

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

**TUESDAY, JULY 22, 2014
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 22, 2014.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Linda Hatch; Councilmember Lon Turner; Councilmember Don Wojcik

Absent: Councilmember Pat McKee

Staff Town Manager Robert Smith; Town Attorney Phyllis Smiley; Finance Director Joe Duffy;

Present: Lieutenant Vince Schaan; Officer Cody Johnson; Magistrate John Walker; Town Engineer/Public Works Director Ron Grittman; Planner Ruth Mayday; Town Clerk Assistant Liz Hart; Town Clerk Jami Lewis (recorder)

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

Mayor Marley called the meeting to order at 6:02 p.m.

Vice-Mayor Croft gave the invocation; Mayor Marley led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a)** Presentation of the final concept of the Chino Valley Skate Park. (Ron Grittman, Public Works Director)

Mr. Grittman spoke about the public meeting held on April 30, which yielded a final conceptual design that could be easily constructed, require no digging or drainage features, and could be used by skate boarders and bicyclists alike. Staff anticipated the final design by year-end 2014 to early 2015, at which time proponents would start soliciting contractors and donations for construction.

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council concerning a subject 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.

Norma Bennett, resident, spoke about her opposition to the timing of the proposed bond measure.

Tracie Schimikowsky, CEO, Chino Valley Area Chamber of Commerce, presented the latest edition of the *Accommodations, Attraction, Dining, and Event Guide*, one element of the Chamber's service agreement with the Town.

Ellen Arnold, resident, spoke about the water piece of the bond issue being the most important.

Mayor Marley invited citizens to share their comments and opinions about the bond in venues other than Council meetings, which was now prohibitive since the election had been called.

4) RESPONSE TO THE PUBLIC

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

- a) The possibility of current sewer users being exempt from the proposed property tax due to the bills incurred when sewer system was originally established.

Who represents the out of state owners, which are unable to vote on the proposed tax?

Mayor Marley reported that: the bond proposed that the entire Town pay a little, instead of a few paying the entire cost; and the current voting system did not allow property owners, whose primary resident was out of state, to vote in elections affecting their town property.

5) CURRENT EVENT SUMMARIES AND REPORTS

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

Councilmember Turner reported on Yavapai County's withdrawal from funding the County Water Advisory Committee (WAC) and discussions regarding options for future funding.

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

Town Manager Smith reported on:

- Chino Valley Fire District's recent inspection of town facilities;
- The Town's monthly participation in the Chamber's radio program; and
- Improvements to local communication from the Town government through Facebook and an upcoming renovation to the town's website.

6) CONSENT AGENDA

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

Council set down item 6b.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve consent agenda item 6a.

Vote: 6 - 0 PASSED

- a) Consideration and possible action to approve the May 13, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to to approve change order number 3 to contract with Economists.com in an amount not to exceed \$8,000.00 for additional utility rate analysis and an update to the valuation of the Wilhoit Water Company. Funds to come from water and sewer professional services line item. (Ron Gritman, Public Works Director)

Mr. Gritman reported that the proposed general obligation bond also included purchasing the Wilhoit Water Company with Water Infrastructure Finance Authority funds, which required a valuation of the system. As valuations had been done previously on the system, this item proposed to update those valuations.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve consent agenda item 6b.

Vote: 6 - 0 PASSED

7) **ACTION ITEMS**

- a) Consideration and possible action to award Banking Services Contract to National Bank of Arizona. (Joe Duffy, Finance Director)

Recommended Action: Award Banking Services Contract to National Bank of Arizona.

Mr. Duffy and Councilmember Hatch, Finance Subcommittee Chair, reported that:

- The Town's financial policies required the staff to issue a request for banking services to all qualified banks located within the Town's geographic boundaries every five years. Staff recently issued a request for proposals and received two responses.
- The Finance Subcommittee reviewed the proposals on July 15, 2014 and was satisfied with National Bank's presentation.
- Staff tested National Bank's online services to ensure they met the Town's requirements, resulting in staff's recommendation to award the banking services contract for the next five years to National Bank of Arizona.

Mark Garmon, National Bank Branch Manager, and Derek Shreiner, Commercial Banker, spoke about the bank's relationship with the Town.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to award Banking Services Contract to National Bank of Arizona.

Vote: 6 - 0 PASSED

- b) PUBLIC HEARING and consideration and possible action to adopt Resolution No. 14-1040, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015, pursuant to Section 48-616, Arizona Revised Statutes, as amended provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the districts. (Joe Duffy, Finance Director)

Recommended action: (1) Hold a public hearing; and (2) Approve Resolution No. 14-1040, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015.

