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

TUESDAY, AUGUST 9, 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, August 9, 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 Commander Mark Garcia, Sergeant Mike Burmeister. Sergeant Mat Gronek, Officer Deana Winn, Prosecutor John Walker, Town Engineer/Public Works Director Ron Grittman, I.T. Technician Spencer Guest, Town Clerk Assistant Liz Hart, and Town Clerk Jami Lewis (recorder).

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

2) Introductions, Presentations and Proclamations

2a) Recognition of outgoing public body members

Mayor Marley recognized outgoing Municipal Property Corporation members, Ron Minnich and Joel Baker, Senior Center Advisory Board members Barbara Robinson and Liz Schmidt, and Parks and Recreation Advisory Board member Lori Heiner.

2b) Recognition of Library volunteers by Mayor Marley.

Mayor Marley recognized library volunteers, who had saved the library over $51,000 through their efforts.

2c) Recognition by Police Commander Mark Garcia of Sgt. Mike Burmeister for 20 years of service, Sgt. Mat Gronek for 15 years, and Officer Deana Winn for 5 years.

Commander Garcia recognized Sgt. Burmeister, Sgt. Gronek and Officer Winn.

3) Call to the Public

Marti Klein, resident, acknowledged Council, Drake Cement, and Recreation Coordinator Shannon Gansz for extending the pool season.

City of Prescott Chief Building Official Randy Plummer and the Chief Building Official for Yavapai County spoke about the Arizona Building Officials Association meeting last week and presented the Chairman's Award of Excellence to Pat Clingman.

Harvey Jones, resident and Chair of the Chino Valley Foundation for Seniors, spoke about the non-profit foundation, which was established to provide Friday lunches at the Senior Center, and acknowledged the restaurants, community volunteers, and Chino Valley Area Chamber of Commerce for their support of the program.

Mayor's Response to the Public from July 26, 2011:

- Centennial geocaching event, waiver of park rental fees – Staff was reviewing the policy.
- Bill Blankmeier's bid for county superintendent – The speaker was informed that Call to the Public was not for campaign speeches.
- Damage to American Legion flags along the highway – There was no update.

4) Mayor/Council/Manager Report

Mayor Marley reported on:

- A letter from Town retiree Barb Linnert thanking Council for recognizing her years of service.
- Citizens contacting the Council to voice their concerns.
- The recent financial update and Council attempting to provide transparency.

Councilmember Hatch reported on public body openings.

4a) Update on status of **Council Committees** and staff support.

Town Clerk Jami Lewis reported that as part of the reorganization of the Town Manager's and Town Clerk's offices, the Town Clerk's staff had been tasked with providing support to the Council Committees. In order to provide a smooth transition, Mayor Marley proposed that each of the six existing committees meet with the Town Clerk's staff to discuss drafting a "charter" to define the purpose and objectives of the Committee, meeting frequency and times, staff liaisons, and minutes standards.

Consent Agenda

5) Consideration and possible action to accept **resignation** of Joseph Abbate and Matthew Quay from the Parks and Recreation Advisory Board.

6) Consideration and possible action to approve a five (5) year Agreement between the Town of Chino Valley and the Arizona Department of Fire, Building and Life Safety **Office of Manufactured Housing** and authorize the inspections of manufactured/mobile homes and factory-built buildings by the Town.

7) Approve the Fiscal Year (FY) 2011/2012 yearly Indigent Legal Services Agreement for Court Misdemeanors with **J. Andrew Jolley** in the amount of $15,000. Funding will come from the Municipal Court's Professional Services expenditure line item in the General Fund.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to approve Consent Agenda items 5-7. The motion PASSED unanimously 7-0.

Action Items

8) Presentation by Central Arizona Partnership, followed by discussion and possible action to adopt a resolution indicating Chino Valley's interest in regional cooperation on **economic development** endeavors. (Vice-Mayor Tenney)

Acronyms used in this item:

CAP (Central Arizona Project)

FTZ (Foreign Trade Zone)

Vice-Mayor Tenney reported that staff prepared a resolution based upon a similar one adopted by Prescott Valley with regard to participation in the pursuit of regional cooperation for economic development through membership in CAP, an entity that would provide the ability to attract new business.

President Charlie Arnold reported that CAP's objectives were:

- Sustainable growth and responsible planning through private and municipal partnerships.
- Determining the feasibility of extending the Foreign Trade Zone north from Phoenix.
- Developing regional entity to attract new industry.

