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

TUESDAY, JULY 12, 2011
6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, July 12, 2011.

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

Council Present: Mayor Chris Marley, Vice-Mayor Carl Tenney, and Councilmembers Mike Best, Darryl Croft, Dean Echols, Linda Hatch, and Lon Turner.

Staff Present: Town Manager Michael Scannell, General Services Director Cecilia Watts Town Attorney Tom Kack, Finance Director Vera Smith, Police Chief Pat Huntsman, Commander Chuck Wynn, Development Services Director Pat Clingman, Recreation Coordinator Shannon Gansz, Town Engineer/Public Works Director Ron Grittman, Transit Consultant Jason Kelly, and Town Clerk Jami Lewis (recorder).

Councilmember Croft gave the invocation and Mayor Marley led the pledge of allegiance.

2) Introductions, Presentations and Proclamations

There were none.

3) Call to the Public

Ab Jackson, CEO, Chino Valley Area Chamber of Commerce, eulogized the late Bob Kaecker, an active former Chamber Board member.

Claudia Manning-Floyd, resident, presented an overview of how the Town could brand itself through agri-tourism.

Norma Bennett, business owner, spoke about the Town's Articles of Incorporation and citizens looking to Council to help the Town through the financial crises.

Police Commander Mark Garcia spoke about the U.S. Port Authority granting the Town a piece of the World Trade Center eyebeam, which will be displayed at the entrance to the Town's shooting Range, and the Police Department accepting donations to help pay for shipping and construction of a base and plaque. Councilmember Croft pledged $100 to the project.

4) Mayor/Council/Manager Report

Mayor Marley gave the Response to the Public, which was instituted at the last meeting:

- Sun Edison solar project grading, soil, and size of array: He spoke with SunEdison, who stated that they will attempt to keep the natural contour; they were planning to replant with native plants; and the size of the array was unchanged.
- Conduct of town officials: Council will address this with the Planning and Zoning Commission.

Councilmember Hatch reported on recent activities of the Council Appointments Committee.

Vice-Mayor Tenney reported on the purpose of the Council Finance Committee.

Councilmember Croft reported on recent activities of the Roads and Streets Advisory Board and an open house to be held by the Transit Program on July 14.

Councilmember Echols reported on recent activities of the Council Economic Development Committee.

Mayor Marley reported on an upcoming press release regarding economic development matters, and forming some Mayor's ad hoc committees on water stewardship, flood control, and alternative energy.

General Services Director Cecilia reported on staff's research with regard to a Council teambuilding and strategic planning session in August or early September.

Consent Agenda

Council set down item 5.

5) Move to ratify the increase of a half-time Records Manager position, approved by Council on 8/31/2010, to a full-time Town Clerk Assistant/Records Technician position for the Town Clerk's office; and approved revised job descriptions for the Administrative Clerk II and Town Clerk's positions and a revised Organizational Chart for the Town Clerk's Office.

Town Clerk Lewis reported that:

- In August 2011, Council approved the addition of a half-time Records Manager position for the Town Clerk's Office. As a result of the recent reorganization in the Town Manager's Office, staff deemed that some job functions currently in the Town Manager's Office would be better suited in the Town Clerk's Office, thus creating a need for additional support for the Town Clerk.
- As part of the recently approved reorganization of the Police Department, the current Records clerk was approached about filling the full-time position in the Clerk's Office.
- In reviewing the job descriptions for the current Town Clerk staff members, it was found that the Administrative Clerk II was operating outside of her job description and would need to absorb some of the functions coming from the Town Manager's Office; thus a wage increase was being recommended. The Town Clerk's job description needed to be modified to reflect changes made over the years, as well as the new functions to be added.
- Overall, with the changes to these three departments, there was a net savings of 0.5 positions.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to ratify the increase of a half-time Records Manager position, approved by Council on 8/31/2010, to a full-time Town Clerk Assistant/Records Technician position for the Town Clerk's office; and approve revised job descriptions for the Administrative Clerk II and Town Clerk's positions and a revised Organizational Chart for the Town Clerk's Office. The motion PASSED unanimously 7-0.

6) Move to accept the Dedication of Public Roadway for Assessor's Parcel number 306-29-054E;

7) Move to approve the Cable One Commercial Service Agreement, subject to Town staff and attorneys agreeing to appropriate language regarding security as referenced in Sections 9 and Section 15, providing for a 100Mbs Fiber Optic connection to be established between 1020 W Palomino Road and 202 N State Route 89 for the purpose of Town computer network and telecommunications connections;

8) Move to approve the Financial Report for eleven months ending May 31, 2011 for fiscal year 2010/2011.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to accept Consent Agenda items 6, 7 and 8. The motion PASSED unanimously 7-0.

