notwithstanding the foregoing, Confidential Information does not include information which is: (i) already in the possession of the receiving party and not subject to a confidentiality obligation to the providing party; (ii) independently developed by the receiving party; (iii) publicly disclosed through no fault of the receiving party; (iv) rightfully received by the receiving party from a third party that is not under any obligation to keep such information confidential; (v) approved for release by written agreement with the disclosing party; or (vi) disclosed pursuant to the requirements of law, regulation, or court order, provided that the receiving party will promptly inform the providing party of any such requirement and cooperate with any attempt to procure a protective order or similar treatment.

17.3 Neither party will use the other party's Confidential Information except as reasonably required for the performance of this Agreement. Each party will hold in confidence the other party's Confidential Information by means that are no less restrictive than those used for its own confidential materials. Each party agrees not to disclose the other party's Confidential Information to anyone other than its employees or subcontractors who are bound by confidentiality obligations and who need to know the same to perform such party's obligations hereunder. The confidentiality obligations set forth in this clause 17 will survive for five (5) years after the termination or expiration of this Agreement.

17.4 Upon termination or expiration of this Agreement, except as otherwise agreed in writing or otherwise stated in this Agreement, each party will, upon the request of the disclosing party, either: (i) return all of such Confidential Information of the disclosing party and all copies thereof in the receiving party's possession or control to the disclosing party; or (ii) destroy all Confidential Information and all copies thereof in the receiving party's possession or control. The receiving party will then, at the request of the disclosing party, certify in writing that no copies have been retained by the receiving party, its employees or agents.

17.5 In case a party receives legal process that demands or requires disclosure of the disclosing party's Confidential Information, such party will give prompt notice to the disclosing party, if legally permissible, to enable the disclosing party to challenge such demand.

18 DATA PROTECTION

18.1 The parties agree that the Customer is the Data Controller and the Supplier is the Data Processor in respect of any Personal Data.

18.2 The Supplier will:

18.2.1 take appropriate technical and organizational measures against unauthorized or unlawful processing of, and accidental loss or destruction of, or damage to, Personal Data, having regard to the state of technological development and the cost of implementing any measures, to ensure a level of security appropriate to the harm that might result from such unauthorized or unlawful processing, accidental loss, destruction or damage and the nature of the Personal Data;

18.2.2 only process Personal Data in accordance with instructions from the Customer and the Customer shall not provide the Supplier access to sensitive personal information that imposes specific security data security obligations for the processing of such data.; and

18.2.3 take reasonable steps to ensure the reliability of its employees who have access to the Personal Data.

19 TERMINATION

19.1 If a party:

(a) commits a material breach of this Agreement which cannot be remedied; or

(b) commits a material breach of this Agreement which can be remedied but fails to remedy that material breach within sixty (60) days of a written notice setting out the breach and requiring it to be remedied being given by the other party (or such longer period where agreed between the parties.

the other party may terminate this Agreement immediately by giving not less than sixty (60) days' written notice to that effect to the party in breach.

19.1.1 A breach can be remedied if the party in breach can comply with the relevant obligation in all respects other than as to time of performance unless time of performance of such obligation is of the essence.

19.1.2 This clause 19.1 will not apply to any failure by the Customer to make any payment due to the Supplier under this Agreement on or before the due date. Clause 19.2 will apply instead to any such failure.

19.2 The Supplier may terminate this Agreement by giving not less than thirty (30) days' written notice to that effect to the Customer if the Customer fails to make any payment due to the Supplier under this Agreement within sixty (60) days after the relevant due date for payment.

19.3 Either party may terminate this Agreement immediately by giving written notice to that effect to the other party if the other party becomes insolvent. Each party will notify the other party immediately upon becoming insolvent.

19.4 If an application for an administration order, a notice of intention to appoint an administrator or a winding up petition is the only grounds for giving notice to terminate, that notice will be deemed to be ineffective if:

19.4.1 in the event of an application for an administration order being made, that application is withdrawn or dismissed within ten (10) Business Days of being made;

19.4.2 in the event of a notice of intention to appoint an administrator being filed, no administrator is appointed within ten (10) Business Days of the notice being filed; or

19.4.3 in the event of a winding up petition being presented, that petition is withdrawn or dismissed prior to advertisement and within ten (10) Business Days of presentation.

19.5 The Supplier's rights of termination set out in this Agreement are in addition to and not in substitution for any rights of termination which may exist at common law.

19.6 Termination of this Agreement for any reason, shall not affect the accrued rights, remedies, obligations or liabilities of the parties existing at termination.

19.7 The Customer may terminate this Agreement pursuant to the provisions of ARIZ. REV. STAT. § 38-511.

20 CONSEQUENCES OF TERMINATION

20.1 The termination of this Agreement howsoever arising is without prejudice to the rights, duties and liabilities of either party accrued prior to termination.

20.2 If the Supplier terminates or suspends the Service under this Agreement, Customer must pay within thirty (30) days all Service Fees and Professional Services Fees that have accrued prior to such termination or suspension, as well as any fees that remain unpaid for the Service up to date of termination or suspension plus related taxes and expenses. If the Agreement is terminated by Customer for any reason other than a termination expressly permitted by the Agreement, Customer agrees that the Supplier shall be entitled to the Service Fees payable for the Service under the Agreement for the entire Initial Term or if terminated during an Extended Term, the Service Fees payable for the entire Extended Term, unless a provision to the contrary is stipulated in the Agreement.

20.3 The clauses in this Agreement which expressly or impliedly have effect after termination will continue to be enforceable notwithstanding termination.

20.4 The Customer shall not be entitled on or after the termination of this Agreement for any reason whatsoever to a rebate of any Service Fees paid in advance of their due date.

20.5 On termination of this Agreement howsoever arising the Customer will at the direction of the Supplier return to the Supplier any documents in its possession or control which contain or record any Confidential Information.

21 FORCE MAJEURE

21.1 Neither party to this Agreement will be deemed to be in breach of this Agreement or otherwise liable to the other party in any manner whatsoever for any failure or delay in performing its obligations under this Agreement due to Force Majeure, provided that it has complied and continues to comply with its obligations set out in clause 21.2. "**Force Majeure**" means in this Agreement catastrophic events of environmental and unforeseen nature. Examples defined as Force Majeure include, but are not limited to, hurricanes, tornados, earthquakes, and others of like unforeseen environmental impacts**.**

21.2 If a party's performance of its obligations under this Agreement is affected by Force Majeure:

21.2.1 it will give written notice to the other party, specifying the nature and extent of the Force Majeure, within seven days of becoming aware of the Force Majeure and will at all times use all reasonable endeavors to bring the Force Majeure event to an end and, whilst the Force Majeure is continuing, to mitigate its severity, without being obliged to incur any expenditure;

21.2.2 subject to the provisions of clause 21.3, the date for performance of such obligation will be deemed suspended only for a period equal to the delay caused by such event; and

21.2.3 it will not be entitled to payment from the other party in respect of extra costs and expenses incurred by virtue of the Force Majeure.

21.3 If the Force Majeure in question continues for more than three (3) months a party may give written notice to the other to terminate this Agreement. The notice to terminate must specify the termination date, which must not be less than fifteen (15) days and once such notice has been validly given, this Agreement will terminate on that termination date.

21.4 If the Agreement is terminated in accordance with clause 21.3, then neither party will have any liability to the other except that rights and liabilities which accrued prior to such termination will continue to exist.

22 EMPLOYEES NON-SOLICITATION

22.1 Notwithstanding any degree of supervision exercised by either party over employees of the other, in no circumstances will the relationship of employer and employee be deemed to arise between either party and an employee of the other.

22.2 Unless this Agreement is earlier terminated by reason of the Supplier's Insolvency ("**Insolvency Event**") when no such restrictions shall apply, during the term of this Agreement and for a period of six months after its termination, Customer will not and will ensure that its Affiliates will not, directly or indirectly, without the prior written consent of the other, solicit, or permit any of its group companies to solicit or entice, the employment of any person who is employed by the other party or any of its group companies and whose role either wholly or partly relates to the provision of the Service or the performance of this Agreement. For the purposes of this clause 22, "**solicit**" or "**entice**" means the soliciting or enticing of such person with a view to engaging such person as an employee, director, subcontractor, consultant or independent contractor or through a company owned by such person or his or her family but will not apply in the case of any such person responding without enticement to a job advertisement which is capable of being responded to by members of the public (or sections thereof) generally.

22.3 In such circumstances where the Supplier suffers an Insolvency Event, nothing in this clause 22 will prohibit the Customer from soliciting or enticing or attempting to solicit or entice the employment of any of the key personnel for the duration of that Insolvency Event.

23 ASSIGNMENT

23.1 Either party may assign, novate or deal in any other manner with any of its rights and obligations under this Agreement.

23.2 Subject to the foregoing, this Agreement will be binding upon, and inure to the benefit of the parties and their respective successors and permitted assigns.

24 NOTICES

24.1 Notices will be in writing, in the English language, marked for the attention of the specified representative of the party to be given the notice or communication and:

24.1.1 sent by pre-paid first-class post to that party's address;

24.1.2 sent by e-mail to that party's e-mail address (with a copy sent by pre-paid to that party's address within twenty-four (24) hours after sending the e-mail).

The address, e-mail address and representative for each party are set out below and may be changed by that party giving at least five (5) Business Days' notice in accordance with this clause 24:

________________________	**Prime Government Solutions Inc.**

		3429 Derry Street Harrisburg, PA 17111
Attention of:	Attention of:	**PrimeGov Finance** billing@primegov.com

24.2 Any Notice given in accordance with 24.1 will be deemed to have been served:

24.2.1 if given as set out in clause 24.1.1 at 9.00 am on the second Business Days after the date of posting; or

24.2.2 if given as set out in clause 21.2.3, at the time of sending (except that if an automatic electronic notification is received by the sender within twenty-four (24) hours after sending the e-mail informing the sender that the e-mail has not been delivered to the recipient or that the recipient is out of the office, that e-mail will be deemed not to have been served).

25 RELIANCE ON REPRESENTATIONS

25.1 The Customer acknowledges that this Agreement has not been entered into wholly or partly in reliance on, nor has the Supplier given or made, any warranty, statement, promise or representation other than as expressly set out in this Agreement.

25.2 Nothing in this clause 25 will exclude any liability which one party would otherwise have to the other party in respect of any statements made fraudulently.

26 SET-OFF OR WITHHOLDING

All payments to be made by the Customer to the Supplier under this Agreement will (in the absence of express written agreement from the Supplier) be made in full without any set-off, restriction or condition and without any deduction or withholding for or on account of any counterclaim or any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature unless the Customer is required by law to make any such deduction or withholding and Customer has given prior notification to Supplier of such legal obligations on the Customer's part.

27 ENFORCEMENT BY THIRD PARTIES

The terms and conditions of this Agreement are for the sole benefit of the parties and nothing herein will be construed as giving any rights to any person or party not a party to it.

28 INVALIDITY/SEVERABILITY

If any clause or part of this Agreement is found by any court, tribunal, administrative body or authority of competent jurisdiction to be illegal, invalid or unenforceable then that provision will, to the extent required, be severed from this Agreement and will be ineffective without, as far as is possible, modifying any other clause or part of this Agreement and this will not affect any other provisions of this Agreement which will remain in full force and effect.

29 VARIATION

This Agreement may only be varied or amended in writing and signed by the parties or their authorized representatives of each of the parties.

30 WAIVER

No failure or delay by the Supplier to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.

31 DISPUTE RESOLUTION

31.1 If a dispute arises out of or in connection with this Agreement or the performance, validity or enforceability of it ("**Dispute**") then, except as expressly provided in this Agreement, the parties shall follow the dispute resolution procedure set out in this clause 31.

31.2 The parties will initially seek to resolve the Dispute through discussion and negotiation in good faith between the appropriate officers of the parties. If the Dispute is not resolved, through discussion and negotiation under this section, within thirty (30) days (or such alternative time period as may be agreed between the Parties), the following procedure will apply:-

31.2.1 Any dispute relating to the terms, interpretation or performance of this Agreement (other than claims for preliminary injunctive relief or other pre-judgment remedies) will be resolved at the request of either party through binding arbitration. Arbitration will be conducted under the rules and procedures of the American Arbitration Association ("**AAA**"). The parties will request that AAA appoint a single arbitrator. Judgment on the arbitrator's award may be entered in any court having jurisdiction. In the event any provision of this Agreement is held by a tribunal of competent jurisdiction to be contrary to the law, the remaining provisions of this Agreement will remain in full force and effect and an enforceable provision that most closely reflects the parties' intent will be substituted for the unenforceable provision. The waiver of any breach or default of this Agreement will not constitute a waiver of any subsequent breach or default, and will not act to amend or negate the rights of the waiving party.

32 GOVERNING LAW AND JURISDICTION

32.1 The formation, existence, construction, performance, validity and all aspects whatsoever of this Agreement or of any term of this Agreement will be governed by the laws of the State of Arizona.

32.2 The courts of Yavapai County, Arizona will have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement. The parties irrevocably agree to submit to that jurisdiction except that either party may seek injunctive relief in any court of competent jurisdiction.

33 MERGER AND MODIFICATION

This Agreement, including the attached documents, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by both parties.

34 INTERLOCAL AGREEMENT

This Agreement may be extended for use by other municipalities and governmental agencies upon execution of an addendum or other signed writing setting forth all of the terms and conditions for such use, including the products and services and fees applicable thereto. Any such usage by other entities must be in accordance with the code, charter, and/or procurement rules and regulations of those respective governmental entities.

35 NONDISCRIMINATION AND COMPLIANCE WITH LAWS

Supplier agrees to comply with all applicable laws, rules, regulations, and policies, including those relating to nondiscrimination, accessibility, and civil rights. Supplier agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes and unemployment compensation and workers' compensation premiums. Supplier shall have and keep current at all times during the term of this Agreement all licenses and permits required by law.

SIGNED BY the parties on the date stated at the beginning of this Agreement.

CUSTOMER NAME	**PRIMEGOV**
	Digitally signed bySherif Agib Date: 2022.06.08 13:24:44 -07'00'
…………………………………………………………..	…………………………………………………………
Authorized Signature	Authorized Signature
…………………………………………………………..	**Sherif Agib/President**
Print Name/Title	Print Name/Title
…………………………………………………………..	6-8-2022
Date	Date

SCHEDULE 1 – Support Services Contract

This Support Services Contract describes the expected performance of the PrimeGov Service, the procedures for reporting an issue, and expected turnaround time on issues reported.

1. **Service Uptime Target.** PrimeGov has a target uptime of >99.95% measured on a monthly basis. This time excludes any planned maintenance that have been identified to the Customer. PrimeGov shall give a minimum of two (2) business days' notice for planned maintenance updates. Planned maintenance will be targeted to occur between 12:00 a.m. (midnight) to 03:00 a.m. Mountain Time on Friday. Update notes are published as part of the maintenance notification, highlighting new features, improvements, and bug fixes. Maintenance time frames are subject to change by PrimeGov, and proper notification is provided to the Customer within the minimum two (2) business day period.

2. **Reporting an Issue.**
   - **a. Contact Details.** At PrimeGov, we built our support system with alerts to anticipate any service disruption so that our Customer Success team can address any technical items before they become an issue for our customers. In the case where a Customer discovers an issue, or the Service is unavailable, the Customer should notify the PrimeGov Customer Success team through one of the following channels:
     - **i.** Entering a ticket in the help desk system at support.primegov.com.
     - **ii.** E-mailing the Customer Success team directly at support@primegov.com.
     - **iii.** Calling the Customer Success team at 1-833-634-6349.
   - **b. Hours of Coverage.** Regular Support Services are provided between 8:00 am and 6:00 pm Mountain Time, Monday through Friday. On-call and emergency support are provided outside of regular Support Service hours online and by phone. More specifically, the hours are as follows:
     - **i. Call for phone support.** Phone support is available twenty-four (24) hours a day, seven (7) days a week by calling 1-833-634-6349.
     - **ii. Enter an issue in the help desk system.** This service is available twenty-four (24) hours a day, seven (7) days a week at support.primegov.com.
     - **iii. Email an issue to the Customer Success team.** This service is available twenty-four (24) hours a day, seven (7) days a week.
   - **c. Customer Priority Identification.** The Customer will supply their determined priority for each support item logged in accordance with the following Priority Code:

PRIORITY CODE	DESCRIPTION
P1 - Critical	The problem is impacting all Users by the Service being unavailable with no work-around available.
P2 - High	The problem is impacting a significant number of Users and is causing a significant business impact, where there is no work-around available.
P3 - Moderate	The problem is impacting a small number of Users and is causing a minor business impact or is causing a significant business impact, but there is a workaround available.
P4 - Low	Non-service affecting defect. Non-urgent or cosmetic problems, queries, causing inconvenience only.

3. **Resolving an Issue**
   - **a. Steps to Resolution.**
     - **i.** PrimeGov Customer Success staff will analyze the issue and revert to the Customer with an assessment of the issue.
     - **ii.** The issue will then result in one of the following actions:
       1. The PrimeGov Customer Success staff will send a set of steps to close the issue with associated times.
       2. PrimeGov Customer Success staff will ask for more clarification/ information on the issue.
       3. PrimeGov Customer Success staff may discuss the priority of the issue.
       4. The Customer and the PrimeGov Customer Success staff will mutually agree to close or reprioritize an issue.
     - **iii.** If a support issue is closed because it has been successfully resolved, then PrimeGov Customer Success staff will provide a brief description of the final solution to the Customer.
   - **b. Target Response Time.** PrimeGov will aim to provide the Customer with a response within a specific time limit based on the agreed Priority Code of the Support Issue (a "**Target Response Time**"). The following Target Response Times are within the hours of coverage:

PRIORITY CODE	DESCRIPTION	TARGET RESPONSE TIME <
P1	Critical	30 minutes
P2	High	1 hour
P3	Moderate	2 hours
P4	Low	40 hours

4. **Problem Escalation.** A Support Call's Priority Code may be escalated by either the Customer or PrimeGov, if it is found to be more business critical than first realized or if the steps to resolve are proving unsatisfactory. In the event of escalation, the following contacts from PrimeGov should be called:

ROLE	NAME	CONTACT EMAIL
Technical Support Lead	Sydney Erickson	sydney.erickson@primegov.com

Technical Support Director	Larry Thorpe	larry.thorpe@primegov.com
President	Sherif Agib	sherif@primegov.com

5. **Minor Enhancements.** Requests by the Customer for minor enhancements or changes to the Service not relating to a defect or error inherent in the Service will be considered on a case-by-case basis and will be included under this Agreement at the sole discretion of PrimeGov if in the PrimeGov software product roadmap.

6. **Knowledge Base.** PrimeGov provides a searchable online knowledge base for questions and issue resolution is available at support.primegov.com. The documentation provided includes product updates, technical assistance, and tutorials. The content is regularly updated and expanded and each article contains links to related articles for increased navigation. The knowledge base is available on the same website as the support ticket management system for ease-of-use.

7. **Exclusions**
   - **a.** Requests by the Customer for significant enhancements or changes to the Service not relating to a defect or error inherent in the Service will be excluded from this Agreement and will be managed separately.
   - **b.** PrimeGov is only obliged to provide the Support Services with respect to the then current version of the Service. If PrimeGov provides Support Services for older versions/releases, this is done without obligation on an “as-is” basis at PrimeGov’s sole discretion and without any service level applying and PrimeGov may make the provision of further Support Services for older versions of the Service subject to the payment of additional fees.
   - **c.** Any alteration, modification or maintenance of the Service by the Customer or any third party which has not been authorized in writing by PrimeGov.
   - **d.** Any failure by the Customer to implement any recommendations, solutions to faults, problems or updates previously advised or delivered by PrimeGov to the Customer.
   - **e.** Either Party being subject to Force Majeure.
   - **f.** The Customer’s failure, inability or refusal to allow PrimeGov’s personnel proper and uninterrupted access to the Service.

SCHEDULE 2 – Pricing Schedule

See following pages.

PRIMEGOV

BY 1R ROCK SOLID TECHNOLOGY

Pricing

The PrimeGov platform is a single, hosted solution that can be partitioned into separate modules when clients wish to start with specific functions only. Should you decide to add services in the future, you never have to worry about integration or data migration issues because all modules share the same database. The pricing is based on population and there are no limits to the number of users, committees, or amount of data uploaded to the solution.

The following PrimeGov modules are included in this proposal:

- Agenda Automation
- Meeting Management
- Video Streaming
- Committee Manager
- OnBase Integration

The following PrimeGov modules are not included in this proposal:

- Member Voting
- Community Engagement
- Closed Captioning Service

Solution	Investment
Annual	
Agenda Automation Agenda Automation	$8,670.00
Meeting Management Meeting Management	$6,503.00
Video Streaming Video Streaming	$4,335.00
OnBase Integration OnBase Integration	$1,500.00
Committee Management Committee Management	$6,069.00
	$27,077.00
One-Time Costs	
Professional Services (Exp. June 30th) Professional Services	$2,500.00
AJA HELO Encoder AJA HELO Encoder	$1,995.00
	$4,495.00

Subtotal **$31,572.00**

Total First Year Cost **$31,572.00**

Subsequent Years: +5% annual increase

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. i.**

Meeting Date: 06/28/2022

Contact Person: Erin Deskins, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Estimated length of Staff Presentation:

Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to appoint applicants to the Roads and Streets Committee, Board of Adjustment, and Public Safety Retirement Board, per recommendation of the Appointments Subcommittee. (Erin Deskins, Town Clerk)

SITUATION & ANALYSIS:

The Council Appointments Subcommittee met on June 15, 2022, to review applications and make recommendations for the public bodies below. Based on their review of the applications, they and staff recommend the following appointments:

- Roads & Streets Committee - Robert Johan and James Wise to 2-year terms of July 1, 2022 - June 30, 2024.
- Board of Adjustment - Michael Ditta and Billie James to 2-year terms of August 1, 2022 - July 30, 2024.
- Public Safety Retirement Board - Cheri Romley and Deanna Winn to 4-year terms of July 1, 2022 - June 30, 2026.

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. j.**

Meeting Date: 06/28/2022

Contact Person: Erin Deskins, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to approve the May 10, 2022, study session meeting minutes. (Erin N. Deskins, Town Clerk)

RECOMMENDED ACTION:

Approve the May 10, 2022, study session meeting minutes.

Attachments

May 10, 2022 Study Session Minutes

D R A F T

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

TUESDAY, MAY 10, 2022
5:00 P.M.

CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ

Present: Mayor Jack Miller; Vice-Mayor Annie Perkins; Councilmember Tom Armstrong; Councilmember Eric Granillo (remotely); Councilmember Cloyce Kelly; Councilmember John McCafferty

Absent: Councilmember Lon Turner

Staff Present: Town Manager Cindy Blackmore; Town Attorney Michael Goodman (remotely); Assistant to the Town Manager Terri Denemy; Development Services Director Laurie Lineberry; Senior Planner Will Dingee; Planner Bethan Heng; Audio Visual Technician Lawrence Digges; Deputy Town Clerk Sara Burchill; Town Clerk Erin N. Deskins

1) CALL TO ORDER; ROLL CALL

Mayor Miller called the meeting to order at 5:00 p.m.