Public comment:

Harvey Skoog, Mayor, Town of Prescott Valley spoke about jobs that Prescott Valley gained during the recession due to the Prescott Valley Economic Development Foundation and his desire to expand job growth regionally.

Laura Lee Nye, Councilmember, Town of Prescott Valley, spoke about working together to make a difference for the region.

Council discussion: There was some concern regarding language in the resolution directing staff to work with the Partnership due to the staffing shortfall; councilmembers could attend the meetings instead.

Vice-Mayor Tenney MOVED, seconded by Councilmember Croft, to adopt Resolution 11-963 for the Town of Chino Valley to support the town's participation in the pursuit of regional cooperation for economic development, with changes as noted. The motion PASSED unanimously 7-0.

9) ZC 11-002: Consideration and possible action to adopt **Ordinance No. 11-749** to provide for the **zone change** of Assessor's Parcel Number (APN) 306-14-026Q from "CL" Commercial Light to "CH" Commercial Heavy. Said property consists of approximately one acre and is located on North State Route 89 between East Road 3 North and East Road 4 North. Owner/Applicant: Corey Mendoza.

Development Services Director Pat Clingman reported that:

- Purpose for Request: The tenant that rented the property wanted to use a portion of the parcel as an impound yard.
- June 8, 2011, Neighborhood Meeting: There were two citizens in attendance. Neither objected to the rezone.
- June 21, 2011, Planning and Zoning Commission Public Hearing: The Commission voted 6-0 to forward a recommendation to Council for approval with the findings and stipulations indicated in the ordinance.

Corey Mendoza, business owner, spoke about the benefits to the community to be gained from the rezoning.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to adopt Ordinance No 11-749 approving the zone change of APN 306-14-026Q from "CL" to "CH" with the findings and stipulations recommended in the proposed Ordinance. The motion PASSED unanimously 7-0.

10) **Public Hearing** and possible action to adopt **Resolution No. 11- 965**, setting the total Expenditure Limitation of $16,589,845 and approve the **Annual Budget** for the Town of Chino Valley for the fiscal year 2011-2012, in an amount not to exceed $16,589,845. Funding based on estimated revenues for fiscal year 2011-2012.

Finance Director Vera Smith reported that on July 12, 2011, Council adopted the fiscal year 2011-2012 tentative budget in an amount not to exceed $16,608,231.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to OPEN the Public Hearing. The motion PASSED unanimously 7-0. As 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.

Finance Director Vera Smith presented the final budget. Key points were:

- This budget was much smaller than the previous year's budget due to less possible stimulus monies and decreasing revenues.
- Changes made to the final budget since July 12 included:
    - Increased State Shared Sales Tax Revenue, road signs budget, maintenance expenses for vactor truck, Police budget, and utility standby/on-call policy.
    - Added Drake Cement's donation to the Aquatic Center, user fee study, agenda and calendar management program, and .80 full-time equivalent lien/collection position.
    - Decreased Parks expenditures.
    - Adjusted salaries and benefits, property liability insurance, league membership, and new phone system.
    - Removed vacant position from water and sewer funds.
    - Moved Old Home Manor solar panel project from the Capital Improvement Fund to the Sewer Enterprise Fund.
- General Fund future budget challenges for Fiscal Year 2012/2013 included: fixed salaries and 10% benefits increase; fixed operational costs, except dispatch; no transfer from one percent sales tax for Parks; no carryforward; no revenue changes except construction sales tax; and an $818,000 gap between revenues and expenditures.
- The Sewer Fund had a lot of challenges with debt collection and debt service.

Town Engineer Ron Grittman reported that the Roads and Streets Advisory Board had tasked engineering to review speed limits and speed limit signs would be replaced through a Central Yavapai Metropolitan Organization grant.

Council discussion: Council discussed a new policy for standby/on-call compensation for police officers, and the possibility of using savings from solar panel use towards more solar projects.

Town Manager Scannell spoke about the resiliency of the Town and its ability to manage expenditures in the current economic environment by ratcheting down expenditures.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to adopt Resolution No. 11-965, setting the total Expenditure Limitation of $16,589,845 and approve the Annual Budget for the Town of Chino Valley for the fiscal year 2011-2012, in an amount not to exceed $16,589,845. The motion PASSED unanimously 7-0.

11) *Continued from July 26, 2011:* 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. Funds to come from the Police Impact Projects expenditure line in the Police Impact Fee Fund.

Town Manager Scannell reported that staff was awaiting some data from tow truck operators association and requested postponing the proposed action to the next meeting.