Action Items

9) Consideration and possible action to appoint or re-appoint applicants to the Parks and Recreation Advisory Board, Senior Center Advisory Board, Industrial Development Authority, and Municipal Property Corporation.

Councilmember Hatch reported the Council Appointments Committee, which met on June 28, 2011, had delayed their recommendation to appoint applicants for various public bodies due to having new incoming committee members. She encouraged citizens not appointed to continue to apply or participate in the Mayor's Ad Hoc Committees, or public body of choice.

Councilmember Hatch MOVED, seconded by Vice-Mayor Tenney, to appoint or re-appoint to (a) Parks and Recreation Advisory Board: Joseph Abbate, Matthew Quay, Sue Spahr, and William Barlow, for term ending June 30, 2013; (b) Senior Center Advisory Board: Beverly Kelly, Dennie Fry, and Billie Messaros, for term ending June 30, 2013; (c) Industrial Development Authority: Michael Markgraf and Ed Steinback, for term ending June 30, 2017; and (d) Municipal Property Corporation: Michael Markgraf and Ed Steinback, for term ending June 30, 2014. The motion PASSED unanimously 7-0.

10) Consideration and possible action to authorize the Police Department to expend approximately $11,500 to expand the current fenced impound yard at the Police Department to accommodate additional vehicles impounded under A.R.S. § 28-3511.

Police Commander Chuck Wynn reported that:

- Beginning in 2006, the Police Department revised its tow policy to reflect changes made to A.R.S. § 28-3511, which dealt with vehicle immobilization, impoundment and storage. Currently, the Department relied upon private towing companies to provide storage for vehicles due to the current size of the department's impound yard.
- After careful analysis, staff determined that expanding the fenced impound yard will enable the Police Department to store vehicles towed under this statute on site. Staff believed this to be a viable source of revenue to help bridge the budget deficit, as well as provide a more streamlined process for citizens whose vehicles have been impounded.
- The expanded fenced area for the storage yard will be on the immediate north side of the Department and will tie into the existing fence. Additional lighting will be added for security. Supervision of this program would fall under the auspices of the department's Management Assistant, who supervised the Civilian Officers that will be tasked with handling the day to day duties associated with this program.

Commander Wynn clarified that no new employees would be hired for this project and two thirds of the fence would be built regardless of whether Council approved impounding, as the Police Department was to take over the Public Works building.

Public comment:

Corey Mendoza, owner of C&R Trucking, spoke about the economic impacts this project would have on the tow community and his concern for the reclassification of the job duties of civilian police officers.

Norma Bennett, resident, questioned whether the cost of improvements was equitable.

Jerry Clements, owner of Tri-City Towing, spoke in opposition, as he did not believe it was beneficial for the town or local businesses, as impounds were the majority of his income.

Rick Nichols, member, Chino Valley Area Chamber of Commerce Board of Directors, spoke in opposition, as he felt it would hurt small business, and questioned whether the cost of building the fence outweighed the potential income the impounds would generate.

Todd Larabell, AC Towing and Recovery dispatcher, spoke in opposition due to failure of similar programs in Colorado and New Jersey.

Ab Jackson, Chino Valley Area Chamber of Commerce CEO, spoke about business retention and urged Council to do further financial analysis before making a decision.

Larry Espie, resident and business owner, spoke about the decrease in tows since the last Council meeting and urged Council to review this action further.

Candy Blakeslee, resident and business owner, spoke about how unexpected changes impacted business and expressed her support of the proposed action.

Tom Payne, business owner, spoke about the role of competition in business and his belief that this action would kill competition.

Council comments:

- While staff's creativity with the budget deficit was commendable, there was concern about the impacts on private tow companies and the possibility that the impound fees would not generate enough revenue to sustain the process.
- The implied motion was to authorize the Police Department to impound vehicles in their yard, but it was not clear if the real issue was where cars would be directed.

Finance Director Vera Smith stated that if Council decided not to go in this direction, there would be less going into the General Fund to support expenses, which would impact the carryforward in the General Fund.

Vice-Mayor Tenney recommended tabling this item for two weeks and asked staff and tow companies to prepare 18 months of data for Council's review.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to table the discussion to authorize the Police Department to expend approximately $11,500 to expand the current fenced impound yard at the Police Department to accommodate additional vehicles impounded under A.R.S. § 28-3511 for two weeks. The motion PASSED unanimously 7-0.

11) Discussion and possible action relative to directing the Town's Development Services Department to forthwith investigate the feasibility of filing an appeal of the 2010 Chino Valley census count with the United States Census Bureau and to present to the Council after said research a recommendation regarding the filing of an appeal.

General Services Director Cecilia Watts reported that:

- The Town lost over 1,500 people in the 2010 census count from 2005. There had been discussion that the amount of decrease appeared to be too high.