2) Discussion regarding the Temporary Sign Code Sunset Clause. (Will Dingee, Senior Planner)

Senior Planner Will Dingee presented the following:

- The Town went through a text amendment process in 2020 for the sign code.
- The amendments included a sunset clause for the auxiliary signage such as banners, flags, etc.
- The sunset clause would expire July 1, 2022.
- During the two-year period of 2020 through 2022, staff was to evaluate the regulations to determine if it was working for the Town or modifications were necessary. Unfortunately, the Covid pandemic hit in 2020, and staff were unable to get a good sample of how the ordinance worked.
- Staff was proposing a five-year extension of the sunset clause to 2027 so they could get a better idea on how the ordinance worked.

Council and staff discussed the following:

- There had been a couple of complaints regarding placement of signs but overall, there had not been issues.
- There had been positive feedback from the business about not needing a permit for the

auxiliary signs.
- Staff themselves had not had enough experience to determine if it worked, but it had diminished complaints.
- The banner signs were to be six feet behind the property line, and the 2020 code included self-policing. Staff was not clear if that had happened, but they had not received complaints.

Public Comment:

- Tom Payne – Tom's Print & Sign – He wanted to leave the comments up to staff since they dealt with it every day. He needed to know what to tell people about the regulations. He appreciated that it was not going to change and thought it was a little frustrating that they would need to review it again in five years. He thought it would be better for Council to just enact the ordinance and get rid of the sunset clause. If something needed to be addressed and changed, they could do that. His business had not been affected by the pandemic and changes in the last few years. It had been frustrating knowing that there was a possibility of changes, and it was nice to be sure of the regulations without the possibility of those changes. The feedback he had received from businesses was very positive and they appreciated that there was written code to refer to for them to follow. There had been talk about policing and it was still in code and signs in disrepair could be addressed. He thought it was a good code.

Council and staff discussed the following:

- It was the prerogative of the Council if they wanted to extend the sunset date or make it a permanent part of code. Staff had recommended extending the clause so that they could get a better sample of what the code looked like going forward.
- Staff would prepare a text amendment to get rid of the sunset clause. They would take it through the public process, starting with Planning and Zoning. Staff would try and get the process completed before July 1st, but because of the public notification process, it could take longer. Staff would ensure nothing would affect businesses.

3) Discussion regarding a potential text amendment to increase the 300-foot mailed notification distance for public hearings. (Will Dingee, Senior Planner)

Development Services Director Laurie Lineberry presented the following:

- A comment she had kept hearing was that people in the community did not think there was enough notification.
- The State only required one notification, but the Town did five notification sites.
- Some people wanted everyone in Town notified about every single project, which the Town did by placing notifications in the newspaper and on the Town website.
- The (300-foot) State law provision had been developed in the Phoenix area, which was a much denser area than the Town.
- Staff considered the actual number of people being notified under the required distance with the Town's larger lots, and prepared four sets of comparisons:
  1. Notification for 6500 square foot lots (Highlands Ranch) with a 300-foot radius was 62 property owners. If it was increased to 900-feet, it was closer to 300 property owners, which was a lot of people.
  2. Notification for 7400 square foot lots (Chino Meadows) with a 300-foot radius was 42 property owners. At 600 feet it was 135 properties, and at 900 feet it was 268 properties.

3. Notification for one- to twoacre lots, a 300-foot radius was 13 properties, which was not enough people. At 600 feet it was 30 parcels and at 900 feet it was 49 properties. Either larger distance made sense, but people in the 900-foot radius were not directly impacted.
4. Notification for two-acre or larger lots, a 300-foot radius was eight notices. A 600-foot radius was 19 properties, and a 900-foot radius was 37 properties.

- The goal for the notice was to send notice to people that could be directly impacted. It was not meant to be a notice to everyone. That was why staff did the other notifications throughout Town.
- Even though the 900-foot radius included properties not directly affected, it created a similar area of notification for denser areas at the 300-foot notification radius.
- Staff was proposing a change for properties that were an acre or larger to go to a larger radius. Either the 600- or the 900-foot radius worked for staff.

Council and staff discussed the following:

- Staff did not need to change the notification radius for all the properties in Town. They could stay at the 300-foot radius for any parcel smaller than an acre, and anything over an acre could have either the 600- or 900-foot notification radius.
- Members discussed the benefits of the larger 900-foot notification radius.
- Members discussed staff's efforts on the current notification system and leaving the 300-foot notification radius as it was.

4) Discussion regarding a potential text amendment for solar and wind farms within Chino Valley town limits. (Will Dingee, Senior Planner)

Senior Planner Will Dingee presented the following:

- The Town had a single solar farm that was operated by APS.
- Within the last four years staff had received three proposals for 1000-plus acre solar farms within the Town limits on the east side of Town. The proposals had not gone past the conceptual level and businesses raising the subject with staff to see if it was feasible.
- Staff had handled APS solar land use in the past by using a Conditional Use Permit (CUP).
- All residentially zoned properties from 0.16 up to 2.5 and AR-4 and AR-5 properties had a provision similar to how APS solar use was permitted, with a CUP.
- Staff thought this was extreme and wanted to propose to Council that they shift to only allowing solar and wind farms within the open space zoning district. This was because they were typically a long-term temporary facility and, in the case of solar, panels would be removed and the site dismantled when no longer useful. Once the operation was removed, it would go back to open space and be developed in accordance with the general plan.
- Staff was also looking at making solar and wind farms use only on 500- to 1000-acre lots and up and prohibiting anything under that. This would prevent smaller acre lots from being developed for solar and wind under the CUP.

Council and staff discussed the following:

- Open Space (OS) designation was typically reserved for wildlife and nature preservation. Staff thought it worked because once the facility was removed, it would remain OS. There were not currently any properties that were zoned OS within the Town limits. Any new developments that were zoned OS would be affected.

- Since it was a greener resource, staff thought it fit into the OS zone. If the Council approved the text amendment, staff would have to make amendments to the no structure provisions in the current text since solar panels were structures.
- Public parks were permitted in the OS zone. Current parks were in public land zoned areas, and they would not be applicable to the OS zone. Parcels had to be zoned OS to function with the farms, and the Town did not currently have any OS within the Town limits.
- Members thought it was important to be able to make changes with the rapid improvements to technology that continually changed things.
- The existing zoning for the APS parcels near Road 4 South was AR-5, with a CUP. APS was a public utility company and the proposals to staff had been private individuals that wanted to sell energy to APS. Since APS was a public entity, they had the ability to do things differently than private individuals.
- Contracts with APS and private individuals would still be treated as a private entity and not a public entity. Staff would ensure the definition would allow APS to put substations wherever needed under a CUP. The change to the text would allow the Town to control where solar and wind farms would be located. Currently, people could put a windmill next to residential homes.
- It was suggested that the farms needed to be zoned industrial, but when removed, it would leave 1000 acres of land zoned industrial. Staff did not think that was what Town wanted.
- Staff would draft a text amendment and send it to Planning and Zoning.

5) ADJOURNMENT

MOVED by Councilmember Cloyce Kelly, seconded by Councilmember Tom Armstrong to adjourn the meeting at 5:31 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo (remotely), Councilmember Cloyce Kelly, Councilmember John McCafferty

6 - 0 PASSED - Unanimously

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the _______ day of _______________, 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _______ day of _______________, 2022.

____

Erin N. Deskins, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. k.**

Meeting Date: 06/28/2022

Contact Person: Erin Deskins, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to approve the May 10, 2022, regular meeting minutes. (Erin N. Deskins, Town Clerk)

RECOMMENDED ACTION:

Approve the May 10, 2022, regular meeting minutes.

Attachments

May 10, 2022 Regular Meeting Minutes

D R A F T

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

TUESDAY, MAY 10, 2022
6:00 P.M.

CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ

Present: Mayor Jack Miller; Vice-Mayor Annie Perkins; Councilmember Tom Armstrong; Councilmember Eric Granillo (remotely); Councilmember Cloyce Kelly; Councilmember John McCafferty

Absent: Councilmember Lon Turner

Staff Present: Town Manager Cindy Blackmore; Town Attorney Andrew McGuire (remotely); Assistant to the Town Manager Terri Denemy; Development Services Director Laurie Lineberry; Administrative Services Director Joe Duffy; Community Services Manager Cyndi Thomas; Recreation Coordinator Hailey Byrd; Police Chief Chuck Wynn; Officer Todd Hyslip (Sgt at Arms); Public Works Director/Town Engineer Frank Marbury; Senior Planner Will Dingee; Economic Development Project Manager Maggie Tidaback; Audio Visual Technician Lawrence Digges; Deputy Town Clerk Sara Burchill; Town Clerk Erin N. Deskins

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

Mayor Miller called the meeting to order at 6:02 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Presentation of Life Saving Awards to Officer Mitea, Officer Herrera, Lt. McIntire, Lt. Chapman, Sgt. Johnson, SRO Pizzi, FTO Szymanski, Officer Hyslip, and Officer Murray. (Chuck Wynn, Police Chief)

Police Chief Wynn presented the following:

- There were three separate lifesaving incidents.
- The first incident was the Perkinsville auto accident involving students. The police were the first on the scene and triaged the victims and they helped lead the fire department to the scene. The officers recognized for their lifesaving efforts were Officers McIntire, Pizzi, Hyslip, Murray, Lt. Chapman, and Sgt. Johnson.
- The second incident involved a motorcycle accident. The police arrived first and were able to treat the person's injury before the fire department arrived. The officers recognized for their lifesaving efforts were Officers Mitea and Herrera.

- The third incident involved an individual who was choking. An officer was able to clear the person's airway and stabilize the person until the fire department arrived. The officer recognized for his lifesaving efforts was Officer Mitea.
- Officers were presented with an award for their efforts and their pictures were taken.
- Council recognized the officers' efforts in saving the lives of students that were not expected to make it but did.

b) Presentation and update regarding the 2022 aquatics calendar. (Cyndi Thomas, Community Services Manager)

Community Services Manager Thomas presented the following:

- There had been challenges getting the pool open for the season.
- They had been waiting on parts and specialists. They had difficulty finding staff.
- They were proposing two different options.
- The first was open on Memorial Day, as historically done.
- The second option was to open on June 4, 2022.
- Staff was pushing for the Memorial Day opening. Currently the pool was empty and being worked on.
- Staff was waiting for the work to be completed so the seasonal staff could be trained.
- Realistically, it would be the June 4th opening.
- They had added a Sunday open swim to the schedule. They were also not offering aquafit on a daily basis, but instead as a drop-in Saturday class. Everything else was the same as past schedules.
- The fees had not been increased from the previous year.

3) CALL TO THE PUBLIC- Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.

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.

- Larry Holt – He was a member of the Parks and Recreation advisory board and he explained the pool cost a lot of money and they wanted to make money with it, which was hard to do in their Town. He understood the Town was exploring the option of impact fees, and he strongly encouraged them to do it because he, like many others in Town, did not want to pay a Town property tax. That was the only other way the Town could get the money to do what they needed to do. They were the only Town in Yavapai County that did not have impact fees. He also wanted to address the Council. He thought they had been getting beat-up and he did not think they deserved it. There had been accusations regarding the Council that were false, outright lies, and it was disrespectful. He thought it was the best group of Councilmembers since he had been in Town. They listened and talked to people. People only needed to make an effort to contact the Council and sit down and talk to them. He thanked them for the job they did and hoped for the best for their future.

- Dr. Armaiti May – She wanted to bring up the safety risks related to 5G, which had been largely misunderstood about the harmful effects the infrastructure already had on children, adults, and bees, which were essential for pollenating the crops and providing food necessary to survive. She had noticed the towers throughout the area, and she urged the Council to have a conversation about why it was a concern and problem for the community. The Town had an opportunity to be leaders in safe technology and there were ample opportunities for safe technology. Fiber optics was an example and had faster internet connectivity compared to wireless. She cited an historic decision by the 9th Circuit Court that ruled in August 2021 that the FCC failed to respond to record evidence that exposure to radio frequency radiation at levels below the FCC's current limits may cause negative health effects unrelated to cancer. There had been over 10,000 studies in a landmark $30 million US National toxicology program which found clear evidence of cancer and DNA damage. It included thousands of peer reviewed studies that proved that electromagnetic frequency radiation causes biological damage including heart, cancer, increased blood pressure, diabetes, neurological disorders, learning and memory deficit, reproductive issues, increase the risk for autism, and more. To learn more about the ruling, information could be found on the Children's Health Defense and AZforsafetech.org. She was a practicing veterinarian and she looked forward to continuing the conversation.

4) 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. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

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

- Councilmember Armstrong attended the Republican Women of Prescott luncheon where they honored law enforcement. They recognized Chief Wynn. Also, Madison Foster from Chino Valley High School, had a 4.0 grade point average, and she was one of their scholarship award winners. She would be going to Dixie State to study dental hygiene.
- Councilmember Granillo thanked the Police for the Employee Appreciation Lunch and the police officers deserved the awards they had received.

b) Status report by Town Manager Cindy Blackmore regarding Town accomplishments, and current or upcoming projects.

Town Manager Blackmore thanked the local Safeway. They had given the Police Foundation a $5,000 donation. They also had a great grand opening and the store looked nice. They also gave $2,500 to each school.

5) 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 Annie Perkins, seconded by Councilmember Cloyce Kelly to accept Consent Agenda Items a, b, c, d, e, and f as written.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo (remotely), Councilmember Cloyce Kelly, Councilmember John McCafferty

6 - 0 PASSED - Unanimously

a) Consideration and possible action regarding Resolution No. 2022-1205, Authorization to Submit Applications, Implement CDBG Project, and accept funds from the Arizona Department of Housing for the Town of Chino Valley's four-year rotational Community Development Block Grant funding, and approve Resolution No. 2022-1211, Commitment of Local Leveraged Funds as part of Application; and authorizing the Mayor to sign said application upon completion by NACOG and Town staff. (Terri Denemy, Assistant to the Town Manager)

b) Consideration and possible action regarding Resolution No. 2022-1206, declaring that the Town Council deems the granting of a certain franchise beneficial for the Town, and ordering an election to be held on August 2, 2022, for the purpose of submitting to the voters the question as to whether or not a franchise shall be granted to Arizona Public Service Company (APS). (Erin N. Deskins, Town Clerk)

c) Consideration and possible action to accept the resignation of Todd League from the Parks and Recreation Advisory Board. (Cindy Blackmore, Town Manager)

d) Consideration and possible action to approve the April 12, 2022, study session minutes. (Erin N. Deskins, Town Clerk)

e) Consideration and possible action to approve the April 12, 2022, regular meeting minutes. (Erin N. Deskins, Town Clerk)

f) Consideration and possible action to approve the April 26, 2022, regular meeting minutes. (Erin N. Deskins, Town Clerk)

6) 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 award the construction of FY 2022 Street Improvements to Asphalt Paving & Supply, Inc. in the amount of $1,848,318. (Frank Marbury, Public Works Director / Town Engineer)

Recommended Action: Award the construction of FY 2022 Street Improvements to Asphalt Paving & Supply, Inc. in the amount of $1,848,318.

Public Works Director/Town Engineer Marbury presented the following:

- This was for the budgeted street projects for Fiscal Year 2022.
- They had put out a bid with concerns of price increases and the inability to complete the entire project. The engineer's estimate was $2.5 million. Staff had split up the bid and did the Road 1 West portion as an alternate bid.
- The low bid was from Asphalt Paving and Supply at $1,848,318 million. Staff thought that within the budget there was enough money to do the entire project.
- Staff recommended awarding the bid to Asphalt Paving and Supply for the entire project.
- Roads included in the bid: Road 4 ½ North from Reed to Road 1 West; Road 2 South from State Route 89 to Road 1 East; Road 1 West from Road 1 North to Road 2 North; one cul-de-sac of the west side of Perkinsville (all the cul-de-sacs needed to be done).

Council and staff discussed the following:

- The bid included Alternate 1, which was Road 1 West.
- It had been through the Roads and Streets Committee, and Members were glad it was going to be done.
- If awarded, the project would start the next day.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Tom Armstrong to award the construction of FY 2022 Street Improvements to Asphalt Paving & Supply, Inc. in the amount of $1,848,318.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo (remotely), Councilmember Cloyce Kelly, Councilmember John McCafferty

6 - 0 PASSED - Unanimously

b) Consideration and possible action to approve the Hawksnest Village Minor Subdivision Final Plat to divide approximately 90 acres into a 2.35 acre parcel, a 13.58 acre parcel, and a 72.77 acre parcel located West of State Route 89 and Road 2 North and East of Road 1 West. (Will Dingee, Senior Planner)

Recommended Action: Approve the Hawksnest Village Minor Subdivision Final Plat.

Senior Planner Will Dingee presented the following:

- The 90-acre property location and surrounding properties were overviewed.
- The property was mostly vacant and used for grazing land, with the exception of three buildings located on the southwest side of the property that were assessed as salvaged buildings.
- The property was originally entitled as SR0.16 Planned Area Development (PAD) in 2006, with lots averaging in size at 13,000 square feet. In 2017 the PAD was amended to rezone the southwest portion as multi-family to include an apartment complex. In May 2020, the applicant purchased the subject property. In April 2021, the applicant received the site plan approval for Hawksnest Village Apartments. In 2021 the applicant began the process for permitting, which was still ongoing. In April 2022 the applicant applied for a minor subdivision to divide the property for the associated projects.
- There were three primary parcels. Parcel one was reserved for the Hawknest Apartments at 13.58 acres; parcel two was a single family residential, would be a final platted subdivision and was almost 73 acres; parcel three was reserved for a drainage basin that will help cache water from parcel one development.
- There were utility easements contained within parcel one for sewer and water.
- Staff was forwarding a recommendation of approval subject to the staff report provided.

Council and staff discussed the following:

- It was currently a double entry and exit on the southern end of the apartment complex and via Hawksnest Trail. Both exited on to Road 2 North. As the proposal developed within the single family, there were prior stipulations from 2007 rezone that they were to connect to the other 90 acres to the west.
- The SR 0.16 would not be implemented on any future development, but the property that had already been entitled to the SR 0.16 would be developed.
- The proposal was not about entitlements but about splitting the 90 acres into three parcels for prospective projects.
- The existing single-family portion had 13,000 square foot lots, which put it close to ¼ acre lots with the current entitlements.
- It would have Town sewer and water.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Tom Armstrong to approve the Hawksnest Village Minor Subdivision Final Plat.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo (remotely), Councilmember Cloyce Kelly, Councilmember John McCafferty

6 - 0 PASSED - Unanimously

c) Consideration and possible action to approve the Financial Report for the nine-month period ending March 31, 2022. (Joe Duffy, Administrative Services Director)

Recommended Action: Approve Financial Report for the nine-month period ending March 31, 2022.

Administrative Services Director Duffy presented the following:

- It was the beginning of the budget season, and he would be providing more detailed information at their next meeting.
- They were 75% through the fiscal year, and overall the Town's revenue had been very strong with steady growth and were up 3% overall.
- The sales tax revenue had been up 12% or $600,000 from the previous year. They were seeing strength in retail sales. Construction was also up slightly, and the bed tax sales were up.
- Intergovernment revenues were down as suspected and were in line with budget projections. However, the coming year's projections for intergovernmental revenue (including State income tax, sales tax, HURF, and vehicle license tax) were up significantly. One reason was that the population had increased and the collections for the State overall were up. The Town would see a nice increase.
- As of June 30th, staff expected the General Revenue Funds to be up 8%.
- Expenditures were up slightly over the previous fiscal year. Departments should be at 75% or under on their budgets. Most departments would be under budget except for the Senior Center, which was due to increased food costs.
- For the General Fund adopted budget projection after expenses, staff had thought they would end the year with $8.4 million. The Town started the year $600,000 short of what they thought they were going to, but the revenues were going to be approximately $1 million higher and the expenses about $600,000 less. Because of that, the Town would start the year with an additional $1 million.
- HURF (highway revenue fund – had to be used exclusively for road work in the Town) revenues were up 7% from the previous year, and road maintenance expenses were down slightly. This was the operating budget for employees, equipment, etc.
- Total expenses were up due to transfers made to the capital improvement road budget.
- The HURF fund balance projection had been $1.8 million and ended up being $2.2 million. Revenues were up $155,000 more than projected and expenses were $108,000 less. They were starting the year with an extra $650,000.
- The water enterprise revenue funds were down 16%, but staff expected to see an increase in building activity and thought by the end of the year they would be fine.
- Water service fees were up 10% and the fill station receipts were doing well. Overall, the department was down 21% on expenses.
- They had approximately a half million dollars more than projected in the water fund.
- The sewer enterprise fund revenues were up, and the buy-in fees were up slightly. Service fees were up, and operating expenses were down. But since they were doing so much maintenance work, the expenses were up. Staff recommended doing a rate study for water and sewer in next year's budget. It had been five years since they last did a study.
- The police building was ongoing, and they would be presenting a change order at the next council meeting.
- Staff had to transfer an extra $500,000 for the general fund Capital Improvements Projects, but they had planned to transfer that money July 1st.
- They had started the Head Start water line and the work at the sewer plant would be completed by June 30th. WIFA was okay with the Town using the reserve money for the projects.
- All major revenues were up and there was good growth.

Council and Staff discussed the following:

- Reserves were required to be 25% of how much the Town budgeted to spend in a fund. In the proposed budget, the reserves would be $4.6 million. They were almost

double what the Town policy required.
- The Town could consider an option of paying off some of the unfunded Public Safety Personal Retirement System debts. Infrastructure was another consideration.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Cloyce Kelly to approve Financial Report for the nine-month period ending March 31, 2022.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo (remotely), Councilmember Cloyce Kelly, Councilmember John McCafferty

6 - 0 PASSED - Unanimously

7) ADJOURNMENT

MOVED by Councilmember Cloyce Kelly, seconded by Councilmember Tom Armstrong to adjourn the meeting at 6:48 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo (remotely), Councilmember Cloyce Kelly, Councilmember John McCafferty

6 - 0 PASSED - Unanimously

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the _______ day of _______________, 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _______ day of _______________, 2022.

____
Erin N. Deskins, Town Clerk

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. l.**

Meeting Date: 06/28/2022

Contact Person: Erin Deskins, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to approve the May 17, 2022, special meeting and study session minutes. (Erin N. Deskins, Town Clerk)

RECOMMENDED ACTION:

Approve the May 17, 2022, special meeting and study session minutes.

Attachments

May 17, 2022 Special Meeting and Study Session Minutes

D R A F T

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

TUESDAY, MAY 17, 2022
6:00 P.M.

CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ

Present: Mayor Jack Miller; Vice-Mayor Annie Perkins; Councilmember Tom Armstrong; Councilmember Eric Granillo; Councilmember Cloyce Kelly; Councilmember John McCafferty

Absent: Councilmember Lon Turner

Staff Present: Town Manager Cindy Blackmore; Assistant to the Town Manager Terri Denemy; Administrative Services Director Joe Duffy; Public Works Director/Town Engineer Frank Marbury; Police Chief Chuck Wynn; Lieutenant Josh McIntire; Lieutenant Randy Chapman; Economic Development Project Manager Maggie Tidaback; Development Services Director Laurie Lineberry; Accountant Tricia Kelsey; Audio Visual Technician Lawrence Digges; Deputy Town Clerk Sara Burchill

1) CALL TO ORDER; ROLL CALL

Mayor Miller called the meeting to order at 6:01 p.m. and led the Pledge of Allegiance.

2) Consideration and possible action to approve the Cooperative Purchasing Agreement with Interior Solutions of Arizona, LLC, to provide furniture, lockers, and storage for the Chino Valley Police Department in an amount not to exceed $576,601.82. (Joe Duffy, Administrative Services Director)

Recommended Action: Approve the Cooperative Purchasing Agreement with Interior Solutions of Arizona, LLC, in an amount not to exceed $576,601.82.

Administrative Services Director Duffy presented the following:

- The Police Department was requesting to make a cooperative agreement under a State contract for furniture with Interior Solutions.
- The contract was only good until the end of the month, so the contract needed to be in place so that the price and purchase could be secured.

Council and Staff discussed the following:

- The Town had budgeted to purchase all the furniture and equipment.
- The cost covered all labor and installation of furniture and equipment.
- There were two quotes. The first was all the office furniture and equipment and the

second quote included all lockers, gun cabinets, shelving, etc. Both quotes had separate installation prices. The price to install the lockers and gun cabinets was $46,830.
- The original budget projection for the furniture and fixtures was $500,000. There had been an increase to the actual budget, and with the change orders to the project, it was estimated the project would be $200,000 under what was projected for the entire project.
- In the upcoming budget, there was $700,000 budgeted for equipment and $500,000 for furniture.
- The next item that would be brought to Council would be for all the door locks, video and monitoring, and communication equipment. Staff had quotes for that equipment.
- Putting all the costs together, the entire project from day one would be just over $9 million. This included the architectural fees, construction, equipment, and furniture.
- The lockers had power inside so that radios and equipment could be charged.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Cloyce Kelly to approve the Cooperative Purchasing Agreement with Interior Solutions of Arizona, LLC, in an amount not to exceed $576,601.82.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty

6 - 0 PASSED - Unanimously

3) ADJOURNMENT

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Cloyce Kelly to adjourn the meeting at 6:11 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty

6 - 0 PASSED - Unanimously

STUDY SESSION
TUESDAY, MAY 17, 2022
6:05 P.M.

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

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1) CALL TO ORDER; ROLL CALL

Mayor Miller called the meeting to order at 6:11 p.m.

2) Presentation and discussion regarding the preliminary budget for Fiscal Year 2022/2023. (Joe Duffy, Administrative Services Director)

Administrative Services Director Duffy presented the following:

Revenue and Expense Overview

- Staff had been compiling information for the budget since February.
- It was a complicated budget, and the Town would be spending a lot of money trying to get things done. This was because the Town did not spend as much money in the current year and there were several old and new projects that could be done.
- Staff began the budget with the Council priorities.
- Staff's graph had color coded the projects by year.
- Projects included in Year One included General Plan, payment management program, and design of sewer treatment plant expansion. The second and third years included getting projects done (many would get completed), increasing use of technology, expansion of IT system, improving resident communication, accelerating the road maintenance program, increasing maintenance activities overall for all facilities, obtaining water providers, and a new Town Hall complex (five years out).
- Overall, the numbers were good, with positive trends.
- Staff conservatively estimated revenues and overestimated the expenses. This gave the Town more money at the end of the year, and it allowed the Town to build up reserves in all of their funds.
- Retail sales continued to increase, which was in large part due to internet sales. Staff expected that trend to continue.
- There continued to be strong construction activity, and staff expected it to continue at a healthy pace. This would lead to more water service accounts, which in turn would help the enterprise fund.
- The Town was in good and stable condition, with good reserves, and strong revenue funds.
- State shared revenue estimates were provided by the League of Cities and Towns. The net change from fiscal year 2021/2022 to 2022/2023 was significant, especially in the State Shared income tax. The Town's share was so large, that staff thought at least a half million dollars should be reserved as one-time revenue instead of ongoing revenue. The Town should not count on that revenue year after year. The State shared income tax revenue was typically two years behind the income collected by the State. The revenue shares to the Town would be at the beginning of Covid, and there could be significant changes to next year's revenue shared amount.
- Vehicle license tax was stable and ongoing, as was the State highway user revenue.
- They had started the previous budget year with $9.6 million, but ended with $9 million, having spent an extra $600,000. Revenues were up $1 million, and expenses were down $600,000. They would be starting the new budget with $1 million more than planned. Because of this, staff was budgeting more aggressively to try and spend down some of the reserves and get some projects completed.
- The reserves were more than double what was required.

- Required reserves could not be spent. They were to be saved as a rainy-day fund.
- The excess reserves were extra funds, and more than the policy required.
- One-time revenues were funds that would only be received by the Town once.
- Ongoing revenues were funds that were stable revenue funds received by the Town.
- Ongoing expenses should not exceed the ongoing revenues. This included salaries, wages, supplies, utilities, etc.
- Longtime revenues were one-time projects, capital projects, vehicle purchases, etc.
- The previous year, the Town barely got above the one-time revenues, even though they had expected to dip into the reserves. This year they would be budgeting aggressively to spend down the reserves.
- The HURF fund was a small fund.
- One percent of the sales tax went to the General Fund.
- The police department building budget and other project budgets were high so that there was a buffer in case more money was needed for the police building.
- Staff recommended transferring $500,000 over from the General Fund to ensure there was enough money.
- The ongoing payments were mostly service payments.
- The future five-year new Town Hall project would need to be borrowed money.
- The water enterprise fund was healthy, with revenues exceeding expenses. Staff was proposing a rate study since it had been five years since the last study.
- The sewer enterprise fund was doing fine on the operating fund side, but the Town was spending a lot of money on capital and fixing many things. Staff was concerned about this fund. The equipment and parts were very expensive, and staff was unsure what needed to be done to keep it operating efficiently.
- Transfers: Moving money from the general fund to the assets replacement fund to purchase vehicles and one building. An extra $500,000 was transferred from the general fund to the general fund capital improvement fund for the police department if needed. A transfer of $3.1 million from the general fund to the road Capital Improvement Project fund (CIP) to cover road projects. A transfer of $1 million into the Covid state local recovery fund (the American recovery fund) to cover both projects budgeted with that money. It was a buffer. There would be $200,000 of HURF money transferred to the road CIP. Money would be transferred to the debt service fund from the general fund to make the debt service payments. Through the resolution that set up the fund, the Town was transferring $250,000 to support the police department and $150,000 for the aquatic center back to the general fund. It had been happening for years. There were transfers to the water enterprise fund and the sewer enterprise fund at $100,000 each for projects.
- Staff recommended borrowing money from WIFA. The first loan would be for the equalization basins and blowers. The project was under design. The Road 1 East sewer expansion was also under design. It would be an approximately $5 million job. Staff had only budgeted $2 million and would not be pursuing the loan until the project was out to bid. The interest rate was low but was rising and would be around 3.5%.

Council and staff discussed the following:

- The Covid Relief funds needed to be obligated by 2026 and spent within two years. If the funds were not used, the Town would lose them.
- Staff thought the $1.5 million budget was accurate for the blower project.
- The PSPRS was not addressed in the budget. The Town adopted a policy that they would use excess contingency general funds to make an annual contribution to pay it down. They had been making $300,000 payments for the last four fiscal years. It was brought to Council every May or June for approval to make the payment. The Town's unfunded liability was approximately $2.8 million. The Town had been paying $400,000 to reduce the unfunded liability. By doing this, the Town was able to decrease their

contribution rate for current retirees. The benefit was about 8% for every $100,000. The amount should be paid off within 10 years. This year the Town had $600,000 in contingency funds and would only spend $75,000 of it. The Town could make a larger contribution. Members discussed the goal of bringing it to zero quickly.

- The past discussion about the sewer plant accepting septage was no longer active because the plant could not handle it. It was an efficient plant with a small footprint and it was effective in cleaning water for recharge, but it was very sensitive. Because of the concentration of the septage, in order for the plant to accept it, they would need to construct a different style plant. There were differing opinions about the profitability of accepting septage, but staff thought the difficulty of treating septage made the process expensive. Many plants were moving away from accepting septage due to the high cost and increased regulations on treating it.
- Online orders charged local sales tax.

Town Manager Blackmore presented the following:

Staffing and Wages

- Staff recommend adding seven positions. Six positions would be under the general fund and one in the water and sewer fund.
    - The Town had a contract previously for a Public Information Officer, and because of the many important projects in the upcoming years (General Plan rewrite) that would require a lot of messaging, staff wanted to make it a position and budget for a full-time position. That position could also handle public affairs (what was going on in the legislature and intergovernmental agencies).
    - A certified pool operator. There was currently no one on staff that was qualified to maintain the pool properly. In the long run it would save the Town money because they would not be deferring maintenance issues. This position would work part-time as a facilities maintenance person.
    - Three police officers. That would be moving forward in getting the police officers off 12-hour shifts and on to 10-hour shifts. It was better for the community and the officers.
    - Custodian. The Town was adding a building and was already stretched thin on their custodial staff.
    - Water and sewer technician. This would ensure proper maintenance of the facilities, which would increase the lifespan of the equipment and keep costs down.

Council and staff discussed the following:

- The average salary for a certified officer was $55,000. It was 10% lower in the academy, but upon certification they got the additional pay. They were currently doing a study of police officer wage comparison with the surrounding communities.
- The $116,000 budget for the Public Affairs Officer included all benefits for the job as well as wages. The salary was approximately 65% of the total budget ($75,000 annually). Staff thought there was enough work to justify a full-time position, but the position could start out as part-time. With all the future projects and programs, staff thought it was important to have someone to get the right messaging out to the public. The person would also be monitoring public affairs and intergovernmental contracts. Staff believed there was a lot of work that could be done under the position. The position would ensure good social media information, personal interactions, and someone that could attend meetings. The position could ensure that all inquiries were appropriately responded to in a timely manner. Since staff was small and had a lot to do, the position was viewed as a professional person that would have the necessary skills to help with other administrative

tasks in the front office. Staff would not recommend having a position that could be dissolved easily because it would be difficult to hire someone for the position if they decided to designate it as a part-time position. HR staff reviewed similar positions in the area to determine the salary. Improved communication would meet one of the Council goals. The position would be trained to handle social media and misinformation. Members were concerned that the social media presence would create a rabbit hole in which the commenting would not stop. Members were not sure they wanted to have a full-time position for the Public Information Officer. Staff was willing to try the position as a part-time position for a year and come back to Council if the position required full-time hours. The part-time position would not qualify for benefits, dropping the cost of the position. Members agreed part-time was how they wanted to proceed with the position.

- The 12-hour shifts for police officers was out of necessity. Due to vacation time, sickness, and training, the shifts necessitated longer hours. There were times people had to carry out 14-hours shifts due to circumstances. The burnout with longer shifts was a problem. With three other officers, they could reduce the shifts to 10 hours, and it also allowed for overlap days for training purposes.
- The Public Affairs Officer position one-time charge of $5,600 was to buy office equipment and supplies. The position would not take over for the police department's public information position, but would work with them.

Administrative Services Director Duffy presented the following:

- The proposed budget included a 5% cost of living and up to a 2% merit increase.
- Staff shared data on how other comparable communities were handling cost of living increases during the increase in inflation.
- Prescott and the Town were doing the same cost of living and merit increases. Prescott Valley was implementing a 4% increase for both the cost of living and merit increase.
- The merit increase was performance-based.

Council and staff discussed the following:

- Sedona had a range for their cost of living and merit increases, from 1 to 5%.
- It was universal for area towns and the county to try and offset the increase in the cost of living.

Administrative Services Director Duffy presented the following:

Capital Improvement Projects (CIP) General Fund

- The general fund CIP, the 1% sales tax, would fund the final construction of the police department.
- Staff recommended that the asbestos removal for the donated trailers at the Roads Yard not be completed until the police department facility was completed. The Town could not dispose of the trailers until the asbestos was removed.
- There was $300,000 budgeted for the General Plan, a Council goal.
- The pool replastering and deck resurfacing was budgeted at $300,000.
- There was $150,000 match for the CDBG grant (Senior Center Kitchen remodel).
- Total funding to date for the Covid State local fiscal recovery funds was $4.1 million from the federal government, with an additional $1 million from the general fund and additional funding from an EPA grant, totaling $5.6 million. The two projects would be the Peavine water line and Perkinsville and Hwy 89 water extension, which would get water across the highway. The estimated costs were based on current market conditions. The Perkinsville project was broken into three construction phases. Staff could add or

subtract phases as needed based on costs.

Capital Improvement Projects (CIP) Road Fund

- There was $500,000 to reconstruct local streets.
- There was $2.3 million for street improvements for fiscal year 2022/2023. Staff was working with the Roads and Street Committee and the roads were being designed.

Council and staff discussed the following:

- There was a total of $3 million being moved over from the general fund, with $500,000 being used in the current fiscal year for roads. That left $2.5 million for roads. That was all the money the Town had to spend on the roads for the proposed budget. The $2.5 million would be enough to get from Road 1 South from the highway to Road 1 East (half a mile), and Road 1 East from Fletcher Court to Road 3 South (6,200 feet). This included utility money to get sewer under Road 1 East.
- Staff explained that if the Town started working on the pavement management program that had been discussed, they could develop objective numbers that could help develop graphs that would show what the Town could get for their money. Back in 2018, staff estimated they needed $1.8 - $2 million annually to keep the roads at a current level. That would have increased based on the current market. Many of the roads did not have the necessary structure to be able to repair and patch them, and they were not built for large trucks. For many of the roads, they needed to be ripped out, six to eight inches of gravel added, and then three to four inches of asphalt added to make them real roads. With proper maintenance, the roads could last 20 years.
- The $500,000 would cover approximately a quarter mile of road.
- Members discussed the costs of utilities and modifications to projects to allow for increased costs. If roads were resurfaced without the utility infrastructure, they would need to be ripped up in the future to add the utilities.
- Members discussed the condition of various local Town roads.
- There was $100,000 budgeted for the pavement management program. The road inventory and conditions needed to be updated, including road specifications. There would be small ongoing costs for the program, such as licensing. The roads would be rerated every two to three years.

Capital Improvement Projects (CIP) Water Fund

- Projects included a backup generator at the North Campus well and the Yavapai College well and painting water tanks.
- There was half a pole barn budgeted, with the other half covered by the Sewer CIP fund. Equipment could be parked under the structure.
- There was $65,000 budgeted for a new fill station, giving the town two fill stations.

Capital Improvement Projects (CIP) Sewer Fund

- Completion of the screw press.
- $1.1 million was budgeted for the equalization basin and the turbine blower was budgeted at $1.35 million. The Town had borrowed $1.5 million to ensure increased costs could be covered.
- Half the pole barn structure was budgeted.
- Road 1 East Sewer line had $2 million budgeted.
- Plant expansion engineering was included.

Town Manager Blackmore presented the following:

Supplemental Budget Requests

- General Plan rewrite
- Pavement Management Program
- Sewer Plant Expansion
- Council iPads, so packets would not need to be printed.
- Human Resources Information System would improve and automate the HR system.
- Library eBooks
- Fleet Management System – RTA software would automate and manage the fleet assets, including maintenance, age of fleet, etc.
- Agenda Management Program – improvement of the agenda management system.
- Bandwidth increase
- Part-time Public Affairs Officer
- Budget increases for advertising and public relations for all departments.
- Road maintenance acceleration: maintenance along Hwy 89 and the purchase of a trailer and roller.
- Increase in maintenance: fence maintenance, contract support services in parks, town facilities. One additional custodial position and utility maintenance were requested and increased contracting.
- New Town Hall complex (5-year goal)
- Council Stipends – Staff had looked at surrounding areas stipends, and the Town's stipends had fallen behind. They were currently getting $6,000 for the mayor and $3,600 for council annually. Surrounding areas were at $9,000 for the mayor and $6,000 for council annually. It had already been put in the budget for Council consideration.

Council and staff discussed the following:

- Each increase for department advertisement and public relations was under each department's budget. The increases for the departments were reviewed.
- The Greater Chino Valley Collaborative included people and entities working together to create more river and trail access, mitigation and land management, trail connection, and the preservation of Del Rio Springs, with future hopes of creating a State park. $9,600 was added to the non-departmental advertising fund for the project.
- Staff reviewed their current fleet management software program, which was not working for the Town's purposes because it lacked the appropriate tools. The current software company wanted to move into a three-year contract.
- Staff would make the adjustments to the budget that were discussed at the meeting. Staff would do a small presentation at the next meeting, and Council would adopt the tentative budget, which would set the maximum amount that the Town could spend. From that point, the budget could be reduced, but it could not be increased.
- The pool cover was for a new tarp and would replace the current deteriorating tarp.
- The total budget was approximately $46 million, up from $41 million in the previous year.
- The furniture prices for the police building were secured and staff could create purchase orders.
- Members discussed adding an additional $500,000 for roads. Staff explained that they had already transferred as much funding from the General Fund as they could. To get more money, they would need to reduce spending somewhere else or postpone another project. Staff reviewed the general fund expenses and how any unspent money in the upcoming budget could eventually be moved to roads if not used.

3) ADJOURNMENT

MOVED by Councilmember Cloyce Kelly, seconded by Councilmember Tom Armstrong to adjourn the meeting at 7:57 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty

6 - 0 PASSED - Unanimously

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the _______ day of _______________, 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _______ day of _______________, 2022.

____
Erin N. Deskins, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. m.**

Meeting Date: 06/28/2022

Contact Person: Erin Deskins, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to approve the May 24, 2022, study session minutes. (Erin N. Deskins, Town Clerk)

RECOMMENDED ACTION:

Approve the May 24, 2022, study session minutes.

Attachments

May 24, 2022 Study Session Minutes

D R A F T

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

TUESDAY, MAY 24, 2022
5:00 P.M.

CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ

Present:	Mayor Jack Miller; Vice-Mayor Annie Perkins; Councilmember Tom Armstrong; Councilmember Eric Granillo; Councilmember Cloyce Kelly; Councilmember John McCafferty; Councilmember Lon Turner
Staff Present:	Town Manager Cindy Blackmore; Town Attorney Andrew McGuire (remotely); Assistant to the Town Manager Terri Denemy; Development Services Director Laurie Lineberry; Administrative Services Director Joe Duffy; Public Works Director/Town Engineer Frank Marbury; Senior Planner Will Dingee; Planner Bethan Heng; Audio Visual Technician Lawrence Digges; Deputy Town Clerk Sara Burchill; Town Clerk Erin N. Deskins

1) CALL TO ORDER; ROLL CALL

Mayor Miller called the meeting to order at 5:00 p.m.

2) Discussion regarding Messenger Lane drainage (Frank Marbury, Public Works Director / Town Engineer)

Public Works Director/Town Engineer Frank Marbury presented the following:

- This had been brought to the attention of staff and Council several times as a concern and through complaints.
- Staff had found an engineer to perform a drainage analysis.
- The most recent area of concern was at 475 Messenger Lane (first house on the corner). There had also been complaints from the Snyder's on Messenger Lane (third house from the corner).
- The issues were due to the way the area drained.
- A review of how the water drained from the high points to the culvert that crossed Road 1 North to the low points where the water drained, was provided. The water drained to the north. The outlet of the pipe was directed at 475 Messenger Lane. The water flowed across Messenger Lane at the tip of the cul-de-sac and in between the Snyder house and their garage. The Snyder's had their garage flood previously. The water went through a backyard behind 475 Messenger Lane and through the culvert. The lots had been created by a rezone and lot splits. The development was not part of a

subdivision and had no construction plans.

- Based on available information, staff believed the 18 - 20-inch iron pipe culvert was put in place in the early 1990’s. The house at 475 Messenger Lane was constructed in 2014.
- The development's zoning was established in 2013 (Ord. 13-772) and had six zoning stipulations attached. One stipulation required a minimum finished floor elevation to be set by an engineer and reviewed by the Town engineer. A records request for that information had been filed by the homeowners, but the Town did not have a record of that home elevation being reviewed by the engineering department. Staff could not say for sure that one did not exist, but they did not have record of it.
- Martin Messenger of MD Builders was the signatory and the applicant for the rezone and the applicant on the building permit for the subject house. They should have at least had notice of the elevation requirement.
- Messenger Lane had been built through a settlement between the Town and MD Builders, in which MD Builders graded the road and based the road with gravel. The Town chip sealed the road around 2017. The road was dedicated to the Town.
- Lyon Engineering and Survey studied and surveyed the area. The house’s finished floor was approximately six inches above the low point of Road 1 North and the garage was only a half inch above the road. The house was built a foot above existing grade, which was typical, but it also should have been built a foot above the road grade, which it was not. This was significant because of the way the water topped the road.
- The Lyon’s study showed that the existing culvert did technically meet Town code because the code required that a 100-year flood event could not overtop a road by more than one foot. There was a 1% chance of a 100-year event happening.
- In their study, the engineers also predicted that 475 Messenger Lane could see water in it with a storm event as small as a ten-year event.
- The engineers determined that by adding additional culverts, the risk of flooding the house could be lowered. The engineers also determined that there was very little risk to the property structures to the north even if more water was released through the area.
- The engineers predicted that a two-year storm was three inches below the house's finished floor elevation and the 100-year storm was six inches above the finished floor elevation.
- All of the options given to address the issue let the same amount of water through the culverts, but the culverts themselves were different sized pipes: 15-18 inch pipes; 10-24 inch pipes; and 6-30 inch oval shaped pipes. These should keep water out of the living structure, but there could still be water in the garage. The prices would vary with the different pipes. The engineer estimates were between $70,000 and $100,000.
- Back in 2017, the Council approved a priority list of flood control projects through use of the County flood control money that was shared with the Town. The list originally had approximately four projects and there were two projects remaining from the list:
    - Cemetery Draw at Chino Meadows II, which had flood waters ranging from one to three feet. The project would carry water to the Santa Cruz wash. It was the next project on the list for project design and would begin in the next fiscal year. It would most likely require federal approval because it would change the way water went into the wash, which was federally regulated. The first step would be to have a design concept and get federal approval.
    - Chino Wash crossed Reed Road and Road 5 North. The floodplain crossed both roads and was closed every monsoon season. This was an expensive multi-year project.
- It was up to Council to determine the priorities and where the money would go.