Mr. Duffy reviewed the proposed budget for the Street Lighting Improvement Districts (SLIDs) and reported that:

- Taxes were levied on properties within street lighting improvement districts to pay for the annual expenses of those districts. Authorization of this resolution accepted the statements and estimated expenses that will be incurred by those districts.
- This was the step two of three to process the levy to pay for the expenses associated with street lighting in those districts. Step three, adoption of the levy, will follow to complete the process.
- The Resolution number was in error and should be number 14-1043.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to open the public hearing for the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015.

Vote: 6 - 0 PASSED

Ellen Arnold, resident, asked about the town proposing new street lights and using solar powered lighting. Mr. Duffy explained that the SLIDs already existed and were located only in the Bright Star Subdivision. Vice-Mayor Croft added that the town had no intention to put up more street lights at this time.

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

Vote: 6 - 0 PASSED

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Resolution No. 14-1043, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015.

Vote: 6 - 0 PASSED

- c) Consideration and possible action to approve the Leasing Services Proposal from NB: AZ Public Financial Services, a Division of Zions First National Bank and Affiliate of National Bank of Arizona, authorizing the Town Manager to execute the Lease Purchase Agreement and approve Resolution No. 14-1042. (Joe Duffy, Finance Director)

Recommended Action: Approve the Leasing Services Proposal from NB: AZ Public Financial Services, authorizing the Town Manager to execute the Lease Purchase Agreement and approve Resolution No. 14-1042.

Mayor Marley related that staff had requested postponement of items 7c and 7d.

- d) Consideration and possible action to approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed \$28,868.40 each, one Ford 550 from Berge Ford in an amount not to exceed \$55,756.25, one John Deere 544K front end loader from RDO Equipment Company in an amount not to exceed \$166,503.38, and one 410K backhoe from RDO Equipment in an amount not to exceed \$107,898.66 for a combined total of \$445,631.89. Funds to come from capital replacement line items. (Ron Gritman, Public Works Director)

Recommended Action: Approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed \$28,868.40 each, one Ford 550 from Berge Ford in an amount not to exceed \$55,756.25, one John Deere 544K front end loader from RDO Equipment Company in an amount not to exceed \$166,503.38, and one 410K backhoe from RDO Equipment in an amount not to exceed \$107,898.66 for a combined total of \$445,631.89.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to table action items 7c and 7d to a future meeting.

Vote: 6 - 0 PASSED

- e) Consideration and possible action to adopt Ordinance No. 14-786, amending Section 1.9 Review and Approval Processes, and Subsection s1.9.2 Amendments and 1.9.4 Planned Area Development Overlay District: PAD of the Unified Development Ordinance (UDO). (Ruth Mayday, Planner)

Recommended Action: Adopt Ordinance No. 14-786, amending Section 1.9, and Subsections 1.9.2 and 1.9.4, of the UDO.

Ms. Mayday reported that:

- The purpose of the Planned Area Development (PAD) overlay district was to allow for modification of the requirements of the UDO when planning developments throughout town. When used as intended, a PAD overlay could provide latitude in design of residential, commercial, and industrial projects, resulting in a development that was harmonious with surrounding uses, and allowed for fine-tuning the Development Plan to meet the community's current and future needs.
- The initial direction of this item was to make minor adjustments to the PAD regulations as currently set forth in the UDO. Upon further review, it became apparent that the entire section needed revision, as its language contradicted the intent of a PAD, set forth an unnecessarily long review and approval period, and repeated other sections of existing code that, if amended, would require additional amendments to the PAD regulations. Rather than amend the PAD regulations piecemeal, staff rewrote the section entirely.
- Section 1.9.4.3(B)(2) set forth specific requirements that should apply only to residential developments that clearly were not related to industrial or commercial uses and mandated designation of open space as "active open space" which was not a valid zoning district or land use designation, nor was it defined in the UDO. While Section 1.9.4.3(B)(4) spoke to relief from the regulations in (B)(2) for some uses, it did not address all commercial or industrial uses, and referred to zoning districts the town did not utilize. In addition, the language required review and approval of Covenants, Conditions, and Restrictions by the town attorney, which was clearly not the purview of the Town.
- Section 1.9.4.3 specifically prohibited modification of underlying uses, rendering the zoning districts an "all or nothing" proposition. As a result, certain uses could not be restricted or prohibited in a given zoning district. However, this was crucial when considering mixed-use developments, and the current language provided no mechanism by which uses that might be incompatible with a residential development could be prohibited, while permitting compatible uses.
- Errors in grammar, punctuation, and capitalization were also addressed in the rewrite.