- The Census Bureau offered a mechanism within two years of the Census for challenging the results, and staff was recommending that Council direct staff to appeal the 2010 census results.
- The recount would assess boundaries, but not recount each house, to adjust the numbers.

Council expressed some concern about staff time on the recount process and stopping the process if its cost outweighed the benefit.

Vice-Mayor Tenney MOVED, seconded by Councilmember Best, to direct the Town's Development Services Department to investigate the feasibility of filing an appeal of the 2010 Chino Valley census count with the United States Census Bureau and to present to the Council after said research a recommendation regarding the filing of an appeal. The motion PASSED unanimously 7-0.

*11.1) Discussion and possible action to extend the pool schedule for the Chino Valley Aquatics Center by an additional 28 days from August 7 to September 4, 2011 and modify current scheduled hours. Staff estimates that the extended pool season will generate an additional $4,850 in revenue and cost an additional $9,055 in expenses, for a net cost of $4,205.

General Services Director Cecilia Watts and Recreation Manager Shannon Gansz reported that:

- In April 2011, Council adopted the Aquatics Center pool schedule for this swim season, which essentially allocated funds from the 1% sales tax to fund the pool. The pool was originally scheduled to close on August 7, 2011, the day before school started in the Chino Valley Unified School District.
- Staff had received extensive feedback from the community that utilized the pool asking for the pool to remain open through September 4, 2011. Staff recommended a modified pool schedule that would add 28 more days to the pool calendar, with the exception of being closed on Sundays.
- Benefits of an extended season included: additional use of the Aquatic Center by citizens; opportunity to keep the children occupied in a recreational activity; opportunity to keep approximately 10 people employed on a part-time basis for another month; and provide a longer season for season pass holders, who would be more likely to purchase another season pass next year.
- The downside of this proposal was that it would cost the Town an additional $4,205.
- Revenue was doing very well this season with over $40,000 received in 41 days of operation. There was a full pool schedule, and 1,000 kids had received scholarships for swim lessons from the Chino Valley Recreational Foundation.

Finance Director Vera Smith reported that revenue brought in would go toward the Aquatics Center's expenditures first. If Council extended the session, it would build more expense and revenue, with the difference resulting in an additional transfer into the General Fund. If the actual revenues were more, it would decrease the gap between expenditures and revenues, which would decrease the transfer that came in.

Public comment:

Keelin DePerte, lifeguard and swim instructor, spoke about scholarship requests from children and a petition to extend the pool schedule.

Council discussion:

- The short notice created some budget challenges.
- The pool was a quality of life issue and Council needed to make it work.
- Staff should look into soliciting sponsorships for funding next year's season.

- Staff should charge an additional fee for the extended session to season pass holders.

Vice-Mayor Tenney MOVED, seconded by Councilmember Croft, to authorize the extension of the pool schedule to September 5, 2011, and charge appropriate day fees, and encourage sponsors to donate to the pool operations. The motion PASSED unanimously 7-0.

12) Public Hearing and possible adoption of Resolution No. 11-963, adoption of the annual statements and estimates of the expenses of the Chino Valley, Arizona Street Lighting Improvement Districts for fiscal year 2011-2012, as approved by the Chino Valley, Arizona, Town Council by Resolution No. 11-960, which expenses for each district shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all the real and personal property in each district, pursuant to § 48.616, Arizona Revised Statutes, as amended.

Finance Director Vera Smith reported that:

- The Street Lighting Improvement Districts (SLIDs) paid for the cost of electricity for streetlights in the Bright Star Subdivision. The Town paid the APS bills; then estimated expenditures. The new APS increase would not be in effect until fiscal year 2012/2013.
- Vacant lots paid a levy, and levies were collected from foreclosed properties upon payment of property taxes. Sometimes the levies took longer than 12 months to collect, so the Town covered costs up front and was repaid over time. The Town did not get any portion of late fees.
- The budget for the three SLIDs must be adopted annually by the Council. On June 14, 2011, the Council adopted Resolution No. 11-960 approving the proposed annual statements and expense estimates for the SLIDs for fiscal year 2011/2012, and set a public hearing for July 12, 2011.
- After the public hearing, Council must adopt the annual statements and estimates of expenses for the three SLIDs.

Vice-Mayor Tenney MOVED, seconded by Councilmember Croft, to open a public hearing for consideration and possible adoption of Resolution 11-962. The motion PASSED unanimously 7-0.

No one from the public spoke.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to close the public hearing. The motion PASSED unanimously 7-0.

Vice-Mayor Tenney MOVED, seconded by Councilmember Best, to adopt Resolution No. 11-963, adoption of the annual statements and estimates of the expenses of the Chino Valley, Arizona Street Lighting Improvement Districts for fiscal year 2011-2012, as approved by the Chino Valley, Arizona Town Council by Resolution No. 11-960, which expenses for each district shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all the real and personal property in each district, pursuant to Section 48 616, Arizona Revised Statutes, as amended. The motion PASSED unanimously 7-0.