Council, Town Attorney, and staff discussed the following:

- This was the developer's responsibility but was being considered by the Town because there was no record found of an engineer's certificate. This was the classic example of why the Town developed subdivision regulations. It prevented the developers of lot splits from not following the requirements of the Town's development regulations.
- Legal Council did not know if the Town had a cause of action to go after Mr. Messenger. Any recourse would need to be through the property owners.
- It was unclear if the Town ensured zoning requirements were met. It was the builder's responsibility to meet the stipulations, even if the Town missed getting the record from them. Presently, the Town engineer and the building department now worked together to ensure that all requirements were being met.
- When the original project went through the Planning and Zoning, it had been questionable from the beginning. The subject property may have been the first property that Mr. Messenger built, and it was believed that there was a Town document that required buyer disclosure regarding the lot splits. Legal Council would need to research the issue further and the information could be provided to the property owners.
- Staff thought that when approval was granted through the building permit, the house was one foot above the existing grade, but the grade was lower than the road.
- The Town had options, varying from what they were compelled to do and what they were able to do. Any Town project would not be lot to lot, but a public works project that dealt with the larger issue could be considered. Projects could be analyzed, and priorities determined. The Council could voluntarily take on this project that dealt with the larger issue, not the single home.
- The culverts might protect the individual house, but there was still the issue of water running through the other properties. The Town could see if there was a project that could divert the water, as long as it did not negatively affect other properties. It would be similar, but a larger project than the Chino Meadows project. The funneling of the current water flow was not done by the Town.
- Members thought it was Mr. Messenger's responsibility and that the Town should not have to go reverse engineering or create a drainage plan for the subdivision. The homeowners should unite and go after the developer to complete what was required.

Public comment:

- Randy Stufflick – They had done extensive research on the road that was built in 1990. The natural flow used to go where the culvert was across the road. When the road was completed, it was raised up and the natural flow was moved to the west 160-feet on Messenger Lane. Now his entire property turned into a lake until the water moved 150 feet to the lowest part of the road. Someone had already moved the natural flow of water. The water on their property with 1.5 inches of rain had drowned their septic system and pushed water back into the tank, causing problems. They had videos of what was happening. The culvert was in the natural flow of water, but the raised road had caused the natural flow to move. He had talked with Brian Thompson with the State, and he had explained that the area was a 44-acre watershed, and that an 18 inch pipe could not keep up with the flow of water. The water lifted all his ties (house ties) and it was a disaster. The neighboring property had created their own problems but were now pushing all the water into the ditch going in front of his house instead of taking the natural flow in the middle where it should go. They had Class C soil, and water ran right over the soil, so it came down fast and hard.
- Beth Allsup – owned a home on Messenger Lane. She had the Ordinance signed by the Town in 2013. It said on the ordinance that prior to the issuance of any building

permit, a stamped engineered drawing providing the minimum finished floor elevation shall be submitted to the engineering division for review and approval. This was what could not be found. She questioned how they knew it was done by the Town and she thought it was a legality issue. They did not want to get to that point. They wanted help from the Town. They did not think they would get help from Mr. Messenger. They had reached out to him with questions, and he was friendly, but would never respond back with the information. She thought the ordinance was a legally binding document that had been signed by Mayor Chris Marley. She had not received any disclosures for the property.

Council, Town Attorney, and staff discussed the following:

- There was nowhere else that the engineered documents could be stored. Staff explained that there were court cases that held the builder responsible for code violations, even if the Town missed it. It was a set legal precedence. The Town's remedies would not be what the current property owner would want as a solution and would not affect the person that built the property and left it.
- There were no engineer records or designs for the road. Staff thought it was possible that the road had likely been a farmer's dirt road that had been used as a water catchment. When it was paved, they had chip sealed over what had been there. Staff thought the natural flow was through the culvert. The road's low point and location was offset from the culvert. In a 100-year flood situation, there would be water everywhere over the road and it would be inundated.

3) ADJOURNMENT

MOVED by Councilmember Lon Turner, seconded by Councilmember Cloyce Kelly to adjourn the meeting at 5:41 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

Jack W. Miller, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the _______ day of _______________, 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _______ day of _______________, 2022.

____
Erin N. Deskins, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **5. n.**

Meeting Date: 06/28/2022

Contact Person: Erin Deskins, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to approve the May 24, 2022, regular meeting minutes. (Erin N. Deskins, Town Clerk)

RECOMMENDED ACTION:

Approve the May 24, 2022, regular meeting minutes.

Attachments

May 24, 2022 Regular Meeting Minutes

DRAFT

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

TUESDAY, MAY 24, 2022
6:00 P.M.

CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ

Present: Mayor Jack Miller; Vice-Mayor Annie Perkins; Councilmember Tom Armstrong; Councilmember Eric Granillo; Councilmember Cloyce Kelly; Councilmember John McCafferty; Councilmember Lon Turner

Staff Present: Town Manager Cindy Blackmore; Town Attorney Andrew McGuire (remotely); Assistant to the Town Manager Terri Denemy; Development Services Director Laurie Lineberry; Administrative Services Director Joe Duffy; Human Resources Director Laura Kyriakakis; Police Chief Chuck Wynn; Lieutenant Josh McIntire; Community Services Manager Cyndi Thomas; Recreation Coordinator Hailey Byrd; Public Works Director/Town Engineer Frank Marbury; Engineering Project Manager Scott Balck; Senior Planner Will Dingee; Planner Bethan Heng; Officer Austin McAvoy (Sgt at Arms); Audio Visual Technician Lawrence Digges; Deputy Town Clerk Sara Burchill; Town Clerk Erin N. Deskins

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

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

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Presentation by Regina Pecoraro with Compass Training Center regarding quarterly update and report. (Chuck Wynn, Police Chief)

John Stankewicz, founder and CEO of Compass Training, presented the following:

- Introduced new board members: Lynn Beck, Wayne Holly, and Regina Pecoraro.
- There had been 10,383 check-ins at the shooting range in the last year.
- August 1st would be their third anniversary of running the range.
- They had 1,000 subscription members.
- They had 3,000 students from Compass and other training facilities taking training classes.
- A review of the training classes was provided.
- A review of the non-profit entities that used the facility were reviewed.
- As a non-profit they received grants and donations from many people, including the

donation of the building, which was not yet open because it needed significant renovations. A list of donors and volunteers was provided. They were working on several big projects and did not have a clear date as to when the building would be open. They had over 600 hours of volunteer service time.
- Upcoming upgrades: Two designated single action cowboy shooter bays and archery bays.
- He thanked the people who volunteered and/or worked at the range, and Town staff that had worked with them.

b) Presentation by Cooper Anderson, Chino Valley Equestrian Association Board President on the value to the Town of Chino Valley to renew the Equestrian Association's lease of the Equestrian Park located at Old Home Manor Property. (Terri Denemy, Assistant to the Town Manager)

Terri Denemy, Assistant to the Town Manager, presented the following:
- The original lease between the Town and Chino Valley Equestrian Association (CVEA) was entered in September 2016. An amendment in 2017 allowed CVEA to move and use equipment from the Cameron Range property.
- The agreement expired in September 2021 and had since operated on a month-by-month basis under the original lease terms while a new lease was being negotiated between staff, town attorney, and CVEA.
- It would be an action item at the next meeting. There would also be annual reporting requirements in the new lease to ensure the goals of Council were being met. The lease would be in five-year increments, for a total possible lease term of 25 years.

Cooper Anderson, CVEA President, presented the following:

- The original mission statement was fairly loose because they mainly wanted to be a horse park, but that had changed, and they were more dialed in on their focus.
- The board was made of nine members with one alternate member.
- They were implementing a new strategic plan which they had not had before.
- Over the last year, they had reconsidered their mission, vision statement, strategy, goals, and objectives for the park and what they wanted for the future.
- The new mission statement was reviewed, and their objective was to promote and preserve the equestrian lifestyle by hosting activities and educational events that supported all disciplines of horsemanship and community events.
- CVEA was currently in talks with a kennel club to bring in some of their annual events.
- CVEA rewrote their mission statement so that it tied in with the goals of the Town. This included bringing more people into Town and promoting the features of the Town.
- Vision Statement: To be the premier equestrian facility in northern Arizona. CVEA had developed a plan to realize their vision statement.
- Intended uses were equestrian driven. They were ensuring everyone running their events was certified by the organizations overseeing the events, which would take their events to the next level. To do this, they had to provide training and support to their volunteers.
- They were partnering with the Extreme Cowboy Association (EXCA) and developing a new Chapter. They recently had their first event, an extreme obstacle race.
- CVEA was working hard to develop relationships and to have Chapters at the park (home base). This allowed them to bring more people in throughout the State and region.
- They were getting ready to develop some cow activity. They were working with LASER, who used part of the facility for emergency shelter. They were helping CVEA develop cattle pens.
- They now had lighting, enabling them to run events into the evening hours.

- CVEA was in discussion with stock contractors about bringing in rough stock events.
- The CVEA clinics were multi-day events and brought in many people throughout the State who dry camped for the events.
- They were open to other events in the park.
- They had completed several updates over the last two years, which included a state-of-the-art LED lighting system (most of which was donated).
- Future projects: bleachers for the main area, rebuilding the out-of-date arena, cattle pens, gates into the park, automated entry into the park, an obstacle course that would be several miles long, trail course expansion, driving court (carriages), water truck, moving the dry camping area, and new caged area for the equipment.
- Long term goals: representing the Town, being the location of choice for clinicians, be a fiscally sound organization, and continue developing the organization with the appropriate board members and committees that were fully staffed.
- They wanted to renegotiate the lease because they wanted the ability to apply for large sums of money. They had hired a grant writer to apply for USDA Grants with funding in the millions. To do this, they needed firm language in the lease for the grant process. The old lease had language that allowed it to be terminated for no reason, and that needed to be removed in order to apply for the grants.
- All CVEA's digital media was cobranded with the Town and had a direct link to the Town's website.
- Everyone was welcome and encouraged to participate at the park.

3) CALL TO THE PUBLIC- Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.

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.

- Susie Jarvis – She was there representing Chino Valley Pickleball. Pickleball was a cross between ping pong and tennis. It was mostly played outside, but the old Sears building in Prescott would have indoor pickleball courts. They did not want to leave Town. A history of pickleball in the State was shared. Pickleball had originally been the fastest growing sport among seniors, but now was the fastest growing sport in all age groups all over the world. The CV pickleball group started in 2019 with a handful of players and now had over 60 players. They played on four courts behind the Senior Center on converted courts that were the old tennis and basketball courts. They welcomed all new players of all ages. CV pickleball kept them in the Town and they participated in the local stores and restaurants, which was important for the community. It also helped the quality of life. She did not want the Council to forget about CV pickleball during the upcoming budget talks.
- Jesse Hubble – He was there representing Chino Valley Youth Football and Cheer (CVYFC). He questioned if there were plans to improve the basketball courts that were being used for pickleball. The courts needed resurfacing and improved rims and goals. CVYFC in conjunction with the Lions Club, was putting on a youth tournament in August. The courts were okay to play on, but there were some safety issues that needed to be addressed. He had been in Town for 8 years and had not seen anything done to the

courts. He questioned if there was a plan to do anything or if anything could be done. Mayor Miller explained the Town Manager would reach out to discuss the issue.

4) 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. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

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

Mayor Miller asked that people keep Texas in their prayers after a school mass shooting event where 19 children lost their lives.

Vice-Mayor Perkins congratulated the class of 2022 who would be graduating the next day.

b) Status report by Town Manager Cindy Blackmore regarding Town accomplishments, and current or upcoming projects.

Town Manager Blackmore reported the following:

- The Town was actively recruiting volunteers to serve on municipal committees and boards.
- They had a volunteer recognition event for 86 volunteers that gave time and energy to make Town a better place. She encouraged others to volunteer.
- The big UTV event would be happening the upcoming weekend.

5) 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 Annie Perkins, seconded by Councilmember Cloyce Kelly to approve Items 5 (a), (b), and (c) as written.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

a) Consideration and possible action to approve Resolution No. 2022-1212 regarding an Intergovernmental Agreement with Yavapai County, in the amount of $17,920.72, for law enforcement records management and maintenance. (Chuck Wynn, Police Chief)

b) Consideration and possible action to adopt Resolution No. 2022-1201, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2022/2023. (Joe Duffy, Administrative Services Director)

c) Consideration and possible action to continue the amendment to the Town of Chino Valley Unified Development Ordinance Section 2.1 by revising the definition of guest house and replacement of existing section 4.1 in the UDO with general regulations for guest house development of a date certain of Tuesday, July 12, 2022. (Will Dingee, Senior Planner)

6) 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 Accountability Contract with Yavapai Regional Transit, Inc., contributing $2,000.00 to support transporting children from the Paulden area to the Chino Valley Aquatics Center for the 2022 swim season. (Cyndi Thomas, Assistant Community Services Director)

Recommended Action: Approve the Accountability Contract with Yavapai Regional Transit, contributing $2,000.00 to support transporting children from the Paulden area to the Chino Valley Aquatics Center for the 2022 swim season.

Cyndi Thomas, Assistant Community Services Director presented the following:

- The Paulden Plunge started back in 2017, but there had not been one since 2019 due to Covid.
- The program was financially supported from different donations from different organizations, including the Town.
- The Transit Company and the Paulden Foundation handled the administrative part of the program.
- In 2019 over 375 kids were served.
- The event was held in Paulden because the Paulden kids were unable to get to Town, but local kids could ride the transit and the fare was free. A large majority of the kids they serviced rode their bikes there and lived in the neighborhoods surrounding the aquatics area.

Tom Stultz from Yavapai Regional Transit, Inc. (YRT) presented the following:

- The Paulden Plunge was scheduled for June 6th-July 29th.
- They transported kids on Monday, Tuesday, Thursday, and Friday at no charge for transportation or for the pool use.
- YRT felt dedicated to the program due to how it served Paulden and Chino Valley.
- Most Paulden residents used community services.
- They were looking for Town support and any other donations they could get.
- The cost of gas was up 96% in the last six months.
- They were now required to pay their drivers because of their insurance, which was an added expense.
- The children were very grateful.

- To sponsor a child, the cost breakdown equaled $5 per child, per day, per trip, for those who wanted to donate.

Council, staff, and Mr. Stultz discussed the following:

- The Town had made a $1,700 donation in 2019. There was no program in 2020 or 2021.
- There was no fee to get into the pool.
- Staff shared pictures of children receiving towels and swimsuits because they did not have their own. It was part of the services provided by the program.
- The funds were restricted and could only be used for the Paulden Plunge.
- Members discussed a Town donation of $3,000.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Cloyce Kelly to approve the Accountability Contract with Yavapai Regional Transit, contributing $3,000.00 to support transporting children from the Paulden area to the Chino Valley Aquatics Center for the 2022 swim season.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

b) Consideration and possible action to adopt Resolution No. 2022-1200, approving a Tentative Budget for the fiscal year 2022-2023 and proposed expenditure limitation for the same year, in the amount of $46,544,100 and setting a public hearing date of June 28, 2022, on the tentative budget and adoption of the final budget. (Joe Duffy, Administrative Services Director)

Recommended Action: Adopt Resolution No. 2022-1200, approving a Tentative Budget and proposed expenditure limitation for FY 2022-2023, in the amount of $46,544,100, and setting June 28, 2022, as the date for the public hearing on the tentative budget and for adoption of the final budget for FY 2022-2023.

Joe Duffy, Administrative Services Director presented the following:

- This was the next step in the months long budget process.
- The only changes made from the last Council budget session included:
  - Reduced the new [communications] position to half-time.
  - Moved the pool cover to the upcoming budget since it would not be completed during the current budget year.
- The adopted tentative budget would be posted on the Town's website the following morning.
- It would be published for two weeks and would include a notice of the public hearing on the budget.
- The final budget would be adopted June 28, 2022, which would be posted on the Town website after adoption.
- State law required that Towns adopt a tentative budget that would set the Town's maximum budget. After adoption, the Town could not spend more than that amount. The amount could be reduced before final adoption.
- The budget was 12% higher than the previous fiscal year, with the tentative amount of $46,544,100.
- The budget aligned with Council priorities.

- Many of the Council goals would be accomplished in the upcoming fiscal year. Those goals were reviewed.
- Staff ensured that they had a structurally balanced budget. The key was to ensure that the ongoing expenses did not exceed the ongoing revenue.
- The Town consistently underestimated their revenues and overestimated their expenditures. Due to this, the Town did not spend as much as they budgeted, allowing them to build their reserves.
- The Capital Improvement Fund (CIP) included a new Town Hall within five years. The Town could start planning for it now.
- The water enterprise fund was healthy, and the sewer enterprise fund was balanced. Upcoming projects were reviewed.
- The CIP funds would finish the Police Department construction, police furniture and equipment, Rhodes Yard asbestos removal, General Plan rewrite, pool replaster and deck resurfacing, CBDG Grant match for senior center kitchen remodel, Covid recovery funds and EPA grant for Perkinsville water and sewer expansion and Peavine water line extension loop, and road construction.
- Staff recommended adoption of Resolution No. 2022-1200.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Tom Armstrong to adopt Resolution No. 2022-1200, approving a Tentative Budget and proposed expenditure limitation for FY 2022-2023, in the amount of $46,544,100, and setting June 28, 2022, as the date for the public hearing on the tentative budget and for adoption of the final budget for FY 2022-2023.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

c) Consideration and possible action to approve the First Amendment to the CVPD New Police Facility Construction Contract, in the additional amount of $659,104, and authorize the Town Manager, or her designee, to execute. (Frank Marbury, Public Work Director/Town Engineer)

Recommended Action: Approve the First Amendment to the CVPD New Police Facility Construction Contract, in the additional amount of $659,104, and authorize the Town Manager, or her designee, to execute.

Frank Marbury, Public Works Director/Town Engineer, presented the following:

- The construction of the Police building was a little over halfway completed.
- During that time, they had accumulated numbers and changes. Staff hoped that it would be the only one.
- The first major item was utility connections to the building at a total cost of $160,000. It was an expense that staff knew would be coming because the contract terms stated that they would be paid by the owner (Town), and it was not part of the bid because of lack of quotes. The cost breakdown was provided:
    - Electric connections - $44,000
    - Telephones - $15,000
    - Internet - $3,500
    - Gas Connection - $95,000

- Staff was recommending that contractor tear out the existing pavement and repave the existing parking lot to match the new parking lot. It was also recommended that the parking lot lighting be replaced, which was currently inadequate. These were options Council could consider. The parking lot option was $173,000 at current prices.
- Building changes:
    - Roofing changes due to supplier issues - $40,000
    - Elevator Code changes now required visual and audio communications - $15,000
    - Natural gas supplies were limited, so they would be switching to diesel generators and upsizing the power output of the generator. It was cheaper than the other, but would have to be filled with diesel fuel from time to time - $10,000)
    - Plumbing miscellaneous changes - $14,000
    - Electrical changes - $11,000
    - Flooring changed to grind and polish concrete instead of using vinyl because concrete was more durable - $20,000
    - Driveway repairs at low spot that collected water (needed to be done) – Price included in repaving of parking lot.
    - Buffer for asphalt prices - $5,000
    - Potential project contingencies - $200,000
- The total change order amount was $659,104, which would raise the contract to approximately $7.6 million or 10%.
- The Town had let go of the contract construction managers to save money, and the project engineer was doing a good job.

Council and staff discussed the following:

- An overlay on the existing parking lot would be less expensive, but because of the size and the type of cracks, it was almost too far gone for an overlay. There was less than two inches of base, which meant it was like having pavement on dirt. If they repaved, they would put structural gravel underneath to help support it.
- Staff thought that the contractor would hold the price for the parking lot re-pavement. Staff thought the contractor would hold all the prices that were being presented to Council.
- The payment for utilities would go directly to the utility companies and to the general contractor for providing conduit for the utilities or for the extension from the utility company's location to the building.
- Members discussed the reasons why the requested change orders were not part of the original bid.
- For the contractor to meet the construction schedule, they had to seek different roofing suppliers other than those used for the original bid, which had raised the cost.
- The rules for the elevator had changed right after the bids were opened.
- The diesel generator tank would hold a little over a day’s worth of fuel. The local fuel supplier could easily supply the fuel, but it would be expensive. Staff suggested a contract with the fuel supplier to ensure they were a priority for delivery purposes. There were no more natural gas connections being allowed in the Town or Dewey-Humboldt. The natural gas companies were working to meet federal regulations so that it could be supplied to the building, but it would take six months. They could not guarantee they could supply enough natural gas to run the generator. The Town had transfer tanks that could supply the diesel for the generator if need be.
- The plumbing and electrical changes were due to supply issues and inaccurate design or specification issues.
- Staff explained that the parking lot repaving was originally left out to save money, and if Council did not want to do it, they could live with it, and patch and repair as

necessary. The project engineer had done a good job looking at all their options and working with the contractor. The contractor had also been working hard to keep the costs down. It had been a good team between the contractor, project engineer, and the architect to work through issues.
- The concrete would last longer than the vinyl, but it was more expensive. It was a labor-intensive process and took longer to do, but it would have longevity. Regardless of the flooring, it would wear and dull through time. The concrete could be repolished easily. It was not a slippery surface and would mostly be on the first floor.
- In staff's experience, vertical projects like the police facility typically had a five to 12% contingency fund. This project only had a one percent contingency or approximately $40,000 for a $7 million project. Staff did not think they would need to spend much of the contingency fund, but it would ensure the project could be completed the way it was designed.
- There were only two more items that would be brought to Council for the facility. The first was audio/visual equipment at $50,000 and the other was $25,000 for IT equipment.
- Staff thought they would have approximately $200,000 left in the budget if the change order was approved.
- The additional money would come from the Town's General Fund.
- Members discussed their preference for an overlay to the existing parking lot or resurfacing. The lighting was also discussed. Staff thought that if they did not resurface the lot, they should put a sealcoat over the area and use thick crack filler. It would crack again and would have to be continually addressed. The low spot would need to be addressed and would cost $25,000.
- Members discussed waiting on the parking lot and using the contingency money if it were not spent. Staff explained the parking lot could be completed at any time, but more towards the end of the project.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember John McCafferty to approve the First Amendment to the CVPD New Police Facility Construction Contract, in the additional amount of $659,104 less $169,096 for the Townhall paving, to be used for paving out of contingency funds if available, and authorize the Town Manager, or her designee, to execute.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

NAY: Councilmember Tom Armstrong

6 - 1 PASSED

d) Public Hearing, and consideration and possible action to approve Ordinance No. 2022-917 to rezone approximately 6.15 acres from Agricultural Residential 5 Acre Minimum (AR-5) to Single Family Residential 2 Acre Minimum (SR-2) for a property located at 735 S Road 1 West from applicant Thomas Langston. (Will Dingee, Development Services)

Recommended Action: (i) Hold Public Hearing
(ii) Approve Ordinance No. 2022-917 to rezone ZC-2022-03 as presented, subject to the staff report and information provided during this hearing, and the Conditions of Approval in Attachment 2.