12) Presentation by the Council Economic Development Committee with regard to their recommendation to accept a Proposal from the Chino Valley Area **Chamber of Commerce** ("Chamber") to provide services in the areas of Tourism and Visitor Center, Citizens Academy, Economic Development, Business Retention, and Business Leakage for an amount not to exceed $60,000 for fiscal year 2011/2012; followed by discussion and possible action to direct staff to develop an Agreement For Services with the Chamber. There was available funding of $38,000 in the Non-Departmental Outside Agency Funding expenditure line in the General Fund. Any amount approved in excess of $38,000 would require a transfer from Non-Departmental Contingencies expenditure line in the General Fund.

Ab Jackson, CEO, Chino Valley Area Chamber of Commerce, reported that the 2011/2012 proposal for services to the town identified three possible levels of services:

- Proposal 1 encompassed the services that the Chamber provided in the past, including staffing and operation of the Tourism and Visitor Center and conducting a Citizens Academy, with funding of $38,000.
- Proposal 2 included the services in Proposal 1, plus economic development, business retention and business leakage, with funding of $60,000.
- Proposal 3 included Proposals 1 and 2, plus coordinating town events such as Territorial Days, Home Town Christmas, Halloween, and Spring Fest, with funding of $75,000.

He added that the Chamber preferred Proposal 2 due to civic groups picking up community events and the need for continued business development. He then reported on the Chamber's accomplishments related to the deliverables from the previous contract, as well as the 2010/2011 highlights, which included the number of visitors to the new visitor center location, economic development projects, Shop Local Program, visitors to the Business Expo and Hometown Chino Christmas, Citizen's Academy graduates, travel radio, and "Talk of the Town" radio program guests.

Councilmembers Echols and Croft, Economic Development Committee members, reported that:

- They believed the services in Proposal 2 were necessary to operate the Visitor Center and provide the business and economic development services that were not available from Town staff. Funding for these services would be money well spent toward retaining current businesses and recruiting.
- Councilmember Croft met with Mr. Jackson to discuss the Town's interests with regard to the Chamber, and Mr. Jackson desired guidelines from Council regarding the proposal.

Councilmember Hatch expressed concern about Proposals 1 and 3 not being in the agenda packet, the actual value of the Citizen's Academy and radio show, compliance with the procurement code, lack of Chamber support for non-members, and the Chamber possibly using town-contracted funds for political purposes.

Mr. Jackson related that Chambers of Commerce generally existed to promote tourism and its paying members, and Chamber operations in general were funded by the members, not the Town.

Public comment:

Wayne Rinken, business owner, spoke about the lack of Chamber support to nonmembers.

Karen Rockhold, Chamber member, spoke in support of Chamber membership and Mr. Jackson's leadership.

Marti Klein, resident, spoke in opposition to Proposal 2 due to the Town's significant budget challenges.

John Morgan, Dean, Yavapai College, spoke in support of the Chamber and being proactive instead of reactive.

Candy Blakeslee, resident and Chamber member, spoke about the importance of business retention and the need for an economic development plan, which would allow the Chamber to succeed.

Beverly Irvin, resident, spoke in support of the Chamber and the need to see more businesses represented at the Visitor Center.

Wayne Reikens, business owner, spoke about the need for no-cost Chamber membership being available to businesses without corporate backing.

Tom Payne, business owner, spoke about the opportunities of Chamber membership and the importance of business retention.

Richard Bond, resident, former business owner and Chamber member, spoke about budget issues affecting the Police Department and his disagreement of the Town supporting the Chamber.

Ron Romley, resident, spoke about his support of the Chamber's continued administration of the Citizen's Academy.

Jean Hardesham, business owner, spoke about working together in a difficult economy and the importance of wise decisions that supported the Town's infrastructure.

Mayor Marley called for a break at 8:45 p.m. and reconvened meeting at 8:56 p.m.

Vice-Mayor Tenney spoke about the Town's dollars being limited, his preference for spending $38,000, not $60,000, and tasking someone to put these ideas together and bring a final contract back to Council.

Mayor Marley MOVED, seconded by Councilmember Hatch, to take item 12 back to the Finance Committee and work through the details of the proposed contract with Mr. Jackson. The motion PASSED 4-3, with Councilmembers Best, Croft, and Echols voting "no."