13) Consideration and possible action to approve (1) the purchase of an Avaya IP Office 500 Communications System including all hardware, software, licensing in an amount not to exceed $76,490, waiving the $20,000.00 procurement code provisions in order to capitalize on cost savings from online vendors; and (2) a professional services agreement with Four D LLC for installation services in an amount not to exceed $16,550.

I.T. Technician Spencer Guest reported that:

- In March 2000, the Town purchased an Avaya Merlin Magix Integrated telecommunications system. As the Town expanded and departments were relocated, some smaller, separate phone systems had to be purchased for certain departments, creating disjointed telecommunications that often made it difficult for the public to be transferred between the various separate telephone systems. Evaluations of the Town's telecommunications needed to service the impending move to the South Campus revealed several additional limitations and inefficiencies in the current system.

- As Avaya stopped supporting the current system in 2006, and replacement parts and support personnel were difficult to obtain, replacing this mission-critical system should not be delayed further.
- Telecommunications technology had changed quite significantly since 2000, providing a single unified telecommunications system that could service all Town departments utilizing computer data networks and allowing IT professionals to effectively support telecommunications without the need for classic telephone support personnel.
- Benefits from an IP PBX system included improved customer and staff services, staff communications, lower operational costs, lower maintenance requirements, potentially lower long distance phone costs, integrated electronic faxing capabilities, and built-in call recording capabilities.
- The MIS division, along with input from Four-D LLC, researched IP telecommunications solutions and was recommending Avaya, a stable company that was now offering an IP PBX system that could fulfill the Town's needs.
- Exhaustive comparisons were done on hardware costs for this system, and staff found that several online vendors could provide the same equipment at costs that were significantly lower than the Mohave Cooperative or State contract pricing. Based on this information, staff was asking Council to consider waiving the Town procurement requirement of three sealed bids for items over $20,000, as it was anticipated that only one of the purchases from online vendors will be over this amount, and this will allow staff to capitalize on savings from these various online vendors. Staff also recommended approval of a professional services agreement with Four D LLC to assist the MIS department in installation and configuration of the new system.

Town Attorney Tom Kack requested that Council postpone this matter due to a legal concern with regard to the waiver.

Councilmember Hatch MOVED, seconded by Vice-Mayor Tenney, to table the action to approve (1) the purchase of an Avaya IP Office 500 Communications System including all hardware, software, licensing in an amount not to exceed $76,490, waiving the $20,000.00 procurement code provisions in order to capitalize on cost savings from online vendors; and (2) a professional services agreement with Four D LLC for installation services in an amount not to exceed $16,550. The motion PASSED unanimously 7-0.

14) Action to approve and adopt the tentative budget for fiscal year 2011-2012 in the amount not to exceed $16,608,231.00.

Finance Director Vera Smith reported that:

- In order to approve the final budget by August 15, a public hearing was required on August 9 due to publication and public hearing requirements. Anything Council did between now and the final budget could be factored into the budget.
- Adopting the tentative budget meant that Council was approving the not-to-exceed cap and might need to make cuts to reduce use of the carryforward to bring the budget more in line with realistic actuals.
- Last year's budget included improvement districts that were not done, and there were significant decreases in some funds. Defeasance funds would be removed from the budget with the consent

of auditors. Most impact fees had decreased and were back in the budget now that the moratorium was over.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to adopt the tentative budget for fiscal year 2011-2012 in the amount not to exceed $16,608,231.00. The motion PASSED unanimously 7-0.

Town Attorney Tom Kack requested a brief recess at 8:18 p.m. The meeting resumed at 8:25 p.m.

*14.1a) Council may vote to hold an executive session pursuant to A.R.S. § 38-431.03 (A)(3) and (A)(4) to obtain legal advice, consider its position and instruct its attorneys and/or staff regarding the Chino Valley Sewer Plant, connection fees and issues between the Town and Fann Contracting, Inc.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to go into executive session. The motion PASSED unanimously 7-0 at 8:26 p.m.

Mayor Marley reconvened the regular meeting at 9:14 p.m.

*14.1b) Consideration and possible action to authorize the Public Works Department to expend up to $25,000 to purchase a used Vactor Truck.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to authorize the Public Works Department to purchase a used vactor truck not to exceed $50,000. The motion PASSED unanimously 7-0.

15) Adjournment.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to adjourn the meeting. The motion PASSED unanimously 7-0 at 9:16 p.m.

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 12th day of July, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of October 2015.

Jami C. Lewis

Jami C. Lewis, Town Clerk