Planner, Bethan Heng presented the following:

- The subject property location and neighboring properties were reviewed.
- The property was currently used as a residential property.
- The request was to rezone the property from AR-5 to SR-2.
- The neighboring property zoning was reviewed.
- The SR-2 zoning was in conformance with the General Land Use Map, which designated the property for medium density residential of two acres or less.
- Staff recommended opening the public hearing and approval of the request.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Cloyce Kelly to open the Public Hearing.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

- Julie Tarpley – She owned five acres east of the subject property. They were requesting that the property in question remain agricultural and not residential because the property in the general area was actively being used for livestock and chickens. She had two concerns. She had looked for agricultural property 27 years ago, and it seemed as if the Town was granting more residential than they were leaving agricultural properties. Water was an issue. The property to the east of them had changed to one acre mobile homes and they were drilling and getting more water. They had a water table that was drying up in the area. She wondered where the extra water would come from. She also wondered about the property access. He was currently land locked and his access was to be from Road 1 West. They had a road that came from the west of their property being accessed by four homes. She wondered if the additional subject parcels would be granted access through her road. If that was the case, who would take care of the road? They had taken care of it for 27 years.

Council, applicant Tom Langston, and staff discussed the following:

- The applicant had an easement that fell within the southern part of the property. The easement road fell on Ms. Tarpley’s property and one other property. If the rezone subsequently became a lot split, the applicant would need to come to Development Services and Public Works to address the easement issue. The current request was only for a rezone.
- Staff explained that the property owner could split the property in two ways. The first was a minor land division with a flag lot variation that would eliminate the need for the eastern easement access. The other would be to create a minor subdivision and improvements would be based on three lots or less. If the property owner wanted to explore the use of the eastern easement, they would need to have an agreement with the property owner that currently owned the easement for access. The Town could not grant the use without an agreement between all parties using the easement.
- The road would need to be built only if the applicant split the lots. The applicant’s intention was two lots because it would be tight for a three-lot split with the required easement.
- Staff explained that the SR-2 still had all the agricultural allowed uses that it currently held except that they could not open a feed store or farm stand.

- For lots one acre or larger that were not subject to subdivision, there were no drainage requirements. If the applicant had to build a road and it became a minor subdivision, there were drainage requirements in the design. If the applicant did a flag lot option and used the existing easements, it was considered a lot split.
- The code offered a special provision for flag lots. Within any zoning district, the required lot frontage was reduced for flag lots. They only needed 50 feet on a roadway. In this case, the easement was a roadway, and it was viewed as an existing road established prior to the Town's subdivision 2020 text amendment. If a new easement was proposed, it would constitute a minor subdivision.
- The applicant did not have any plans on how to divide the property. If the property was divided, it would only be into two lots. Any possible division would be in the future. He currently accessed his property from a south access point.

Town Clerk Deskins explained a motion was not necessary to open and close the public hearing. Mayor Miller closed the public hearing.

MOVED by Councilmember Lon Turner, seconded by Councilmember Cloyce Kelly to approve Ordinance No. 2022-917 to rezone ZC-2022-03 as presented, subject to the staff report and information provided during this hearing, and the Conditions of Approval in Attachment 2.

AYE: Mayor Jack Miller, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

NAY: Vice-Mayor Annie Perkins

6 - 1 PASSED

e) Public Hearing, and consideration and possible action to approve Ordinance No. 2022-918 to rezone approximately 3.04 Acres from Industrial (I) to Single Family Residential 1 Acre Minimum (SR-1) for a property located approximately 750 feet east of the intersection of Granite Creek Lane and Arizona Trail, APN #306-17-110B, from applicant Gary Zito, on behalf of Arizona Heritage Construction. (Will Dingee, Senior Planner)

Recommended Action: (i) Hold Public Hearing
(ii) Approve Ordinance No. 2022-918 to rezone ZC-2022-02 as presented, subject to the staff report and information provided during this hearing, and the Conditions of Approval in Attachment 2.

Senior Planner, Will Dingee, presented the following:

- It was a request to rezone for three acres from Industrial to SR-1 with a one acre minimum.
- The property location and neighboring properties were reviewed.
- The property was currently vacant.
- The zoning of area properties was reviewed and was mixed.
- The General Land Use designation for the area for the property to the north, west, and south was designated as medium density residential two acre minimum or less. The property to the east was designated as a commercial district.
- The SR-1 zoning request was in conformance with the General Plan.
- There were several points of discussion during the May 3rd Planning & Zoning meeting

(P&Z) about the potential impacts of the surrounding industrial zoned properties, specifically the 28-acre piece to the east. The biggest concern was the 500-foot separation requirement from residential property in the industrial zone that was required for medical and recreational marijuana. The current 500-foot separation requirement already existed as it was without the rezoning. There was a FEMA designated floodplain and floodway that separated the properties.
- Staff recommended they hold the public hearing and approve the ordinance as presented.

Mayor Miller opened the public hearing.

Public Hearing

- John Kuzicki – Was a real estate agent for Mr. Wells (28 acres). The impact to his property was significant and it was a substantial piece that was being eliminated and became unusable and worthless. The 500-feet was from the northeast corner of the property. He had been to a meeting objecting to an earlier rezone to the property to the northwest of Mr. Zito's property, which had been industrial zoned as well. He had all three of the lots owned by the Willmore's listed for sale, and when the parcel to the northwest was rezoned, they objected because it hurt the zoning of the property that was listed. The Town was injuring existing industrial property owners by rezoning and devaluing the property. He hesitated to agree that the area in the FEMA floodway and floodplain was non-buildable. It was more expensive to build in the area but was buildable. The rezone impacted what could be built in the area.

Council, Mr. Kuzicki, Town attorney, and staff discussed the following:

- The 500-foot separation requirement was from the property line of a residential use to the property line of an industrial marijuana use.
- The neighboring property owner had been in front of the Council before, and they knew what he wanted to do with the property. If they granted the rezone, it would significantly affect what was already planned for the neighboring property.
- If the rezone request was granted, Mr. Wells' property would only be able to use a small corner of his property as a grow facility. The other side of the Peavine Trail was a separate parcel owned by Mr. Wells but was not part of the consideration and would not be affected by the rezone.
- There was an existing property owner who had private property rights and the right to develop the property as they chose. If the Town continued to rezone to where they were impinging on his private property rights, he may not be able to do anything. A grow facility would be the highest and best use for the property.

Mayor Miller closed the public hearing.

Council, Mr. Zito, Town attorney, and staff discussed the following:

- Gary Zito – He did not think the General Plan was conducive to what needed to be done because the industrial zone should have a buffer zone. They wanted to put up residential lots in an area that already had them, which was all over the area by the subject property. If the only thing the Town was concerned about was whether there was 500 feet that would impact a marijuana plant, he was sure there were plenty of other places on the highway to put the marijuana plants. The highest and best use for the property would be another housing development. He questioned how many marijuana plants they wanted to put in Town. He did not understand it. There was already a road, and they would be put in a cul-de-sac for the fire department. There were other properties in the area that would be requesting a rezone. He did not understand how the floodway and the requirements that went with it could be used for anything other than cattle. He would be creating a minor subdivision. The drainage already drained naturally.

- P&Z had discussed proposition 207 about private property rights. The question was whether there was a claim for rezoning a property and devaluing another. Prop. 207 was not intended for that. It only dealt with a rezone of a property owner that decreased their value of their own property, not the rezone of neighboring property.
- Property to the north and east were industrial. The property to the south and west were residential SR-1.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember John McCafferty to approve Ordinance No. 2022-918 to rezone ZC-2022-02 as presented, subject to the staff report and information provided during this hearing, and the Conditions of Approval in Attachment 2.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember John McCafferty

NAY: Councilmember Cloyce Kelly, Councilmember Lon Turner

5 - 2 PASSED

7) ADJOURNMENT

MOVED by Councilmember Lon Turner, seconded by Councilmember Cloyce Kelly to adjourn the meeting at 8:17 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the _______ day of _______________, 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _______ day of _______________, 2022.

____
Erin N. Deskins, Town Clerk

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6. a.**

Meeting Date:	06/28/2022
Contact Person:	Will Dingee, Senior Planner Phone: 928-636-4427 x-1233
Department:	Development Services
Estimated length of staff presentation:	5 minutes
Physical location of item:	Southwest corner of the intersection of North Road 1 East and West Road 4 North.

AGENDA ITEM TITLE:

Update on withdraw of application filed by Jeremy Bach, to rezone approximately 30.15 acres of real property from AR-5 (Agricultural Residential 5-Acre Minimum) to CH/PAD (Commercial Heavy with a Planned Area Development Overlay), for the property located south of 2820 N Road 1 East, Chino Valley, Arizona, APN 306-14-026A. (Will Dingee, Senior Planner).

RECOMMENDED ACTION:

No action required.

SITUATION AND ANALYSIS:

The subject property is located at the Northeast corner of E Road 4 North and N Road 1 East. The applicant is proposing a 190-space RV Park. The RV Park will consist of additional amenities for its visitors, which include a club house, pickle ball courts, swimming pool and hot tubs, and dog walks around the park and specific areas for dog bathrooms. The applicant describes the site maintaining a park-like setting, which will include outdoor living areas and open space. The applicant believes that the RV Park and its included amenities will contribute to and enhance the quality of life of the surrounding area.

The applicant anticipates that the visitors to the park will consist of night, weekly, and monthly patrons. The design theme and décor for the RV Park will be "Contemporary Western".

The road E Road 4 North, which is directly north of the property, is misaligned where it continues past N Road 1 East. Because of the anticipated increase in traffic, Public Works has advised the realignment of E Road 4 North, which the applicant has agreed to do.

During the review period for this project, staff had received 11 letters of opposition from the public regarding the RV Park. The letters voiced concern over the density that would result from the 190 lots proposed for the project. The letters also expressed opposition to the visual impact that the RV Park could bring to the surrounding area. Staff relayed these concerns to the applicant. The applicant heard the concerns voiced in the opposition letters and revised his project to include a concrete block wall along the east property line instead of the chain-link fencing. The block wall design will be consistent with the theme of the RV Park. The applicant has also reduced the number of RV spaces from 190 to 150, to reduce the intensity impact of the new use.

Other Pertinent Documents Available Upon Request:

Appendix 6a-1. A printed copy of the filed letters in opposition and in support of the item is available upon request. The letters are available on the Town's website at http:www.chinoaz.net/AgendaCenter with the June 28, 2022, Council meeting documents.

Fiscal Impact

Fiscal Impact?: N/A

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Email withdraw

Attachment 2 - Staff Report from Planning and Zoning

Staff research rezone

Updated P&Z minutes excerpt

Erin Deskins

From: Erin Deskins
Sent: Tuesday, June 21, 2022 7:32 AM
To: Erin Deskins
Subject: FW: proposed new layout and new number of RV spaces 111 units

From: Jeremy Bach [redacted]
Sent: Tuesday, June 14, 2022 8:01 AM
To: Will Dingee <wdingee@chinoaz.net>; Bethan Heng <bheng@chinoaz.net>
Cc: Norman Paddy [redacted]; Laurie Lineberry <llineberry@chinoaz.net>; [redacted];
[redacted]
Subject: RE: proposed new layout and new number of RV spaces 111 units

Good afternoon –

It is my understanding that they (P&Z commissioners or Town council) will not vote for our project although it is consistent with the general plan – they do not want an additional occupancy tax revenue of 125-185k per year -

If you do not have any other idea and options – the citizens who just devalued a person's personal property should be held accountable -

This is the formal notice to withdraw our proposal and application –

Thanks

Jeremy
[redacted]

Attachment 2

Staff Report from Planning and Zoning Commission

TOWN OF CHINO VALLEY
Planning Commission Staff Report
March 1, 2022
File Number Z-2022-01
Rezone

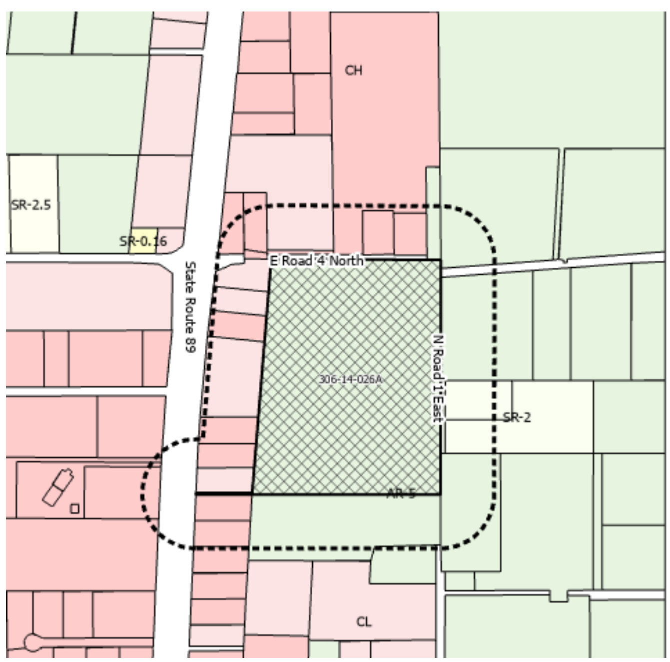
PROJECT DESCRIPTION

Request by Jeremy Bach for a rezone of approximately 30.15 acres of real property from the Agricultural/Residential 5-Acre Minimum (AR-5) to Commercial Heavy with a Planned Area Development Overlay (CH/PAD), for the property located south of 2820 N Road 1 East, Chino Valley, Arizona, APN 306-14-026A.

LOCATION DATA

	Existing Zoning	Use(s) on-site	General Plan Designation
Site	Agricultural/Residential 5-Acre Minimum (AR-5)	Vacant	Commercial/Multi-family Residential
North	Commercial Light (CL) & Commercial Heavy (CH)	Commercial	Commercial/Multi-family Residential
South	Agricultural/Residential 5-Acre Minimum (AR-5)	Residential	Commercial/Multi-family Residential
East	Agricultural/Residential 5-Acre Minimum (AR-5)	Agricultural/Residential	Medium Density Residential (2 Acres or less)
West	Commercial Light (CL) & Commercial Heavy (CH)	Commercial	Commercial/Multi-family Residential

LOCATION MAP



PRIOR SITE ACTIONS:	January 12, 1989 – This property was submitted for a rezone from AR (Agricultural Residential) to C-1 (Commercial District).
STAFF RECOMMENDATION:	Staff recommends **APPROVAL** of the rezoning from the Agricultural/Residential 5-Acre Minimum (AR-5) to Commercial Heavy with a Planned Area Development Overlay (CH/PAD), subject to the conditions shown in Attachment A.
SUGGESTED MOTION:	Move to **APPROVE** Rezone Z-2022-01 as presented, subject to the staff report, information provided during this hearing, and the conditions in Attachment A, with the addition of the 2 year time limit.
EFFECT OF THE APPROVAL:	By approving the rezone, the Planning and Zoning Commission is recommending approval to City Council for the request to rezone of approximately 30.15 acres of real property from the Agricultural/Residential 5-Acre Minimum (AR-5) to Commercial Heavy with a Planned Area Development Overlay (CH/PAD) for the property located south of 2820 N Road 1 East, Chino Valley, Arizona, subject to the conditions outlined in Attachment A, and affirmatively finds that the request is in conformance with the Town of Chino Valley General Plan.

Background:

In January 12, 1989, this property was brought to Planning and Zoning Commission with the intent to rezone from AR (Agricultural Residential) to C-1 (Commercial District). The intent was to use a portion of the property for the combined use of retail garden products and a plant nursery. The Planning and Zoning Commission forwarded a recommendation of approval to Town Council, but missing minutes for the Town Council meeting and the existing zoning district of AR-5 indicates an unsuccessful rezoning case.

Staff Analysis:

The subject property is located at the Northeast corner of E Road 4 North and N Road 1 East. The applicant is proposing a 190-space RV Park. The RV Park will consist of additional amenities for its visitors, which include a club house, pickle ball courts, swimming pool and hot tubs, and Dog walks around the park and specific areas for dog bathrooms. The applicant describes the site maintaining a park-like setting, which will include outdoor living areas and open space. The applicant believes that the RV Park and it’s included amenities will contribute and enhance the quality of life for the surrounding area.

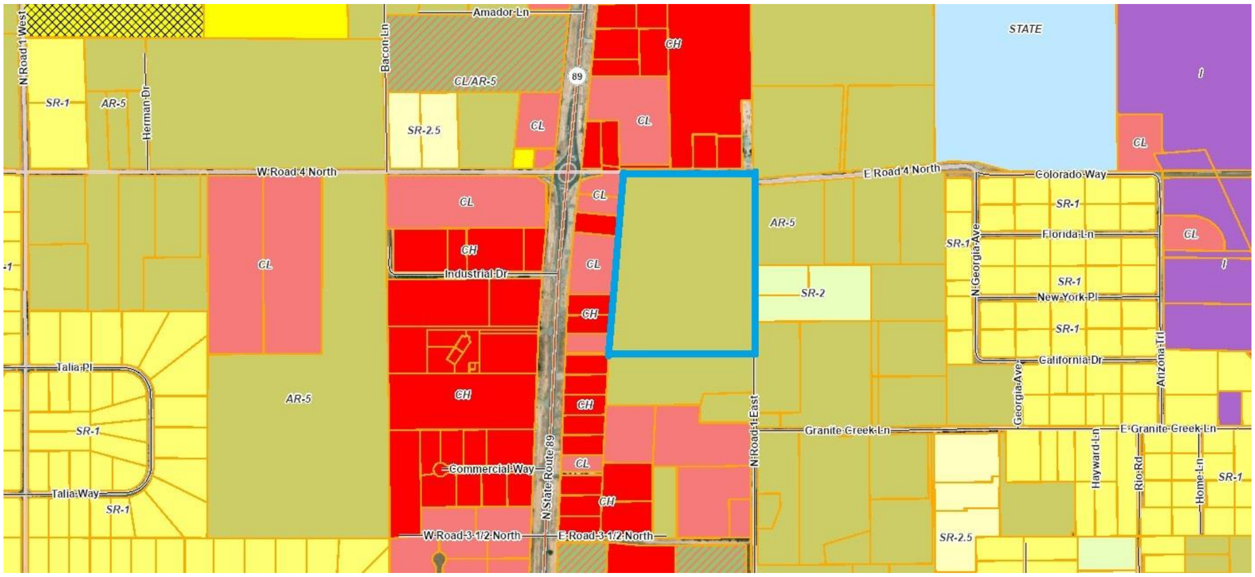
The applicant anticipates that the visitors of the park will consist of night, weekly, and monthly patrons. The design theme and décor for the RV Park will be “Contemporary Western”.

The road E Road 4 North, which is directly North of the property, is misaligned where it continues past N Road 1 East. Because of the anticipated increase in traffic, Public Works has advised the realignment of E Road 4 North, which the applicant has agreed to do.

During the review period for this project, staff had received 11 letters of opposition from the public regarding the RV Park. The letters voiced concern over the density that would result from the 190-lots proposed for the project. The letters also expressed opposition to the visual impact that the RV Park could bring to the surrounding area. Staff relayed these concerns to the applicant. The applicant heard the concerns voiced in the opposition letters and revised his project to include a concrete block wall along the east property line instead of the chain-link fencing. The block wall design will be consistent with the theme of the RV Park. The applicant has also reduced the number of RV spaces from 190 to 150, to reduce the intensity impact of the new use.

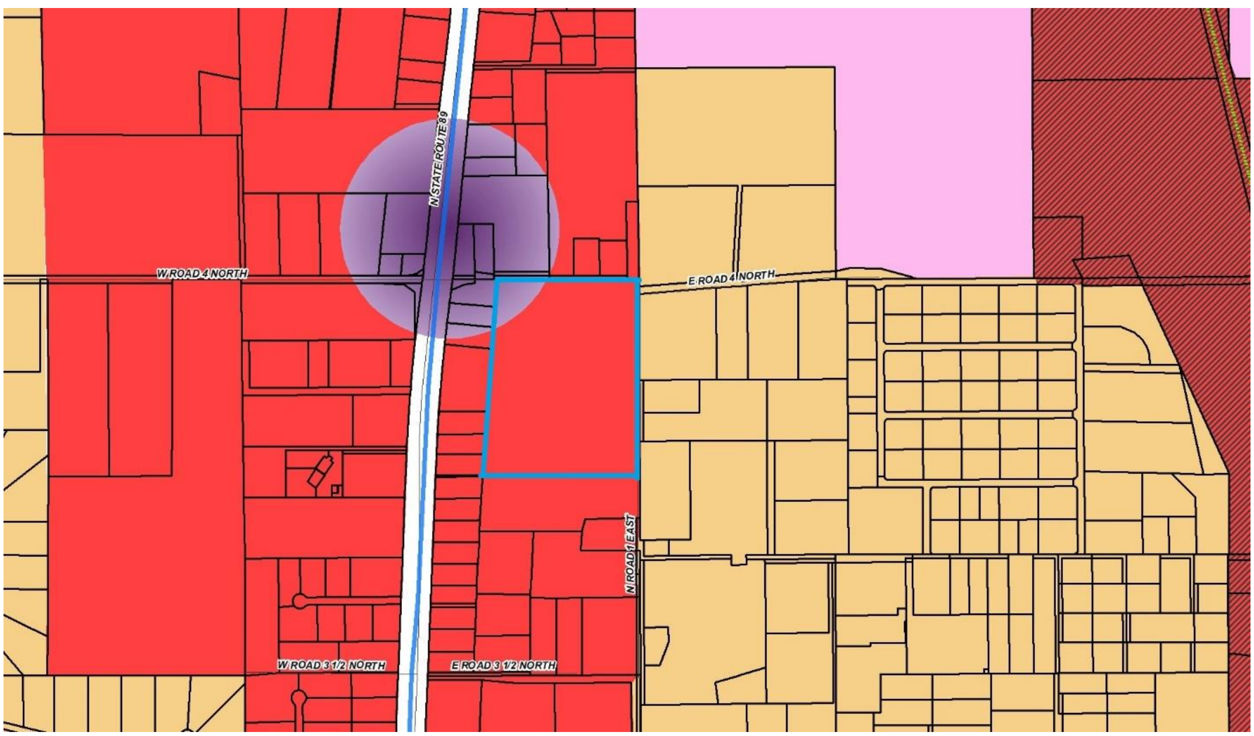
Zoning

Section 3.15.B.13 of the Unified Development Ordinance lists “Campgrounds and recreational vehicle parks with twenty-six (26) or more units” as a permitted use in the Commercial Heavy zoning district. The tied PAD (Planned Area Development) to the rezoning will ensure that any development occurring on property following the approval of this rezoning will be restricted only to this particular use permitted within CH (Commercial Heavy) district. The resulting rezone will be the same zoning designation as several properties to the West.



<u>Does the proposed zoning district conform to the Land Use Element?</u>

The zoning request of CH/PAD (Commercial Heavy with a Planned Area Development) will be in conforms with the property's Commercial/ Multi- Family Residential General Plan land use designation. The Commercial/ Multi- Family Residential designation will continue to focus on the Land Use Goals and Strategies promoting local commercial businesses.



Does the proposed rezoning of the property conform to the remaining elements of the general plan?