13) *Continued from July 26, 2011:* Consideration and possible action to approve (1) the purchase of an Avaya IP Office 500 **Communications System** including all hardware, software, licensing, which will be located at the 1020 W. Palomino building and will service every department utilizing the Town's computer network connections, in an amount not to exceed $114,911 and (2) a professional services agreement with **Four D** LLC for installation services in an amount not to exceed $16,550. Funding to come from a variety of sources as outlined in the staff report, with the expense to be offset by savings realized by replacing current Qwest analog service lines with 2 Primary Rate Interface (PRI) digital service connections, fax line reductions, Police call recording service reductions, and staff hour savings, which cost savings have been reflected in the fiscal year 2011/2012 Tentative Budget.

I.T. Technician Spencer Guest reported that:

- In March 2000, the Town purchased an Avaya Merlin Magix Integrated telecommunications system which served the Town's telecommunications needs for several years. As the Town expanded and departments were relocated, some smaller, separate phone systems were purchased, creating disjointed telecommunications that often made it difficult for the public to betransferred between the various separate telephone systems.
- With the remodel of the South Campus Town Hall facility, there was a need for another phone system to serve the telecommunications needs in this facility, which would have created an even further disjointed telecommunications system.
- In addition, the current system had not been supported since October 2006, parts were scarce, and it was difficult to find technicians.
- Since 2000, telecommunications technology changed quite significantly and had converged with data networks into what are called IP PBX or IP Telecommunication that provided a single unified telecommunications system that could service all departments within the Town utilizing the computer data networks.
- An IP PBX system would improve customer and staff services through unified telecommunications, enhance communications between staff, reduce maintenance requirements and provide ease with relocations, potentially lower long-distance phone costs, reduce the number of fax lines in service, and provide cost savings by eliminating an existing service contract for call recording within the Police Department.
- The Town's MIS division, along with input from Four-D LLC, selected Avaya as a highly recommended, stable telecommunications company that was offering an IP PBX system that could fulfill the Town's needs. Although there was a significant cost of $131,000 to implement Avaya's IP PBX system, the Town would recover $1,800 per month in savings by moving from an analog to a digital system.
- Exhaustive comparisons were done on purchasing options for the proposed system. Estimates provided by state-contracted Avaya solutions providers were found to be more costly than purchasing the hardware and installation services separately. Based on this information, staff recommended that phone system hardware be purchased separately from installation services, with hardware to be purchased from CDWG, a cooperative purchasing vendor, and installation services to be contracted through Four D LLC.
- On July 26, 2011, staff presented this proposal to Council. Council raised no objections about the need for the system, but tabled the item after Joe Radetich of Copper State Communications raised concerns about the purchase process and manufacturer's warranty.
- Mr. Radetich's concerns were related to: (i) a purchasing conflict in that Four D LLC had been provided Copper State's pricing; (ii) the purchasing vehicle; (iii) manufacturing support and equipment purchased from non-authorized sales; and (iv) the Town utilizing Cooper State's list of equipment. Staff's response to these concerns were:
    - Four D LLC was acting as consultant for the Town. Copper State did not understand Four D's role with the Town or the installation services to be provided. Purchasing figures were compiled by Town staff, not Four D LLC.
    - No formal Request for Proposal process was done because it was not required if purchasing was done through the cooperative purchasing program. Copper State provided state contract figures and it was not the only cooperative purchasing partner available to the Town.
    - Although Four D LLC was not certified, it was not needed, as CDWG was an authorized Avaya partner.
    - Staff accessed a document on the Internet that contained the product matrix and part numbers and discussed variations to the system and with Mr. Radetich, and while his

system was $28,000 higher than DCWG's and more than the Town could afford, he did not offer any options for reductions.

- CDWG was authorized to install the system and preliminary estimates for installation by CDWG was an additional $5,200. While it could not provide on-site support, Avaya support could be purchased separately; however, he believed he and Four D could be able to support the system.

Joe Radetich, Copper State Communications representative, stated that:

- He had verified through the Mohave website that Copper State was authorized to sell and install telephone systems and CDWG was not.
- CDWG's contract did not include installation and on-site support, and it mirrored Four D LLC's line items.
- CDWG's parts list included parts that were not required installation.
- He could re-work the contract amount if the Town provided a detailed outline for installation.

Mr. Guest related that:

- He was not aware of Mr. Radetich's current issues.
- The Mohave contract had a separate website for CDWG, which demonstrated that CDWG could provide installation services, and Avaya agreed with their right to do so.
- CDWG's quotes were based on modifications to equipment to help get costs down. Installation services were $16,550, but could be done for less.

