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

TUESDAY, JULY 28, 2015
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 28, 2015.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Pat McKee; Councilmember Lon Turner; Councilmember Don Wojcik

Absent: Councilmember Mike Best

Staff Present: Town Manager Robert Smith; Assistant Town Manager Cecilia Grittman; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Police Chief Chuck Wynn; Police Lieutenant Vince Schaan; Police Officer Dominic Gillo; Town Engineer/Public Works Director Ron Grittman; Development Services Director Ruth Mayday; Senior Services Administrator Cyndi Thomas; GIS/CAD/Web Technician Jan Mazy; Deputy Town Clerk Liz Hart (recorder)

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

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

Mayor Marley gave the invocation and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Presentation of a commercial created by GIS/CAD/Web Technician Jan Mazy for the Chino Valley Library; and updates regarding Senior Center improvements and the Town's Customer Service Initiative. (Cecilia Grittman, Assistant Town Manager)

Ms. Grittman spoke about:

- videos made by Ms. Mazy regarding library improvements and the National Night Out event;
- Senior Center facility improvements;
- a donation by the Chino Valley Morning Lions to the Senior Center;
- the Town's Customer Service Initiative; and
- the employee Core Values program.

b) Presentation of a donation to the Chino Valley Senior Center by the Chino Valley Morning Lions Club. (Cecilia Grittman, Assistant Town Manager)

Lions Club representatives presented a $1,000 check to the Senior Center for facility renovations.

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.

Beth Vicary with Arizona Miss Sparkles Junior Team, invited girls with special needs, ages 5 to 60 to participate in the Miss Sparkles Yavapai County Pageant being hosted by the Yavapai Fair in October.

Ilona Dean requested that the Town provide dust abatement on the unpaved section of E. Center Street during the Peavine Trail roadway construction.

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.

Mayor Marley responded to matters raised during the last meeting:

- *Opposition to Chino Meadows paving program omission of a section of Center Street* – Council reviewed the options and overrode Mr. Grittman's proposal to include that section at an extra cost. Town officials hoped to have Center Street paved during next year's chip seal program.
- *Concern about Ordinance 15-797 amending Unified Development Ordinance Section 1.9.2(E) Protests* – Town staff needed three business days to make sure that protests were valid by confirming property ownership of protesters and to validate the 20% calculation. The new three-day filing requirement did not affect the 15-day public hearing notice requirement.

5) CURRENT EVENT SUMMARIES AND REPORTS

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

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

Mayor Marley reported on staff receiving 11 applications for the vacant Council position, and he read a letter of appreciation sent to the building department.

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

Mr. Smith presented data related to business licenses and building permits.

6) CONSENT AGENDA

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

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve consent agenda items 6a, b and c.

Vote: 5 - 0 PASSED - Unanimously

a) Consideration and possible action to accept the June 9, 2015 regular meeting minutes. (Jami Lewis, Town Clerk)

b) Consideration and possible action to accept the June 23, 2015 regular meeting minutes. (Jami Lewis, Town Clerk)

c) Consideration and possible action to approve recommended budget adjustments for the Fiscal Year Ending June 30, 2015. The Contingency Budget will be reduced from $367,000 to $264,400. (Joe Duffy, Finance Director)

7) ACTION ITEMS

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

a) Council may vote to recess the regular meeting and hold an executive session pursuant to A.R.S. § 38-431.03(A)(1) for discussion or consideration of the appointment of Mark Widtfeldt, Leland Paul, Hans Vang, Eric Frayer, Corey Mendoza, Susan Keller, Dean Keller, Lillian Morales, Kathryn Napp, Mark Vucich, or Alex Harris to fill the vacancy on the Town Council. (Vice-Mayor Croft; Councilmember Best; Councilmember Turner)

Town Attorney Smiley advised that applicants Alex Harris and Lillian Morales had requested that discussion relating to them be held in public; thus, Council could not discuss them in the executive session.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to recess the regular meeting and hold the executive session at 6:25 p.m.

Vote: 5 - 0 PASSED - Unanimously

Mayor Marley reconvened the regular session at 6:45 p.m.

b) Consideration and possible action to (i) review and discuss the final applicants for the vacant Council position as recommended by the Appointments Subcommittee; (ii) select an applicant to fill the vacant position; and (iii) administer the Oath of Office to said selected applicant. (Vice-Mayor Croft; Councilmember Best; Councilmember Turner)

Recommended Action: Discuss final applicants; select applicant to fill the vacant position; and

administer the Oath of Office.

The staff report by Town Clerk Jami Lewis stated that:

- On May 28, 2015, Council directed the Appointments Subcommittee to review the applications for the vacant Council seat and make a recommendation of five candidates to consider for appointment.
- The subcommittee met on July 6, 2015 to review the interview and selection process. They interviewed 11 applicants on July 14, 21, and 22; ranked the interviews on the 22nd; and voted to recommend the top five to Council.
- Staff informed the top five candidates that they should read the Open Meeting Law per A.R.S. § 38-431.01(G) so that, if appointed, the one selected could take the oath of office and be seated immediately upon appointment.

Councilmember McKee expressed interest in discussing Alex Harris' application.