The proposed rezoning of the property conforms to the Economic Development Element of the General Plan. Rezoning the property to facilitate a RV Park and its proposed amenities will invite tourists into the Town of Chino Valley, and increasing the customer activity of local and current businesses located within the Town.

Does the proposed rezoning conform to Council's prior approval of rezonings, development agreements or subdivisions for this site?

The applicant's proposal to rezone to Commercial Heavy with a Planned Area Development (CH/PAD) is a similar request to a prior rezoning request in January 1989, for a rezone from AR to C-1.

PUBLIC COMMENTS RECEIVED:	See Attachment F
EXTERNAL AGENCY COMMENTS:	See Attachment B
NEIGHBORHOOD MEETING COMMENTS:	Staff notified the surrounding property owners of the date and location of the Planning and Zoning Commission Meeting and Town Council Meeting by postcard on December 13, 2022. See Attachment C
PROPOSED CONDITIONS DELIVERED TO APPLICANT ON:	January 31, 2022
FINAL STAFF REPORT DELIVERED TO APPLICANT ON:	FEBRUARY 17, 2022

X	Applicant agreed with all of the conditions of approval on (February 8, 2022)
	Applicant did not agree with the following conditions of approval: (list #'s)
	If the Planner is unable to make contact with the applicant – describe the situation and attempts to contact.

ATTACHMENTS:

A	B	C	D	E	F
Conditions of Approval	External Agency Comments	Neighborhood Meeting Comments	Aerial Photo	Staff Research	Public Comments

PREPARED BY:

BETHAN HENG, PLANNER
(BHENG@CHINOAZ.NET)
928 636-4427 - X1295

DATE:

FEBRUARY 16, 2022

APPROVED BY:

LAURIE LINEBERRY, AICP
DEVELOPMENT SERVICES DIRECTOR

ATTACHMENT A
CONDITIONS OF APPROVAL

The following conditions have been found to have a reasonable nexus and are roughly proportionate to the impact of the proposed rezone for the site:

Development Services Comments: Laurie Lineberry, Director, 928 636-4427- x1217

1. The conditions listed below are in addition to Town codes, rules, fees, and regulations that are applicable to this action.
2. The Owner's signature on the application for this land use action request takes the place of the requirement for a separate notarized and recorded "Waiver of Claims" document.

Planning: Bethan Heng, Planner (928) 636-4427 - x1295

3. Pursuant to ARS 9-462.01(E), if the property is not developed with an RV Park as reflected in the approved site plan, within two (2) years of the effective date of the rezone, the Town Council may revert the zoning of the property to the prior zoning classification, AR-5 (Agricultural/Residential 5-Acre Minimum).

Public Works/Engineering: Frank Marbury, Director, (928) 636-7140 - x1226

4. East Road 4 North shall be improved per Rural Arterial Standards as shown in UDO § 5.3.2, Table 5-1, as follows:
   a. 40' minimum right-of-way dedication south of the new road alignment centerline
   b. 24' full width pavement between the west property line and North Road 1 East
   c. 5' paved shoulder on each side with thickened edges
5. North Road 1 East right-of-way dedication shall be per Rural Arterial Standards as shown in UDO § 5.3.2, Table 5-1, as follows:
   a. 40' minimum right-of-way dedication west of the section line
6. Curb, gutter, and sidewalk improvements are not recommended along East Road 4 North and North Road 1 East.
7. Affected existing driveways north of East Road 4 North shall be extended to tie into the new road alignment.
8. All existing and new utility and telephone lines, electric utility distribution lines, cable television lines and all other communication and utility lines along East Road 4 North and North Road 1 East along the property boundary shall be undergrounded and located appropriate to the new road alignment per UDO § 150.082.
9. If Town water and sewer becomes available to the property, connection to said utilities may be required.
10. Internal design details will be determined through the site plan review process.

Any questions or comments regarding the Conditions of Approval as stated above should be directed to the staff member who provided the comment. Name and phone numbers are provided.

ATTACHMENT B
EXTERNAL AGENCY COMMENTS

DATE:	1/25/2022	NAME:	Richard Perez	TITLE:	Northwest District Permits Supervisor
AGENCY:	Arizona Department of Transportation			EMAIL:	PrescottPermits@azdot.gov

Comments:

1. For a potential development of this size so close to SR-89, ADOT would need to review a copy of the TIA to determine if any impacts to SR-89 at the Road 4 North roundabout intersection would be generated by this proposed development.
2. This list may not be all inclusive. ADOT reserves the right to comment further upon receipt of the TIA. Please contact the Northwest District Prescott Permits department if you have questions or concerns.
3. ADOT respectively request that the Town of Chino Valley keep ADOT included of all reviews and any other future meetings moving forward with this development.

DATE:	10/20/2021	NAME:	Chuck Dowdy	TITLE:	Assistant Fire Marshall
AGENCY:	Central Arizona Fire and Medical Authority			PHONE:	(928) 772-7711

Comments:

Comments for this project include the following based on the 2018 International Fire Code:

1. An approved water supply capable of supplying the required fire flow for fire protection shall be provided. This requirement shall be met by fire hydrants, fire sprinkler system or water tanks where municipal water supply is not available. IFC Chapter 5 and Appendix B, location to be approved by CAFMA
2. Fire alarm and fire sprinkler systems required. IFC Chapter 9
3. Fire alarm and fire sprinkler systems shall be deferred submittals directly to CAFMA. Refer to our website *cazfire.org/prevention/inspections, fees and permits* for our Fire Protection Standards and details regarding permits and fees. IFC Chapter 9
4. A Fire Hydrant shall be within 100' of an FDC
5. Knox key box, padlock, key switch and/or locking FDC caps required. IFC Ch. 5 and section 912.4.1
6. Fire extinguishers required. IFC Section 906
7. The business address shall be posted on the structure and/or sign visible from the street on which the structure is addressed, including individual suite, unit, or apartment numbers. These numbers shall be proportionate to the building with a minimum of six inches (6") in height and a contrasting color on the background to which they are attached. Central Arizona Fire shall approve the size of the address numbers. IFC Section 505
8. Street widths shall be a minimum of 20 feet wide with 26 feet wide required at hydrants. No parking signs shall be required on both sides of streets less than 26 feet wide and on one side of the street if less than 32 feet wide. IFC Appendix D
9. Fire apparatus access roads shall support the weight of a 90,000-pound apparatus and shall be of an all-weather surface. IFC Appendix D
10. The minimum turning radius shall be 28 feet inside and 50 feet outside diameter for all fire department access roads and parking lots. IFC Appendix D
11. Fire apparatus access roads shall have an unobstructed vertical clearance of 13' 6". IFC 503.2.1
12. Two separate and approved fire apparatus access roads shall be provided. IFC D107

ATTACHMENT B
EXTERNAL AGENCY COMMENTS

DATE:	1/18/2022	NAME:	Suzanne Erlich	TITLE:	Environmental Unit Manager
AGENCY:	Yavapai County Environmental Services			PHONE:	(928) 442-5423

Comments:

Thank you for the application submitted for the above work. The Environmental Unit has completed the review and has identified the following deficiencies:

- AAC R18-9-A309A7a. Flows to the facility shall consist of typical sewage and not include any motor oil, gasoline, paint, varnish, solvent, pesticide, fertilizer, or other material not generally associated with toilet flushing, food preparation, laundry, or personal hygiene;
- Any new structures with water fixtures will be required to connect to an onsite wastewater system or accepted sewage collection/treatment system. The wastewater system will be required to obtain a Construction Authorization and Discharge Authorization in accordance with rules adopted by the Arizona Department of Environmental Quality and delegated to Yavapai County Development Services.
- AAC R18-9-A309B5. Bioinhibitors commonly used in RV holding tanks are not consistent with typical sewage and cannot be discharged into the onsite wastewater treatment facility. A copy of park rules that require all vehicles with holding tanks to empty their contents into an offsite commercial RV Dump Station or development of a Sewage Vault for the purpose of receiving holding tank contents before connecting to the park wastewater treatment facility must be submitted.
- Swimming pools/spas: Public or semipublic swimming pools and spas will need to be reviewed and a licensing decision made by the Arizona Department of Environmental Quality. YCDS-Building safety, and YC Community Health-Environmental Health.
- Water Distribution system: The engineered construction plans will need to be submitted to the Arizona Department of Environmental Quality for review.
- New Water Source and storage tanks: will need to be reviewed and a licensing decision made by the Arizona Department of Environmental Quality.
- Wastewater collection: Yavapai County Development Services has delegation from the Arizona Department of Environmental Quality for licensing decisions for sewage collection systems. The engineered construction plans will need to be submitted to the Environmental Unit for review.
- Wastewater treatment: The project proposes a phase 1 that exceeds 24,000 gallons per day. The wastewater treatment facility will need to be reviewed and a licensing decision made by the Arizona Department of Environmental Quality.

In accordance with Arizona Revised Statutes (“A.R.S.”) § 41-1072 through § 41-1079 and the licensing time frames rules under Arizona Administrative Code (“A.A.C.”) R18-1-501 through R18-1-525. If the resubmitted documents do not correct the deficiencies identified above, the application may be denied, and a new application will need to be submitted and the appropriate fees paid.

Attachment B
External Agency Comments

DATE:	1/13/2022	NAME:	Jose Galvez	TITLE:	Environmental Health Specialist
AGENCY:	Yavapai County Community Health Services			PHONE:	602-542-3126
Comments:					
Yavapai County Health Department will require licensing for the pool(s) and spa(s) stated in the narrative. An ADEQ certificate for final construction approval is required before licensing.					

DATE:	1/13/2022	NAME:	Mark Holmes	TITLE:	Water Advisor
AGENCY:	Mark Holmes LLC		PHONE:	928-277-5253	
Comments:					
I see a treatment facility indicated on the proposal and a pond. Is the purpose of the treatment facility to treat wastewater generated onsite and to be discharged into the pond and used for outdoor irrigation purposes? If so, this would require permits issued by ADEQ and reclaimed water use signage where reclaimed water could come in contact with humans.					

ATTACHMENT C
NEIGHBORHOOD MEETING COMMENTS

DATE MEETING HELD: **JANUARY 26, 2022**
LOCATION: **TOWN HALL**
ATTENDEES:

AGENT/DEVELOPER: JEREMY BACH, NORMAN PADDY, AND VICTORIA PADDY
TOWN STAFF: WILL DINGEE, SENIOR PLANNER; BETHAN HENG, PLANNER
NEIGHBORS IN ATTENDANCE (24)

SUMMARY OF ATTENDEE(S') COMMENTS RELATED TO THE PROJECT:

- NEIGHBORS WERE CONCERNED ABOUT THE LENGTH OF STAY PERMITTED WITHIN THE RV PARK, THE LENGTH OF THE RV SPACES PROPOSED WITHIN THE DEVELOPMENT, THE AESTHETIC DESIGN AND UPKEEP OF THE PARK, MAINTENANCE AND SECURITY, HOURS OF OPERATION, SCREENING AND FENCING OF THE PROJECT, AND LIGHTING.
- THE NEIGHBORS WERE CONCERNED ABOUT INCREASE IN TRAFFIC WITH THE REALIGNMENT OF E ROAD 4 NORTH, LEVEL OF WATER CONSUMPTION RESULTING FROM THE PROJECT, SEPTIC AND WASTEWATER TREATMENT, AND THE OVERALL INCREASE IN DENSITY THAT THE PROJECT WILL BRING TO THE SURROUNDING AREA.

Attachment D
Site Plan and Exhibits

APN# 306-14-026A

Address: 2820 N Road 1 East

ATTACHMENT E
STAFF RESEARCH

SEE NEXT PAGE.

STAFF RESEARCH – REZONE

CASE #: Z-22-01
CASE PLANNER: BETHAN HENG

I. PROJECT DATA

Project Location:	2820 N Road 1 East					
Parcel Number(s):	306-14-026A					
Parcel Size(s):	30.15 acres					
Total Acreage:	30.15 acres					
Proposed Dwelling Units:	N/A					
Address:	661 E Howards Rd #17, Camp Verde, AZ, 86322					
Applicant:	Jeremy Bach					
Applicant's Agent:	Jeremy Bach					
Land Use Conformity Matrix:	Conforms:	Yes	X	No		

Zoning Overlay	PAD	X

	Existing Zoning	Use(s) on-site	General Plan Designation
Site	Agricultural/Residential 5-Acre Minimum (AR-5)	Vacant	Commercial/Multi-family Residential
North	Commercial Light (CL) & Commercial Heavy (CH)	Commercial	Commercial/Multi-family Residential
South	Agricultural/Residential 5-Acre Minimum (AR-5)	Residential	Commercial/Multi-family Residential
East	Agricultural/Residential 5-Acre Minimum (AR-5)	Agricultural/Residential	Commercial/Multi-family Residential
West	Commercial Light (CL) & Commercial Heavy (CH)	Commercial	Commercial/Multi-family Residential

Prior Cases or Related Actions:					
Type	Conforms				Cases, Actions or Agreements
Pre-Annexation Agreement	Yes		No		
Annexation	Yes	X	No		Original Town – Annexed 09/21/70
General Plan Amendment	Yes		No	X	
Development Agreement	Yes		No	X	
Rezone	Yes		No	X	
Subdivision	Yes		No	X	
Conditional Use Permit	Yes		No	X	
Pre-Application Meeting	Yes	X	No		November 10, 2021 & December 28, 2021
Enforcement Actions	Yes		No	X	
Land Division Status:					
Irrigation District:	None.				

II. TOWN OF CHINO VALLEY GENERAL PLAN

Land Use Element:		
Land Use Designation:		Commercial/Multi-family Residential
Issues:		None.
Public Services Element:		
Water Facility Plan:	Source:	None.
Sewer Facility Plan:	Treatment:	None.
Issues:		-
Transportation Element:		
Road Classification		Collector Street
Issues:		Right of Way dedication – In Pre-application meeting, Public Works requested for right of way to align E Road 4 North, and right-of-way along N Road 1 East.
Parks and Rec Element:		
Closest Park:		Memory Park, Chino Valley Aquatic Center.
Within 1 mile of the Peavine Trail?		Yes

NOTIFICATION

- **Legal Ad Published: The Sun** (01/31/2022)
- **300' Vicinity Mailing:** (12/13/2021)
- **21 Commenting/Reviewing Agencies noticed:** (01/13/2022)
- **Neighborhood Meeting:** (01/26/2022)
- **Hearing Dates:** (03/01/2022)
- **Comments Due:** (01/24/2022)

External List (Comments)	**Response Received**	**Date Received**	**"No Comment"**	**Written Comments**	**Comments Attached**
Chuck Dowdy – CAFMA	Y	1/13/2022		Y	Y
Monica Holiday – APS					
Richard Perez - A.D.O.T.					
Ralph Baker – C.V.I.D.	Y	1/6/2022		Y	Y
Suzann E. – YC ENV	Y	1/18/2022			Y
Jon Groulx – YC Health	Y	1/13/2022		Y	Y
SparkLite Cable					
Century Link Cable					
Unisource Gas					
CVUSD					
United States Postal Service					
Town of Chino Valley Internal List (Conditions)	**Response Received**	**Date Received**	**"No Conditions"**	**Written Conditions**	**Comments Attached**
Bethan Heng – Planner (DS)					
Will Dingee – Senior Planner (DS)					
Laurie Lineberry – DS Director					
Frank Marbury – PW Director					
Steve Sullivan – Assistant Engineer (PW)					
Jim Shinost – Plans Examiner (DS)					
Dan Trout – CBO (DS)					
David Jamie – Code Enforcement					
Damon Stanley – Code Enforcement					
Chuck Winn – Chief of Police (Police)					

CASE# ZC-2022-01: *- This is a request by Jeremy Bach for a rezone of approximately 30.15 acres of real property from the Agricultural/Residential 5-Acre Minimum (AR-5) to Commercial Heavy with a Planned Area Development Overlay (CH/PAD), for the property located south of 2820 N Road 1 East, APN 306-14-026A.*

Bethan Heng, Planner, presented the staff report and shared that the Applicant was in attendance for this meeting. **Heng** added that after the concerns raised during the neighborhood meeting, at which 5 of the 24 citizens in attendance were within the 300 foot radius notification area, the applicant redesigned his site plan to address those concerns. The applicant reduced the number of spaces by over 20%, from 190 spaces to 150 spaces and committed to build a decorative block wall on the east property boundary with a landscaped area.

Commissioner Meadors asked that the applicant elaborate on the changes and **Commissioner Somerville** questioned the maximum height of the wall. **Heng** stated the wall height would be 6 feet, and **Senior Planner Will Dingee** added that the wall could be as high as 8 feet.

There were no further questions for Staff.

Applicant, Jeremy Bach, addressed the Commission and shared that this project would be designed with future utility connections, when available, with an 8" sewer and a water main future connection. He added that all water provisions would be approved by Arizona Department of Water Resources (ADWR) and that the sewer package plant system would have to be approved by Yavapai County Environmental Services. He added that their company is currently building other projects similar to this within the state. This proposed project would provide for 30-night stays with options to renew for 30 additional nights. He confirmed that a wall and approximately 20 feet of soft scape landscaping are proposed along the east property line.

Switzer asked if the Arizona Department of Environmental Quality (ADEQ) has specified that this sewer system must meet their A-Plus standard. **Bach** stated that yes, it meets the same requirements as a public utility system would.

Merritt asked if it would be monitored by ADEQ and **Somerville** asked about on-site office space. **Bach** stated that this project would be modeled like the project currently being built in Camp Verde.

Switzer questioned whether or not the applicant would be willing to provide a block wall to the west adjacent to the commercial properties, if there would be 24-7 on-site management, and if a traffic study was done regarding the realignment of Road 4 North and 30-day timeframe. **Bach** stated that he is not completely opposed to additional walls, but feels that it is specifically a concern to the eastside residential neighbors. He also stated that there would be management on-site 24-7 and that a traffic study was not completed. He added that the 30-day stay time period could be less if problems with the tenant happened. **Commissioner Penn** asked what the maximum length of RV would be. **Bach** stated some units are 65 feet.

The commission had no further questions for the applicant.

Merritt opened the meeting for public comment.

Robert Campbell of 1220 E Road 4 North stated he lived 700' from this property, and addressed the commission, provided a handout about what he felt a 5-Star RV Park contained. He felt that in order to be a 5-Star park, there would need to be amenities, such as golfing, office facilities, recreational areas, laundry, etc. Also, some parks provide wider and deeper spaces with pull-through parking, paved roads and private patios. **Campbell** shared that other amenities should include wi-fi, pet areas, trash collection and or course hook-ups (electric, water, sewer and cable-tv). Chino Valley is not a destination for RV's since there are no rivers, golf course, or national parks in the area. He stated that this parcel is too small for this development and it would be better suited at Old Home Manor.

Sharon Reilly & Arwynn Taylor of 2826 N Arizona Trail stated they were opposed to this project. They spoke about concerns for their horses and the need for a quiet neighborhood, like it is now, and also concerned about having enough water from their well. They were worried that it would just become a cheap place for people to live that can't afford to buy a home.

April Durnez of 1519 Florida Lane stated she is opposed to this project. She also had concerns about the water and where it would be coming from. She felt that there would be difficulty with infrastructure such as Fire, Police and Medical emergencies. She identified that the roads are currently without sub-grade and should be repaired. She wondered why there was a need for an RV park here, since Chino Valley is not a destination. She believed that the people staying at this park would spend their money in Prescott, Williams and Flagstaff, not here in Chino Valley. Durnez said they would pump water current residents depend on. She also shared that the existing stores in town are over-capacity.

Kathy Middlested of 380 Lauren Lane was opposed to this project and felt that this park was being design for long-term stays. She felt that more and more developers were asking to rezone residential to higher density and she would like to see more development, but with a project that fits the current zoning of the property. She felt higher density projects were impacting peoples' homes and more and more of the residents were getting frustrated when the Town approves rezones. She stated that all the rezoning was impacting the roads, water, infrastructure and property taxes.

Gary Denny of 2879 Arizona Trail shared that he was the owner of El Norte Restaurant and that his business was surrounded by commercial projects, including a future 100-acre solar farm. He added that early on, in 1958 Del Rio Springs had animals that were shipped from this area. The property adjacent to his business was, he believed, the only property zoned for a junk yard. He wanted to remind everybody in attendance that there was a commercial aspect to this area. He stated that the commercial area is what it is, and that the town needs to build, in order to be a strong city. The Town needs the revenue that new projects bring to be able to improve the roads, police, etc.

He felt that all the strain on roads, police and fire was not a good thing. His family has been in this area since the 1860's. He believed that Chino Valley dollars are being spent in Prescott. He stated that Chino Valley is just "work-force" housing for Prescott. He added that this town needed to "Build Strong".

Rachelle Fernow of 2949 N Road 1 East presented the following information in a PowerPoint presentation, stating that she was represent number of people:
Rachelle reflected on the large lot/agriculture nature of the area and stated she felt that the proposed project was not in-line with the characteristic of the neighborhood. She shared a slide that included the following concerns related to the project at this location: highway entrance, rental prices, water, population density, road improvements, traffic signs, road decay, traffic increase, perimeter fencing, length of stay, business operation, closeness to Perkinsville 44, Heavy Commercial zoning, landscaping, lighting, space sizing, impact on city services, and benefit to the town and residences. She addressed the developer's proposed reduction in units from 190 to 150 (after hearing neighbor concerns at the Neighborhood Meeting) and stated that she felt the reduction in units was due to right-of-way dedications and not the applicants desire to reduce intensity. She stated that she and other citizens visited several RV parks in Yavapai County and their investigation concluded that this project location had no mature vegetation, no natural attractions or views, and that the access points to the proposal were not on an interstate or highway like the other parks. (She shared photos of these parks in her presentation). She stated that she felt that the impact to the community was huge with a density ratio increase of 800%, increase in traffic, decrease in property values, increased safety concerns and no zoning transition. She shared that the neighbors were in opposition to this project and added that she has an online petition with over 350 signatures in opposition. Rachelle provided excerpts from various sources including the Town General Plan and Chamber of Commerce documents that state Chino Valley is a "laid-back, open space community with agricultural and farming heritage". She stated that she believed this project would cost the Town more money than it adds. Rachelle declared that she had reviewed the UDO and the General Plan and had concluded that this proposal did not fit this area based on her analysis. She asked the following questions: What was the point of zoning if not to put land uses in their proper place? Why were rezones approved prior to all the technical studies

being done? Couldn't we wait to rezone until the Town's new general plan was completed? She concluded by stating that the Town should send the RV Park out to Old Home Manor.

Juliann Baker of 2869 N Road 1 East yielded her time to Rachelle Fernow.

Gary & Molly Beverly of 1219 Granite Creek stated they are opposed to this project. They thanked the commission and staff for putting in the time to help manage the town. This RV park does not fit at this location. He felt that there have been all kinds of projects approved but they never get built. Beverly expressed concerns about public safety with the emergency vehicles using Road 4 North. He stated that there are currently more than 175 lots that use that road daily. He felt that the 300-foot radius notification was a joke, that a traffic study should be completed, the road upgraded for RV use and the developer should pay for it. He felt that this RV park would become low-cost housing and should have a 30-day maximum stay within a 6-month timeframe. He added that any water usage should be recharged and that since 1940 the water table has dropped 100 feet.