- Staff provided an alternative that tied the PAD requirements to the General Plan, safeguarded the Town's interest in development and coordination of infrastructure extensions, and provided the flexibility necessary to encourage innovative design that will meet the community's current and future needs.

A councilmember expressed concern about lacking limits for what the Development Services Director could authorize on her own without Council approval. Town Attorney Smiley and Director Mayday stated that the director could only authorize small modifications to a PAD, not substantial ones, and in their experience, they had never seen any instances of abuse.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to adopt Ordinance No. 14-786, amending Section 1.9, and Subsections 1.9.2 and 1.9.4, of the UDO.

Vote: 5 - 1 PASSED

NAY: Councilmember Linda Hatch

- f) Consideration and possible action to accept the language in the publicity pamphlet related to the General Obligation Bond for authorization by voters at the November 2014 election. (Robert Smith, Town Manager)

Recommended Action: Modify or accept the language in the publicity pamphlet related to the General Obligation Bond.

Mr. Smith handed out the revised pamphlet language per Council's recommendations on July 17. Council reviewed the document and recommended further modifications.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve the language in the publicity pamphlet as amended.

Vote: 6 - 0 PASSED

- g) Consideration and possible action to accept the language in the publicity pamphlet related to the General Plan for ratification by voters at the November 2014 election. (Robert Smith, Town Manager)

Recommended Action: Modify or accept the the language in the publicity pamphlet related to the General Plan.

Development Services Director Mayday related that Council had recommended no changes during the July 17 study session.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve the language in the publicity pamphlet related to the General Plan.

Vote: 6 - 0 PASSED

8) EXECUTIVE SESSION

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

- a) Council may hold an executive session pursuant to A.R.S. 38-431.03(A)(1) for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of the Town Magistrate.(Councilmember Hatch/Councilmember McKee)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to go into executive session at 7:13 p.m.

Vote: 6 - 0 PASSED

Mayor Marley reconvened the regular meeting at 7:35 p.m.

- b) An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding a Settlement and Release Agreement with Fann Contracting, Inc. related to the construction of the wastewater treatment plant. (Robert Smith, Town Manager)

(Council heard this item after item 9a but is retained here for clarity.)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to go into executive session to discuss the Settlement and Release Agreement with Fann Contracting, Inc. at 7:37 p.m.

Vote: 6 - 0 PASSED

Mayor Marley reconvened the regular session at 8:18 p.m.

9) **ACTION ITEMS RESUMED**

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

- a) Consideration and possible action to approve the recommendation by the Magistrate Evaluation Subcommittee regarding a salary increase for the Magistrate and to prepare an amendment to the Magistrate's Employment Contract.

(Council heard this item after item 8a but is retained here for clarity.)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve a flat salary of \$90,000 effective July 1 and modify the Magistrate's employment contract to reflect that.

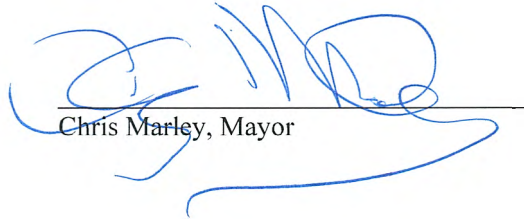
Vote: 6 - 0 PASSED

Councilmember Hatch added that Council had instructed staff to make the salary increase retroactive.

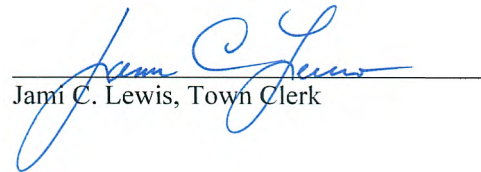
10) ADJOURNMENT

MOVED by Councilmember Don Wojcik, seconded by Councilmember Mike Best to adjourn the meeting at 8:18 p.m.

Vote: 6 - 0 PASSED


Chris Marley, Mayor

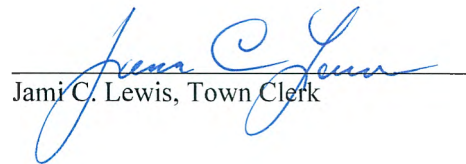
ATTEST:


Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 22nd day of July, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 14th day of October, 2014.


Jami C. Lewis, Town Clerk