Assistant Town Manager/Deputy Clerk Grittman administered the Oath of Office to Mr. Mendoza.

c) (i) Public Hearing regarding application from Andrea Lewkowitz for the Acquisition of Control of an existing Series 9 (Liquor Store) Liquor License for Safeway, Inc., located at 1031 N. State Route 89, Chino Valley.
(ii) Consideration and possible action to either allow or protest the change of ownership of the Series 9 Liquor License for Safeway, Inc. to the Arizona Department of Liquor Licenses and Control. (Jami Lewis, Town Clerk)

Recommended Action:
(i) Hold Public Hearing.
(ii) Take no action; OR Protest the acquisition of control of Safeway's Series 9 Liquor License.

The staff report by Town Clerk Jami Lewis stated that:

- Per A.R.S. § 4-203(F), on receipt of notice of an acquisition of control, the state director of liquor licensing forwards the notice to the local governing body. The Council may protest the acquisition of control within sixty days based on the capability, reliability and qualification of the person acquiring control. Absent a protest, the Council may take no action. Safeway, Inc. applied with the state for an Acquisition of Control of its Series 9 (Liquor Store) Liquor License.
- The Police and Planning Departments reviewed the application and offered no comments. Staff posted the establishment with the necessary notices to meet the required 20-day period from June 20, 2015 through July 28, 2015 and did not receive any written arguments in favor of or in opposition to the application.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to hold a public hearing.

Vote: 5 - 0 PASSED - Unanimously

No one from the public spoke.

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

Vote: 5 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to take no action on the liquor license.

Vote: 5 - 0 PASSED - Unanimously

d) Consideration and possible action to adopt Resolution No. 15-1065 authorizing the application for a Clean Water State Revolving Fund (CWSRF) loan from the Water Infrastructure Finance Authority of Arizona (WIFA) for expenses related to refinancing the USDA debt and constructing the Mollie Rae sewer line extension, in an amount not to exceed $4,560,000. (Joe Duffy, Finance Director)

Recommended Action: Adopt Resolution No. 15-1065 authorizing the loan application.

Mr. Duffy reported that:

- In 2007 and 2008, the Town entered into three loan agreements with USDA to finance sewer system improvements. The 30-year loans were at an interest rate of 4.125%. Staff proposed to refinance the debt through WIFA for 23 years at an anticipated interest rate less than 2.5%, for an estimated total cash savings of $770,000.
- As WIFA could not refinance existing debt without lending new money, staff proposed a $560,000 sewer line extension to Mollie Rae Subdivision. WIFA scored this project and determined that the Town was a disadvantaged community, allowing the Town to receive a subsidized interest rate of 20% on the project, and any unused funds could be re-obligated.
- Should Council authorize the debt, staff will submit the project finance application to WIFA by August 28, and the loan document would be ready for Council's consideration any time after October 26. If interest rates increased too much between now and then, Council had the option to shelve the project.

Town Engineer Grittman anticipated three to four months for the project design and three to four months for construction. He added that WIFA will prefund the project if Council so desired.

Tim Peterson, Mollie Rae developer, reported that the subdivision was debt free, and he and Mandalay Homes had built in the subdivision. The development's biggest challenge was the cost of water from Prescott. The prospect of the Town buying Prescott's water and installing sewer would make the homes more marketable. With sewer installed, he would consider developing the additional 30-plus acres on the corner of Road 1 West and Center Street.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to adopt Resolution No. 15-1065 authorizing the loan application.

Vote: 5 - 0 PASSED - Unanimously

e) Consideration and possible action to amend Chino Valley Town Code Title 3 Administration, Section 30.023 by adding item (F) (5), which shall read: "Such emergency powers shall not continue for more than thirty consecutive days. Upon cessation of the declaration of emergency, the town council shall resume its regular duties." (Mayor Chris Marley)

Recommended Action: Approve Ordinance No. 15-801 amending the Town Code, Title 3 Administration, Chapter 30 Governing Body, Mayor, Section 30.023 Powers and Duties by adding item (F) (5), to limit the time of a Mayoral declared emergency to 30 consecutive days.

Mayor Marley reported that the Town Code provision for a mayoral declaration of emergency did not include any timeframes. He proposed to add paragraph F to the ordinance limiting the time of a mayoral declaration of emergency to 30 days. If an emergency needed to be extended, the mayor would have 30 days to restore the Council to make such decision.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to recommend and approve Ordinance No. 15-801 amending the Town Code, Title 3 Administration, Chapter 30 Governing Body, Mayor, Section 30.023 Powers and Duties by adding item (F) (5), to limit the time of a Mayoral declared emergency to 30 consecutive days.

Vote: 5 - 0 PASSED - Unanimously

8) EXECUTIVE SESSION

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

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to recess for five minutes then enter into executive session at 7:14 p.m.

Vote: 5 - 0 PASSED - Unanimously

a) An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town's Attorney in order to consider its position and instruct the Town's Attorney regarding the Town's position on a contract that is the subject of negotiations concerning acquisition of a portion of the City of Prescott water system. (Robert Smith, Town Manager)

9) ACTION ITEMS RESUMED

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

Mayor Marley reconvened the regular meeting at 7:51 p.m.

10) ADJOURNMENT

MOVED by Councilmember Pat McKee, seconded by Vice-Mayor Darryl Croft to adjourn the meeting at 7:51 p.m.

Vote: 5 - 0 PASSED - Unanimously

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 28th day of July, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of September, 2015.

Jami C. Lewis, Town Clerk