John Garden IV of 849 Sycamore Lane spoke in opposition to this project. He added that in Prescott and Prescott Valley, development was happening everyday and he felt that those towns will be touching Chino Valley borders soon. Several of his neighbors' well water levels had been dropping, yet there are three water companies in Chino Valley. He thanked the citizens for being concerned about this project.

Toni Graybill of 1022 E Granite Creek Lane, also in opposition agreed with those that spoke before him and added that he felt this project would not generate the revenue the town needs and the neighbors would end up paying for it.

Diane Audette of 1322 Florida Lane agreed with previous speakers and asked the commission to make the right decision for the people, not for the revenue.

Kara Brennion of 2610 Georgia shared that she had lived here all her life and believed that this property could be used in a better way. She expressed concern about security, police and water usage. She suggested that the developer complete his other project in Verde Valley so the public could see what it would look like if he built in Chino Valley.

Ann Kennedy of 1875 N Rancho Santa Maria Drive stated she was a local business manager and was speaking for the Cat Sanctuary located at Granite Creek Vineyard. She felt that the Town needed to keep up the streets and she stated she opposed the project.

J. J. Walz was opposed and felt the Town should be kept the way it is. He stated that the applicant has not proven himself in regards to an RV park before building here. He felt that developers take advantage of the price of land in Chino Valley as opposed to Chino Valley being a desirable location.

Clay Camero of 1305 Taft Avenue stated his opposition to this project. He stated he moved here about a year ago because of the rural look, the quiet and the visibility of the night stars, Chino Valley is the exact opposite of Los Angeles. He supported 12,000 square foot lots.

There were no others that filled out the "Request to Speak" cards to speak.

Merritt asked if anyone else wished to speak. Rachelle Fernow encouraged all in attendance to speak up.

The following persons got up to speak and agreed with Rachelle Fernows presentation voicing opposition to the project:

> Sonya Connelly, Dan Fernow, Linda Barnes, Justin Brereton, Susan Cruise, Tom Durnez, Barbara Celaya, Sasha Rodriguez, Mary Seal, Lila Pierce, Alisha Sutton, Michael O'Connor-Masse, Bob Schacker, Gary Steinmetz, Lori Redfern, Celia VanderMolen, Juliann Baker.

Merritt closed the Public Comment portion of the Public Hearing.

Merritt answered some of the questions brought up by the public. He stated that the fire department response is from Central Arizona Fire and Medical Authority (CAFMA) and is not a part of the Town of Chino Valley. He directed police security issues and road questions to the Public Works Director.

Public Works Director, Frank Marbury, shared that the closest water and sewer were over a mile away. If water was not considered available, then they were allowed to use a well. The wells were regulated by the State and fall under the jurisdiction and regulations set by the ADWR. The State regulates all wells, not the Town.

In regards to roads, **Marbury** stated that typically the Traffic Impact Analysis (TIA) would be required later in the project timeline. ADOT had requested a study prior to work beginning and had expressed concerns related to additional traffic in the roundabout. **Marbury** continued stating that Road 4 North was somewhat degraded and was planned to be a commercial road to feed into Old Home Manor. A roadway tax was presented to the voters a few years ago and the public voted roadway funding down. Without other significant funding sources, road repairs would be minimal, within the Town.

Marbury, in response to a question from **Merritt**, explained that CAFMA has certain roadway requirements inside the park, weight and radius requirements, and that if the project moves forward all parts of the plans, ADEQ, Sewer, Site Design, traffic, landscaping and various other items would need detailed review.

Bach returned to the podium to answer further questions from the commission.

Commissioner Meadors asked if **Bach** currently owned the property or if it was in escrow. **Bach** replied that the property was currently in escrow.

Merritt talked about the public concerns about this becoming a long-term, low-income RV park. He asked about CC&R's for the park and the use of the 30-day stay extension. **Bach** stated that there would be amenities and he would like to be able to extend stays in increments of 30-days. Fire concerns would be addressed with fire risers and storages tanks.

Merritt asked about the sewer infrastructure. **Bach** shared that Yavapai County had the final approval for any system that was used. This system must meet ADEQ requirements regarding maintenance and potential odors. The owners would be liable for fines if the standards were not met. Additionally, he shared this park would be by subscription and that most spaces were proposed to be 20' x 65' and have trees and shrubbery to give separation and privacy.

Somerville asked about the subscription detail. **Bach** stated that a subscription park allowed people to reserve space and dates, similar to KOA.

Merritt discussed the increase of traffic on Road 4 North and Road 1 East and the proximity of future growth east on this road towards Old Home Manor. **Marbury** stated that Road 4 North was planned to be the main commercial access to the Old Home Manor Commercial Park. But not all traffic would be on Road 4 North from the highway, as local citizens may use a different route to get to the Yavapai College, the shooting range, the dirt road access for off-roading and El Norte Restaurant.

Merritt asked **Heng** about this zoning not matching the surrounding area. **Heng** showed the General Plan map, which showed this parcel designated as Commercial or Multi-Family, and how that conformed with the current plan. **Merritt** asked why this rezone was for Commercial Heavy (CH) and what the cut-off point was for RV Parks. **Heng** stated that 25 spaces or less were allowed in Commercial Light (CL) and 26 spaces or more required the CH zoning. That the Planned Area Development (PAD) specifically ties the proposed RV Park use as the only development on the property, unless it came back through the Planning & Zoning Commission for another review.

Dingee added that the County West Mobile Home Park density was 14 spaces per acre, with the reduction by the applicant from 190 to 150 spaces, the density for this project was 5 spaces per acre.

There were no further questions from the Commission.

A motion was made by Vice-Chair Pasciak and seconded by Commissioner Welker to approve ZC-2022-01 as presented, with revisions dated 3-1-22 for Attachment A, and adding the stipulation that the project must be built within 2 years of the approval effective date or the zoning would revert to AR-5, and that residency can not be longer than 6 months. This motion failed with a 3-4 vote with Commissioner Somerville abstaining/then voting no. The Nay votes are explained as follows:

Somerville: It's the location as well as the condition of the roads. If the roads were improved, perhaps I'd be in favor later on. I'd like to see this project out at Old Home Manor rather than right on the highway.

Switzer: I'd like to see an RV Park in Chino just not at this location. I think Old Home Manor would be a good location. I would like to see the General Plan re-written first before a project of this density gets approved in this area. Be forewarned though that this property is in the commercial heavy corridor right now, and unless the general plan changes, the property could very easy end up being commercial heavy in the future. The other nice RV parks in Yavapai County are not this close to residential, I've stayed at them and it is nice that they are not near a residential district. I also think that a PAD with this density in this location does not work.

Meadors: This project is too dense for the area and I don't like that it's too close to residential. I too believe that it needs to go to Old Home Manor

Penn: I am troubled that there will be no traffic, noise or environmental study done before we make a decision. I do not like the fact that somebody can keep re-up every 30 days and stay there forever, that's a trailer park, not an RV park. I think that the people that live in the surrounding area should be given some consideration, they bought what they bought.

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6. b.**

Meeting Date:	06/28/2022
Contact Person:	Will Dingee, Senior Planner Phone: 928-636-4427 x-1233
Department:	Development Services
Estimated length of staff presentation:	5 minutes
Physical location of item:	N/A

AGENDA ITEM TITLE:

Public hearing, consideration, and possible action to approve Ordinance No. 2022-919 amending the Town of Chino Valley Unified Development Ordinance by deleting subsection 4.21.10 (Sunset Provision) and reserving it for future use. (Will Dingee, Senior Planner)

RECOMMENDED ACTION:

(i) Hold Public Hearing
(ii) Approve Ordinance No. 2022-919.

SITUATION AND ANALYSIS:

In July of 2020, the Chino Valley Town Council approved a text amendment to section 4.21 of the Unified Development Ordinance that significantly reduced the regulations that governed Auxiliary Signage. Part of this amendment included a Sunset Provision (Section 4.21.10) that was set for July 1, 2022. The purpose of the sunset clause was to allow enough time to test out the new temporary sign provisions before either eliminating them or making the provisions a permanent part of the sign code. Staff brought this sunset provision before the Town Council during the May 10, 2022, study session. The discussion at the study session included a lack of code enforcement issues and a positive response from businesses to the streamlined provisions for temporary signs. As a result, the Council provided direction to Staff to delete the sunset clause from the UDO, making the revised auxiliary sign provisions permanent.

This item was presented to the Planning and Zoning Commission on June 7th where the only question that was asked was from a member of the public regarding if the text amendment impacted residential signs, which it does not.

The Commission forwarded a recommendation of approval to the Town Council with a 7-0 vote.

Minutes related to this item from the June 7th Planning and Zoning Commission can be found in Attachment 1

Fiscal Impact

Fiscal Impact?: N/A

If Yes, Budget Code:
Available:
Funding Source:

Fiscal Impact?: N/A
If Yes, Budget Code:
Available:
Funding Source:

Attachments

ORD - 2022-919 - UDO Amendment - Sign Code Auxiliary Sunset Clause Deletion
Attachment 1 - P&Z Minutes
Attachment 2 - P&Z Staff Report

ORDINANCE NO. 2022-919

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, AMENDING THE TOWN OF CHINO VALLEY UNIFIED DEVELOPMENT ORDINANCE, SECTION 4, GENERAL REGULATIONS, SECTION 4.21, SIGN REGULATIONS, BY DELETING SUBSECTION 4.21.10, SUNSET PROVISIONS.

WHEREAS, the Mayor and Common Council of the Town of Chino Valley (the "Town Council") desires to amend the Chino Valley Town Code, Title XV, Land Usage, Chapter 154, Unified Development Ordinance of the Town of Chino Valley (the "UDO"), section 4.21 (Sign Regulations) by deleting subsection 4.21.10 (Sunset Provision) as set forth herein (the "Text Amendment"); and

WHEREAS, the Town Council has determined that the Text Amendment is not in conflict with the Town of Chino Valley General Plan and any applicable specific area plan, neighborhood plan, or any other plan; and

WHEREAS, in accordance with Article II, Sections 1 and 2 of the Constitution of Arizona, the Town Council has considered the individual property rights and personal liberties of the residents of the Town before adopting this ordinance; and

WHEREAS, the Town Council has considered the probable impact of this ordinance on the cost to construct housing for sale or rent, and found none.

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

<u>Section 1</u>. The recitals above are hereby incorporated as if fully set forth herein.

<u>Section 2</u>. UDO subsection 4.21.10 (Sunset Provision) is hereby deleted in its entirety and reserved for future use.

<u>Section 3</u>. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

<u>Section 4</u>. The Mayor, the Town Manager, the Town Clerk, and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Ordinance.

(SIGNATURES ON FOLLOWING PAGE)

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 28th day of June, 2022.

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

____
Gust Rosenfeld PLC, Town Attorney
By: Andrew J. McGuire

I hereby certify the above foregoing Ordinance No. 2022-919 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on June 28, 2022, and that quorum was present, and that the vote thereon was _____ ayes and _____ nays and _____ abstentions. _____ Council members were absent or excused.

____
Erin N. Deskins, Town Clerk

Attachment 1

Minutes from the Planning and Zoning Commission

<u>CASE# TA-2022-08:</u> *- This is a request to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, Chapter 4.21 Sign Regulations, by deleting section 4.21.10 Sunset Provision, in its entirety.*

Will Dingee, Senior Planner, presented the staff report and shared that Staff was recommending **APPROVAL** as written in the staff report. This included, deleting in its entirety, Section 4.21.10 the Sunset Provision for Auxiliary Signs. Prior to this amendment the section included a Sunset Provision that was set to expire on July 1, 2022. As a result of the lack of code enforcement complaints and non-conformance issues, the Council supported removing the sunset clause and allowing these types of signs to continue to be used in the community. This text amendment, TA-2022-08, was generated for this purpose.

There were no questions from the Commission.

Merritt opened the meeting for public comment.

Rachel Fernow asked about the signs that are placed on personal property and shared that she had seen some local signs removed. She also wanted to know how long they can stay on a site.

Mary Seale asked if the Text Amendment presentation page could be returned to the monitor so that the public could read it. **Dingee** complied. A moment was given for the public to read the code section.

There were no further requests to speak from the public and **Merritt** closed the public comment period.

Dingee returned to answer the question regarding signs on personal property. He stated that this section of the code pertained to only commercial properties, not residential properties.

The Commission discussed the existence of state statutes regarding political signs and where they can be placed, acknowledging that these Auxiliary Signs were a separate type of sign.

MOTION - A motion was made by Vice Chair Pasciak and seconded by Commissioner Switzer to approve TA-2022-08, as presented by staff. This motion passed with a 7-0 vote.

Attachment 2

Staff Report from Planning and Zoning Commission

TOWN OF CHINO VALLEY
Planning Commission Staff Report
June 7, 2022
File Number T-2022-08
Text Amendment

PROJECT DESCRIPTION: Request to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, Chapter 4.21 Sign Regulations, by deleting section 4.21.10 Sunset Provision in its entirety.

STAFF ANALYSIS:

The Unified Development Ordinance (UDO) states that it "may be amended, supplemented, changed, modified or repealed when deemed necessary to best serve the public interest, health, comfort, convenience, safety and general welfare of the citizens of the Town." This current text amendment request from staff, through direction of Town Council, is deemed necessary to best serve the public interest. The proposal is to delete the Sunset Provision for Auxiliary Signs found in Section 4.21.10 in its entirety.

In July of 2020, the Chino Valley Town Council approved a text amendment to Chapter 4.21 of the Unified Development Ordinance the significantly reduced the regulations that governed Auxiliary Signage. Part of this amendment included a Sunset Provision (Section 4.21.10) that was set for July 1, 2022. The purpose of the sunset clause was to allow enough time to test out the new temporary sign provisions before either eliminating them or making the provisions a permanent part of the sign code. Staff brought this sunset provision before the Town Council during the May 10, 2022 study session. The discussion at the study session included lack of code enforcement issues and the positive response from businesses for the streamlined provisions for temporary signs. As a result, the Council provided direction to Staff to delete the sunset clause from the UDO, making the revised auxiliary sign provisions permanent.

The proposed text amendment is reflected in Attachment A

Staff Recommendation: Staff recommends **APPROVAL** of the text amendment to delete Section 4.21.10 Sunset Provision found in Town of Chino Valley Unified Development Ordinance, Chapter 154.

SUGGESTED COMMISSION MOTION: Move to **APPROVE** Text Amendment T-2022-08 as reflected in Attachment A, subject to the staff report and information provided during this hearing.

Effect of the Approval: By approving the Text Amendment, the Planning and Zoning Commission is recommending that the Town Council delete Section 4.21.10 Sunset Provision found in the Town of Chino Valley Unified Development Ordinance, Chapter 154.

Attachments

A
Text Amendment Language

Prepared By: **Date:** May 12, 2022

Will Dingee
Senior Planner
wdingee@chinoaz.net
(928)636-4427, x1233

Approved By: **Date:** May 12, 2022

Laurie Lineberry, AICP
Development Services Director
llineberry@chinoaz.net
(928)636-4427, x1217

Attachment A

Text Amendment Language

Current Language:

4.21.10 SUNSET PROVISION

The provisions of this **Sign** Code relating to (A) **auxiliary signs** being permitted by right in certain zoning categories and (B) **auxiliary signs** and **special event (promotional) signs** being allowed without the need for a **temporary sign permit** shall automatically terminate and shall be of no force and effect after July 1, 2022, unless, after meeting all of the **public** notice and hearing requirements set forth in State Law, the Town Council determines these provisions should remain in effect, as currently written or as may be modified.

Proposed Amendment:

4.21.10 RESERVED ~~SUNSET PROVISION~~

~~The provisions of this **Sign** Code relating to (A) **auxiliary signs** being permitted by right in certain zoning categories and (B) **auxiliary signs** and **special event (promotional) signs** being allowed without the need for a **temporary sign permit** shall automatically terminate and shall be of no force and effect after July 1, 2022, unless, after meeting all of the **public** notice and hearing requirements set forth in State Law, the Town Council determines these provisions should remain in effect, as currently written or as may be modified.~~

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6. c.**

Meeting Date:	06/28/2022
Contact Person:	Joe Duffy, Finance Director Phone: 928-636-2646 x-1211
Department:	Finance
Estimated length of staff presentation:	None
Physical location of item:	N/A

AGENDA ITEM TITLE:

Public Hearing regarding Resolution No. 2022-1202, relating to the Town's Final Budget for Fiscal Year 2022/2023 and the proposed expenditure limitation for the same year, in the amount of $46,544,100. (Joe Duffy, Finance Director)

RECOMMENDED ACTION:

Hold the Public Hearing.

SITUATION AND ANALYSIS:

On May 24, 2022, the Mayor and Council adopted Resolution No. 2022-1200 adopting the Tentative Budget for the Fiscal Year 2022/2023, and setting the Expenditure Limitation at $46,544,100. The Tentative Budget was posted on the Town's website.

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

Staff recommends approving Resolution No. 2022-1202 and adopting the Final Budget for Fiscal Year 2022/2023.

Fiscal Impact

Fiscal Impact?:	No
If Yes, Budget Code:	
Available:	
Funding Source:	

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6. d.**

Meeting Date:	06/28/2022
Contact Person:	Joe Duffy, Finance Director Phone: 928-636-2646 x-1211
Department:	Finance
Estimated length of staff presentation:	None
Physical location of item:	Bright Star Subdivision

AGENDA ITEM TITLE:

Public Hearing regarding (i) Resolution No. 2022-1203, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2022/2023, which shall constitute the budgets of the Districts for fiscal year 2022/2023 and (ii) the tax levy anticipated in conjunction with the budgets of the Districts. (Joe Duffy, Finance Director)

RECOMMENDED ACTION:

Hold the Public Hearing.

Fiscal Impact

Fiscal Impact?:	No
If Yes, Budget Code:	
Available:	
Funding Source:	

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **b.**

Meeting Date:	06/28/2022
Contact Person:	Joe Duffy, Finance Director Phone: 928-636-2646 x-1211
Department:	Finance
Estimated length of staff presentation:	15 minutes
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve Resolution No. 2022-1202, relating to the Town's Final Budget for Fiscal Year 2022/2023 and the proposed expenditure limitation for the same year, in the amount of $46,544,100. (Joe Duffy, Administrative Services Director)

RECOMMENDED ACTION:

Approve Resolution 2022-1202, adopting the FY 2022-23 Final Budget and establishing the FY 2022-23 expenditure limitation.

SITUATION AND ANALYSIS:

On May 24, 2022, the Mayor and Council adopted Resolution No. 2022-1200 adopting the Tentative Budget for the Fiscal Year 2022/2023 and setting the Expenditure Limitation at $46,544,100. The Tentative Budget was posted on the Town's website.

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

A public hearing is scheduled for June 28, 2022.

Staff recommends approving Resolution No. 2022-1202 and adopting the Final Budget for Fiscal Year 2022/2023.

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 2020-2021.

Attachments

RESOLUTION NO. 2022-1202

A RESOLUTION OF THE MAYOR AND COMMON OF THE TOWN OF CHINO VALLEY, ARIZONA, ADOPTING THE FINAL BUDGET FOR THE FISCAL YEAR 2022/2023; SETTING AN EXPENDITURE LIMITATION FOR THE SAME YEAR; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE FROM AND AFTER ITS PASSAGE AND APPROVAL ACCORDING TO THE LAW.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona, the Mayor and Council of the Town of Chino Valley (the "Town Council") is required to adopt an annual budget for the Town of Chino Valley (the "Town"); and

WHEREAS, pursuant to Article 9, Section 20(9) of the Arizona Constitution, and Arizona Revised Statutes ("A.R.S.") Sections 41-563.03(C), (E), and (G), the qualified voters of the Town of Chino Valley, on August 4, 2020, approved Proposition 450, adopting an Alternative Expenditure Limitation for the Town; and

WHEREAS, Proposition 450 provided that, as part of the budget process, the Mayor and Common Council shall annually adopt an expenditure limitation to govern the budget, after public hearing; and

WHEREAS, in accordance with A.R.S. § 42-17102, the Town Manager prepared and filed with the Town Council the Town Manager's budget estimates for the fiscal year beginning July 1, 2022, and ending June 30, 2023; and

WHEREAS, on May 24, 2022, the Town Council approved Resolution 2022-1200, adopting (i) an expenditure limitation and (ii) the statement of estimates and expenses for the fiscal year beginning July 1, 2022, and ending June 30, 2023; and

WHEREAS, Resolution 2022-1200 also directed the Town Clerk to (i) make available the tentative budget for inspection, not later than seven days after the date of Resolution 2022-1200, at the Chino Valley Public Library, at the Chino Valley Town Hall, and on the official Town Website; and (ii) publish in the official Town newspaper once per week for two consecutive weeks (a) the official tentative budget and (b) a notice of the public hearing of the Town Council to hear taxpayers and make tax levies at designated times and places; and

WHEREAS, due notice has been given by the Town Clerk as required by law that the Town Council would meet on June 28, 2022, at the Chino Valley Senior Center for the purposes of (i) hearing taxpayers on the proposed estimates, expenses, and tax levies as set forth in said statement of estimates and expenses and (ii) adopting the tentative budget as final; and

WHEREAS, on June 28, 2022, the Town Council held a public hearing on the final budget as required by law; and

WHEREAS, the revenues and expenses in the proposed final budget for Fiscal Year 2022/2023 do not exceed the estimates and expenses shown on the published tentative budget.

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

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The expenditure limitation to govern the Town of Chino Valley budget for Fiscal Year 2022/2023 is hereby approved in an amount not to exceed $46,544,100.

SECTION 3. The estimates of revenues and expenditures shown in the schedules attached hereto as Exhibit A and incorporated herein by reference are hereby formally adopted as the official final budget of the Town for the fiscal year beginning July 1, 2022, and ending June 30, 2023.

SECTION 4. This Resolution shall be effective from and after its passage and approval according to law.

SECTION 5. If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 28th day of June, 2022.

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 2022-1202 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on June 28, 2022, and that quorum was present thereat and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

____
Erin N. Deskins, Town Clerk

EXHIBIT A
TO
RESOLUTION NO. 2022-1202

[Statement of Estimates and Expenses]

See following pages.