Public comments:

Jim Klein, resident, spoke in support of the procurement process so Mr. Radetich could bid equally, as one vendor was constrained by the Mohave contract and CDWG was not.

Council expressed concerns regarding Four D LLC's contract, mode and cost of installation, lack of on-site support, and uncertainty of the contract meeting Mohave's guidelines.

Town Attorney Tom Kack reported he could review the contract and Council could approve it subject further research.

Vice-Mayor Tenney MOVED, seconded by Councilmember Echols, to table the matter subject to review and approval by the town attorney. The motion PASSED unanimously 7-0.

14) Consideration and possible direction to staff to construct additional parking at the Town Council Chambers and Administrative Offices at the **South Campus**. With already scheduled expenditures, there is no extra funding available in the General Impact Fee Fund for this agenda item. Any expenditure on this item will require a transfer from Non-Departmental Contingencies in the General Fund. (Vice-Mayor Tenney)

Acronyms used in this item:
UDO (Unified Development Ordinance)
AB (Aggregate Base)

Town Engineer Ron Grittman reported that:

- Council asked staff to prepare a brief summary of the potential options and anticipated costs for construction of an overflow parking lot east of the existing parking lot at the South Campus.
- The existing parking lot had capacity for 36 vehicles and 2 handicapped spaces and no turnaround.

- There were several options as to how to approach providing additional parking. Each option included the extension of a driveway from both the north side and south sides of the existing parking lot as a means of accessing the new overflow parking area.
- Because this project would expand the capacity of the parking for the South Campus, a potential funding source for this project could be impact fees.
- As there was not enough room for turnaround, he proposed removing a curb and gutter and constructing an addition to provide through movement, which would add 38 parking spaces.
- Of three alternatives, he preferred surfacing with six inches of AB with a chip sealed surface for $8,000 total, which would conform with UDO requirements. While sheet flow could cause asphalt to riffle, a solution would be to install a ribbon curb.
- Going to the southeast would require construction of an auxillary driveway for access to Highway 89.
- In order to use the adjacent Fire District property which the Town was in negotiations to acquire, an additional access point would need to be constructed, and there was a three-foot elevation differential between the two properties.

Finance Director Vera Smith was in support of reviewing all options to find the best fit that would not require future modifications and further contingencies.

Public comments:

Candy Blakeslee, resident, spoke about the difficulty of parking in the dirt and suggested the option of grading until an agreement was reached for the use of the Fire District property.

Council comments:

- Although the parking lot was sufficient on a day-to-day basis, it was 75% full during Council meetings.
- One preferred a not-to-exceed amount of $10,000.

Vice-Mayor Tenney MOVED, seconded by Councilmember Croft, to authorize expansion of south campus parking lot not to exceed $10,000, using option 2. The motion PASSED unanimously 7-0.

15) Consideration and possible action to review and possibly amend the Council **Rules of Procedure**, last revised May 13, 2010.

Town Clerk Jami Lewis reported that staff was recommending amendments to Council's Rules of Procedure to amend Section 8 <u>Motions</u>, to reflect current practice; Section 10 <u>Meeting Agendas and Preparation, para. (A)</u> to clarify and further define current practice, and correct an error, and Section 14 <u>Committees, Boards and Commissions</u> to use more common language.

Council discussed:

- Adding the list of persons who could put an item on the agenda identified in Section 10(A) to Section 10(B) also.
- A 13-day agenda item submission deadline.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to amend the Council Rules of Procedure as proposed by staff, with the 13-day amendment and modifications to add verbiage to Section 10(B) "or any two councilmembers." The motion PASSED unanimously 7-0.

16) Consideration and possible action to schedule an additional monthly **study session** on the third Thursday of each month and schedule currently requested study session items.

Town Clerk Jami Lewis reported that there were many issues facing the Town requiring more detailed discussions than time often permitted during Council's regular meetings. Mayor Marley desired to receive input from the Council with regard to scheduling an additional study session per month, should one be needed.

Vice-Mayor Tenney MOVED to schedule study sessions for 1st and 3rd Thursday of each month, in addition to regularly scheduled meetings.

Council discussed potential start dates for extra study sessions.

Vice-Mayor Tenney AMENDED his motion, seconded by Councilmember Croft, to schedule study sessions for the 1st Thursday and 3rd Thursday of each month, beginning September 1st. The motion PASSED unanimously 7-0.

17) Adjournment.

Councilmember Croft MOVED, seconded by Mayor Marley, to adjourn the meeting. The motion PASSED unanimously at 10:10 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 9th day of August, 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, Town Clerk