Official Budget Forms

City/Town of Chino Valley

Fiscal year 2023

City/Town of Chino Valley
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2023

Fiscal year		Sch		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total all funds
2022	Adopted/adjusted budgeted expenditures/expenses*	E	1	11,990,600	11,962,900	991,500	10,333,500	0	6,021,500	0	41,300,000
2022	Actual expenditures/expenses**	E	2	11,394,656	5,567,791	9,584,265	4,914,700	0	3,504,273	0	34,965,685
2023	Beginning fund balance/(deficit) or net position/(deficit) at July 1***		3	9,510,686	5,889,011	269,880	5,445,145	0	12,592,665	0	33,707,387
2023	Primary property tax levy	B	4	0							0
2023	Secondary property tax levy	B	5								0
2023	Estimated revenues other than property taxes	C	6	14,585,900	5,738,100	0	5,273,800	0	5,551,900	0	31,149,700
2023	Other financing sources	D	7	0	0	0	0	0	3,500,000	0	3,500,000
2023	Other financing (uses)	D	8	0	0	0	0	0	3,500,000	0	3,500,000
2023	Interfund transfers in	D	9	400,000	4,300,000	1,384,500	750,000	0	350,000	0	7,184,500
2023	Interfund Transfers (out)	D	10	4,850,000	200,000	0	1,784,500	0	350,000	0	7,184,500
2023	Line 11: Reduction for fund balance reserved for future budget year expenditures		11								
	Maintained for future debt retirement										0
	Maintained for future capital projects										0
	Maintained for future financial stability										0
											0
											0
2023	Total financial resources available		12	19,646,586	15,727,111	1,654,380	9,684,445	0	18,144,565	0	64,857,087
2023	Budgeted expenditures/expenses	E	13	14,425,900	13,281,500	1,384,500	8,051,000	0	5,901,200	0	43,044,100

3500000

Expenditure limitation comparison	2022	2023
1 Budgeted expenditures/expenses	$ 41,300,000	$ 46,544,100
2 Add/subtract: estimated net reconciling items		
3 Budgeted expenditures/expenses adjusted for reconciling items	41,300,000	46,544,100
4 Less: estimated exclusions		
5 Amount subject to the expenditure limitation	$ 41,300,000	$ 46,544,100
6 EEC expenditure limitation	$	$

☐ 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 beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

City/Town of Chino Valley
Tax levy and tax rate information
Fiscal year 2023

	2022	2023
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	$	$
2. Amount received from primary property taxation in the **current year** in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	$	
3. Property tax levy amounts		
A. Primary property taxes	$	$
Property tax judgment		
B. Secondary property taxes		
Property tax judgment		
C. Total property tax levy amounts	$	$
4. Property taxes collected*		
A. Primary property taxes		
(1) **Current** year's levy	$	
(2) Prior years' levies		
(3) Total primary property taxes	$	
B. Secondary property taxes		
(1) **Current** year's levy	$	
(2) Prior years' levies		
(3) Total secondary property taxes	$	
C. Total property taxes collected	$	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate		
Property tax judgment		
(2) Secondary property tax rate		
Property tax judgment		
(3) Total city/town tax rate		

B. Special assessment district tax rates

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

* 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.

City/Town of Chino Valley
Revenues other than property taxes
Fiscal Year 2023

Source of revenues	Estimated revenues 2022	Actual revenues* 2022	Estimated revenues 2023
General Fund			
Local taxes			
Sales Taxes	$ 7,169,000	$ 7,680,570	$ 7,910,900
Franchise Taxes	132,000	142,454	141,500
Licenses and permits			
Building Permits	320,000	357,916	325,000
Business Licenses	58,000	64,254	65,000
Plan Check Fees	145,000	154,730	150,000
Other Licenses and Permits	21,500	18,253	22,500
Intergovernmental			
State Shared Sales Tax	1,453,000	1,771,000	1,864,000
State Shared Income Tax	1,615,000	1,700,000	2,513,000
Vehicle License Tax	947,000	973,100	1,079,000
Yavapai County Library Funds	95,000	95,173	96,000
Police Dept Grants	7,500	8,050	7,500
Senior Nutrition Grant	88,000	106,814	115,000
Charges for services			
Engineering Fees	1,000	3,182	1,000
Senior Nutrition Program Fees	5,000	1,813	5,000
Facility Use Fees	20,000	24,739	27,000
Police Report Fees	5,000	4,261	4,000
Aquatic Center Fees	79,500	59,534	70,000
Other Charges for Services	30,000	47,927	28,000
Fines and forfeits			
Animal Control Fees	28,000	24,727	27,000
Library Fines	2,000	2,119	2,000
Court Fines and Forfeitures	130,000	120,233	130,000
Interest on investments			
Interest	5,000	860	2,000
In-lieu property taxes			
Contributions			
Senior Center Thrift Store	500		500
Miscellaneous			
Total General Fund	$ 12,357,000	$ 13,361,709	$ 14,585,900

* 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.

City/Town of Chino Valley
Revenues other than property taxes
Fiscal Year 2023

Source of revenues	Estimated revenues 2022	Actual revenues* 2022	Estimated revenues 2023
Special revenue funds			
Highway User Revenue	$ 1,070,000	$ 1,224,800	$ 1,360,000
Interest	1,000	284	1,000
Miscellaneous	2,000	3,009	2,500
	$ 1,073,000	$ 1,228,093	$ 1,363,500
Miscellaneous Grants	$ 3,500,000	$	$ 3,500,000
Cares Act Funding	1,476,500	2,066,502	485,000
CDBG Grant			349,000
	$ 4,976,500	$ 2,066,502	$ 4,334,000
Special Revenue Fund-Court	$ 26,200	$ 27,611	$ 24,500
Special Revenue Fund-PD	12,000	11,345	12,000
Lighting Improvement Districts #1, #2, #3	4,100	4,100	4,100
	$ 42,300	$ 43,056	$ 40,600
Total special revenue funds	$ 6,091,800	$ 3,337,651	$ 5,738,100

* 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.

City/Town of Chino Valley
Revenues other than property taxes
Fiscal Year 2023

Source of revenues	Estimated revenues 2022	Actual revenues* 2022	Estimated revenues 2023
Debt service funds			
Debt Refinaning Proceeds	$	$ 8,388,828	$
Total debt service funds	$	$ 8,388,828	$
Capital projects funds			
Capital Improvements Fund - General Fund	$ 4,646,000	$ 9,682,700	$ 5,269,800
Capital Improvements Fund - Roads	500,000		
Asset Replacement Fund	14,000	1,617	4,000
	$ 5,160,000	$ 9,684,317	$ 5,273,800
Total capital projects funds	$ 5,160,000	$ 9,684,317	$ 5,273,800

* 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.

Source of revenues	Estimated revenues 2022	Actual revenues* 2022	Estimated revenues 2023
Enterprise funds			
Water Enterprise Fund	$ 939,000	$ 899,430	$ 1,017,400
Capital Improvement Fund - Water	2,000,000		2,000,000
Sewer Enterprise Fund	2,142,000	2,230,430	2,134,500
Capital Improvement Fund - Sewer	692,500	700,000	400,000
	$ 5,773,500	$ 3,829,860	$ 5,551,900
Total enterprise funds	$ 5,773,500	$ 3,829,860	$ 5,551,900

* 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.

Total all funds	$ 29,382,300	$ 38,602,365	$ 31,149,700

* 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.

City/Town of Chino Valley
Other financing sources/(uses) and interfund transfers
Fiscal year 2023

Fund	Other financing 2023 Sources	Other financing 2023 (Uses)	Interfund transfers 2023 In	Interfund transfers 2023 (Out)
General Fund				
Trans from Capital Improv Fund	$	$	$ 400,000	$
Trans to Capital Asset Replacement				250,000
Trans to Gen Fund CIP				500,000
Trans to CIP - Roads				3,100,000
Trans to SLFRF				1,000,000
Total General Fund	$	$	$ 400,000	$ 4,850,000
Special revenue funds				
HURF - Trans To CIP Roads	$	$	$	$ 200,000
Roads - CIP Trans from Gen			3,100,000	
Roads - CIP Trans from HURF			200,000	
SLFRF - Trans from General Fund			1,000,000	
Total special revenue funds	$	$	$ 4,300,000	$ 200,000
Debt service funds				
Trans From Capital Improvement	$	$	$ 1,384,500	$
Total debt service funds	$	$	$ 1,384,500	$
Capital projects funds				
Gen CIP - Trans from General Fund	$	$	$ 500,000	$
Trans to Debt Service				1,384,500
Trans to General Fund				400,000
Cap Asset - Trans from General Fund			250,000	
Total capital projects funds	$	$	$ 750,000	$ 1,784,500
Permanent funds				
	$	$	$	$
Total permanent funds	$	$	$	$
Enterprise funds				
Water CIP	$	$	$ 100,000	$
Water Ent Fund to Water CIP				100,000
Sewer CIP			250,000	
Sewer Ent Fund to Sewer CIP	3,500,000	3,500,000		250,000
Total enterprise funds	$ 3,500,000	$ 3,500,000	$ 350,000	$ 350,000
Internal service funds				
	$	$	$	$
Total Internal Service Funds	$	$	$	$
Total all funds	$ 3,500,000	$ 3,500,000	$ 7,184,500	$ 7,184,500

City/Town of Chino Valley
Expenditures/expenses by fund
Fiscal year 2023

Fund/Department		Adopted budgeted expenditures/ expenses 2022		Expenditure/ expense adjustments approved 2022		Actual expenditures/ expenses* 2022		Budgeted expenditures/ expenses 2023
General Fund								
Prosecutor	$	133,700	$		$	130,150	$	139,900
Town Clerk		300,800				247,924		296,400
Town Manager		501,000				549,287		682,600
Human Resources		283,300				292,466		355,100
Magistrate Court		336,700				318,520		363,500
Finance		491,700				484,411		539,500
Mgmt Info Systems		391,300				383,085		434,200
Mayor & Council		51,200				44,078		56,700
Planning		337,700				321,926		632,500
Building Inspection		400,500				361,511		493,400
Police		3,705,700				3,686,337		4,526,800
Animal Control		209,400				206,909		280,600
Recreation		157,650				155,143		257,300
Library		400,500				379,568		426,300
Senior Center		346,400				345,632		563,600
Parks		876,700				797,072		809,500
Aquatic Center		343,800				260,900		256,800
Facilities Maintenance		613,800				612,409		941,800
Fleet Maintenance		290,150				252,606		392,400
Engineering		533,700				441,090		652,300
Customer Service		38,300				19,832		
Non-Departmental		646,600				503,800		724,700
Contingency		600,000				600,000		600,000
Total General Fund	$	11,990,600	$		$	11,394,656	$	14,425,900
Special revenue funds								
Highway User Revenue Fund	$	1,095,500	$		$	926,379	$	1,500,500
Roads - CIP		4,355,000				4,407,712		2,500,000
Miscellaneous Grants Fund		3,500,000						3,500,000
Special Revenue Fund -- Court		43,500				20,000		17,000
Special Revenue Fund -- PD		12,000				1,900		12,000
Lighting Improvement Districts		4,000				4,000		4,000
CSLFRF		2,952,900				206,800		5,400,000
CDBG Grant						1,000		348,000
Total special revenue funds	$	11,962,900	$		$	5,567,791	$	13,281,500
Debt service funds								
Debt Service Fund	$	991,500	$		$	9,584,265	$	1,384,500
Total debt service funds	$	991,500	$		$	9,584,265	$	1,384,500
Capital projects funds								
General Fund CIP	$	10,092,500	$		$	4,772,700	$	7,806,000
Asset Replacement Fund		241,000				142,000		245,000
Total capital projects funds	$	10,333,500	$		$	4,914,700	$	8,051,000
Permanent funds								
Contingency	$		$		$		$	
Total permanent funds	$		$		$		$	
Enterprise funds								
Water Enterprise Fund	$	720,300	$		$	559,669	$	873,300
Water CIP		2,355,000				55,000		2,202,000
Sewer Enterprise Fund		1,908,700				2,019,334		2,010,900
Sewer CIP		1,037,500				870,270		815,000
Total enterprise funds	$	6,021,500	$		$	3,504,273	$	5,901,200
Internal service funds								
Contingency	$		$		$		$	
Total internal service funds	$		$		$		$	
Total all funds	$	41,300,000	$		$	34,965,685	$	43,044,100

* 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.

City/Town of Chino Valley
Full-time employees and personnel compensation
Fiscal year 2023

Fund	Full-time equivalent (FTE) 2023	Employee salaries and hourly costs 2023	Retirement costs 2023	Healthcare costs 2023	Other benefit costs 2023	Total estimated personnel compensation 2023
General Fund	105.0	$ 6,545,216	$ 1,142,089	$ 928,293	$ 649,686	$ 9,265,284
Special revenue funds						
Highway User Revenue	9.0	$ 438,992	$ 53,645	$ 82,729	$ 67,583	$ 642,949
Total special revenue funds	9.0	$ 438,992	$ 53,645	$ 82,729	$ 67,583	$ 642,949
Enterprise funds						
Water Enterprise	3.5	$ 218,038	$ 26,644	$ 34,997	$ 24,285	$ 303,964
Sewer Enterprise	3.5	218,038	26,644	34,997	24,285	303,964
Total enterprise funds	7.0	$ 436,076	$ 53,288	$ 69,994	$ 48,570	$ 607,928
Total all funds	121.0	$ 7,420,284	$ 1,249,022	$ 1,081,016	$ 765,839	$ 10,516,161

City/Town of Chino Valley
Expenditures/expenses by department
Fiscal year 2023

Department/Fund		Adopted budgeted expenditures/ expenses 2022		Expenditure/ expense adjustments approved 2022		Actual expenditures/ expenses* 2022		Budgeted expenditures/ expenses 2023
Prosecutor								
General Fund	$	133,700	$		$	130,150	$	139,900
Department Total	$	133,700	$		$	130,150	$	139,900
Town Clerk								
General Fund	$	300,800	$		$	247,924	$	296,400
Department Total	$	300,800	$		$	247,924	$	296,400
Town Manager								
General Fund	$	501,000	$		$	549,287	$	682,600
Department Total	$	501,000	$		$	549,287	$	682,600
Human Resources								
General Fund	$	283,300	$		$	292,466	$	355,100
Department Total	$	283,300	$		$	292,466	$	355,100
Municipal Court								
General Fund		336,700				318,520		363,500
Special Revenue Fund	$	43,500	$		$	20,000	$	17,000
Department Total	$	380,200	$		$	338,520	$	380,500
Finance								
General Fund	$	491,700	$		$	484,411	$	539,500
Department Total	$	491,700	$		$	484,411	$	539,500
Mgmt Info Systems								
General Fund	$	391,300	$		$	383,085	$	434,200
Department Total	$	391,300	$		$	383,085	$	434,200
Mayor and Council								
General Fund	$	51,200	$			44,078		56,700
Department Total	$	51,200	$		$	44,078	$	56,700
Planning								
General Fund	$	337,700	$		$	321,926	$	632,500
Department Total	$	337,700	$		$	321,926	$	632,500
Building Inspection								
General Fund	$	400,500	$			361,511		493,400
Department Total	$	400,500	$		$	361,511	$	493,400
Police								
General Fund		3,705,700				3,686,337		4,526,800
Special Revenue Fund		12,000				1,900		12,000
Department Total	$	3,717,700	$		$	3,688,237	$	4,538,800
Animal Control								
General Fund	$	209,400				206,909		280,600
Department Total	$	209,400	$		$	206,909	$	280,600
Recreation								
General Fund	$	157,650	$		$	155,143	$	257,300
Department Total	$	157,650	$		$	155,143	$	257,300

City/Town of Chino Valley
Expenditures/expenses by department
Fiscal year 2023

	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
Library				
General Fund	$ 400,500	$	$ 379,568	$ 426,300
Department Total	$ 400,500	$	$ 379,568	$ 426,300
Senior Center				
General Fund	$ 346,400	$	$ 345,632	$ 563,600
Department Total	$ 346,400	$	$ 345,632	$ 563,600
Parks Maintenance				
General Fund	$ 876,700	$	$ 797,072	$ 809,500
Department Total	$ 876,700	$	$ 797,072	$ 809,500
Aquatics Center				
General Fund	$ 343,800	$	$ 260,900	$ 256,800
Department Total	$ 343,800	$	$ 260,900	$ 256,800
Facilities Maintenance				
General Fund	$ 613,800	$	$ 612,409	$ 941,800
Department Total	$ 613,800	$	$ 612,409	$ 941,800
Fleet Maintenance				
General Fund	$ 290,150	$	$ 252,606	$ 392,400
Department Total	$ 290,150	$	$ 252,606	$ 392,400
Engineering				
General Fund	$ 533,700	$	$ 441,090	$ 652,300
* **Department Total**	$ 533,700	$	$ 441,090	$ 652,300
Customer Service				
General Fund	$ 38,300	$	$ 19,832	$
Department Total	$ 38,300	$	$ 19,832	$
Non-Departmental				
General Fund	$ 2,146,600	$	$ 1,103,800	$ 1,324,700
Debt Service Fund	991,500			1,384,500
Debt Service Refunding			9,584,265	
Capital Improvement Fund	9,192,500		4,772,700	7,806,000
CDBG Grant			1,000	348,000
Grant Fund	3,500,000			3,500,000
AZ Cares Act /ARP	2,952,900		206,800	5,400,000
Asset Replacement Fund	241,000		142,000	245,000
Department Total	$ 19,024,500	$	$ 15,810,565	$ 20,008,200
Water Utilities				
Water Enterprise Fund	$ 720,300	$	$ 559,669	873,300
WATER CIP	2,355,000		55,000	2,202,000
Department Total	$ 3,075,300	$	$ 614,669	$ 3,075,300
Sewer Utilities				
Sewer Enterprise Fund	$ 1,908,700	$	$ 2,019,334	$ 2,010,900
Sewer CIP	1,037,500		870,270	4,315,000
Department Total	$ 2,946,200	$	$ 2,889,604	$ 6,325,900

City/Town of Chino Valley
Expenditures/expenses by department
Fiscal year 2023

	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
Roads				
HURF	$ 1,095,500	$	$ 926,379	$ $1,500,500
Roads CIP	4,355,000		4,407,712	$2,500,000
Department Total	$ 5,450,500	$	$ 5,334,091	$ 4,000,500
Street Lighting Improvement District				
SLID Fund	$ 4,000	$	$ 4,000	$ 4,000
Department Total	$ 4,000	$	$ 4,000	$ 4,000
TOTAL ALL DEPARTMENTS	$ 41,300,000	$	$ 34,965,685	$ 46,544,100

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.

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **c.**

Meeting Date:	06/28/2022
Contact Person:	Joe Duffy, Finance Director Phone: 928-636-2646 x-1211
Department:	Finance
Estimated length of staff presentation:	None
Physical location of item:	Bright Star Subdivision

AGENDA ITEM TITLE:

Consideration and possible action to approve Resolution No. 2022-1203, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2022/2023, which shall constitute and are approved as the final budgets of the Districts for fiscal year 2022/2023. (Joe Duffy, Finance Director)

RECOMMENDED ACTION:

Approve Resolution No. 2022-1203, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2022/2023, which shall constitute and are approved as the final budgets of the Districts for fiscal year 2022/2023.

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 2022-1203 - CVSLID Final Budget 2022-2023

RESOLUTION NO. 2022-1203

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, ADOPTING THE STATEMENT OF ESTIMATES AND EXPENSES OF THE TOWN OF CHINO VALLEY STREET LIGHTING IMPROVEMENT DISTRICTS, WHICH SHALL CONSTITUTE THE FINAL BUDGETS OF THE DISTRICTS FOR FISCAL YEAR 2022/2023, PURSUANT TO ARIZONA REVISED STATUTES SECTIONS 48-616 AND 42-17101, ET SEQ., AS AMENDED.

WHEREAS, the provisions of Arizona Revised Statutes ("A.R.S.") § 48-616 require the Mayor and Council of the Town of Chino Valley (the "Town Council") to levy taxes upon all property in a municipal street lighting improvement district to pay said district's annual expenses; and

WHEREAS, in accordance with A.R.S. § 42-17102, the Town Manager prepared and filed with the Town Council the budget estimates for the fiscal year beginning July 1, 2022, and ending June 30, 2023, for the following: (i) Chino Valley, Arizona, CVSLID #1 Lighting Improvement District; (ii) Chino Valley, Arizona, CVSLID #2 Lighting Improvement District; and (iii) Chino Valley, Arizona, CVSLID #3A Lighting Improvement District (collectively, the "Lighting Districts"); and

WHEREAS, on May 24, 2022, the Town Council approved Resolution 2022-1201, adopting the statement of estimates and expenses for the fiscal year beginning July 1, 2022, and ending June 30, 2023, as the tentative budgets for the Lighting Districts; and

WHEREAS, Resolution 2022-1201 also directed the Town Clerk to (i) make the statement of estimates and expenses available for inspection, not later than seven days after the date of Resolution 2022-1201, at the Chino Valley Public Library, at the Chino Valley Town Hall and on the official Town Website, and (ii) publish in the official Town newspaper once per week for two consecutive weeks (a) the official statement of estimates and expenses and (b) a notice of the public hearing of the Town Council to hear taxpayers and make tax levies at designated times and places; and

WHEREAS, due notice has been given by the Town Clerk as required by law that the Town Council would meet on June 28, 2022, at the Chino Valley Senior Center for the purposes of (i) hearing taxpayers on the proposed estimates, expenses, and tax levies as set forth in said statement of estimates and expenses and (ii) adopting the tentative budgets as final; and

WHEREAS, on June 28, 2022, the Town Council held a public hearing on the final budgets and proposed tax levies as required by law; and

WHEREAS, the estimates and expenses in the proposed final budget for the Lighting Districts for Fiscal Year 2022/2023 do not exceed the estimates and expenses shown on the published tentative budgets.

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

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The statement of estimates and expenses shown in the schedules attached hereto as Exhibit A and incorporated herein by reference are hereby formally adopted as the official final budgets for the Lighting Districts for the fiscal year beginning July 1, 2022, and ending June 30, 2023.

SECTION 3. This Resolution shall be effective from and after its passage and approval according to law.

SECTION 4. If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 28th day of June, 2022.

____
Jack W. Miller, Mayor

ATTEST:

____
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 2022-1203 was duly passed by the Council of the Town of Chino Valley, Arizona, at a special meeting held on June 28, 2022, and that quorum was present thereat and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

____
Erin N. Deskins, Town Clerk

EXHIBIT A
TO
RESOLUTION NO. 2022-1203

[Statement of Estimates and Expenses]

See following page.

TOWN OF CHINO VALLEY, ARIZONA

Street Lighting Improvement Districts

Statement of Estimates and Expenses

Fiscal Year - 2022/2023

			A	B	C	D	E
Co. Dist. No.	Town ID No.	Town ID Name	2021/2022 Estimated Actual Expenses	2021/2022 Levy Request	2021/2022 Difference on Expenses vs. Levy	2022/2023 Projected Expenses	2022/2023 Levy Request
13004	CVSLID 1	Chino Valley, Arizona, CVSLID #1 Lighting Improvement District	$ 1,900	$ 1,900	$ -	$ 1,700	$ 1,700
13005	CVSLID 2	Chino Valley, Arizona, CVSLID #2 Lighting Improvement District	$ 1,000	$ 1,000	$ -	$ 1,100	$ 1,100
13006	CVSLID 3A	Chino Valley, Arizona, CVSLID #3A Lighting Improvement District	$ 1,200	$ 1,200	$ -	$ 1,100	$ 1,100