

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

**TUESDAY, AUGUST 12, 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, August 12, 2014.

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

Absent: Councilmember Mike Best

Staff Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Phyllis

Present: Smiley; Police Lieutenant Vince Schaan; Police Officer Brandon Frost; Finance Director Joe Duffy; Town Engineer/Public Works Director Ron Grittman; Development Services Director Ruth Mayday; Deputy Town Clerk 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 6:00 p.m.

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

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a)** Consideration and possible action to proclaim August 2014 as Child Support Awareness Month, sponsored by the Department of Economic Security, Division of Child Support Services. (Mayor & Council)

Mayor Marley read the proclamation.

- b)** Presentation of the Annual Report by Tracie Schimikowsky, CEO/President, Chino Valley Area Chamber of Commerce, as required by the Accountability Contract between the Town and Chamber. (Robert Smith, Town Manager)

Ms. Schimikowsky spoke about: FY 2014 statistics related to visitors, volunteers, and staff; ways they helped create a strong local economy, promoted the community, provided networking opportunities, and represented the interests of business with government/political action; FY 2014 scope of services review; the Town's 2014 platinum sponsorship; Chamber annual report; FY 2014 budget vs. actual; and other Arizona chambers with municipal partnerships.

Council asked her to provide them with the Chamber's entire 990 budget.

- c) Presentation of the lease proposal for Old Home Manor by the Yavapai County Youth Livestock Association (YCYLA). (Mayor Marley)

Susan Cuka, Chair of YCYLA, spoke about the organization being established to create youth livestock events in Yavapai County, return the town's equestrian arena at Old Home Manor to a spectator arena, and hold a county fair style event. The group was interested in a five-year lease with the town for use of the arena.

Council suggested that the group register with the state while waiting to obtain their 501(C)(3) designation and asked to see the group's complete budget and insurance paperwork.

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.

Steve Chontos with Chino Golf Range asked about: (i) the Town's response to a letter he sent in March, relative to the town's legal authority to build a road using an easement across his property and proof that the easement had been dedicated, and (ii) the reasoning used to propose infrastructure expansion between Road 2 North and Road 3 North instead of other available areas.

Scott Freitag, Fire Chief, spoke about the Chino Valley Fire District's Joint Management Agreement with Central Yavapai Fire District that went into effect on July 18, the benefits of that relationship, and recent district activities.

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 had nothing to report.

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 Hatch reported on NACOG's 2014 scope of work for the Comprehensive Economic Development Strategy (CEDS), grant proposals, and federal technical assistance for the town.

Mayor Marley spoke about his Monthly Mayor's Report, which pertained to water stewardship.

- a) Presentation by Development Services Director Ruth Mayday regarding the Old Home Manor Industrial Park Economic Development Administration (EDA) Grant Presentation to NACOG on August 7, 2014.

Ms. Mayday and Town Manager Smith reviewed two presentations given to NACOG with regard to the town's application for an Economic Development Administration grant for the proposed industrial park.

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

Mr. Smith reported on NACOG's recommending the town's Old Home Manor industrial park project to the Economic Development Administration.

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 Pat McKee to accept Consent Agenda items 6a, b, c, and d.

Vote: 6 - 0 PASSED

- a) Consideration and possible action to approve the May 15, 2014 study session minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to waive Town fees for the Territorial Days activities for the Lions and the Lionesses. (Cecilia Grittmann, General Services Director)
- c) Consideration and possible action to rescind the Intergovernmental Agreement for Election Services between the Yavapai County Board of Supervisors and the Yavapai County Recorder and the Town of Chino Valley, approved on July 8, 2014, and approve corrected Intergovernmental Agreement for Election Services between the same parties (Jami Lewis, Town Clerk)
- d) Council will recess to observe Councilmember Hatch's birthday.

Council recessed the meeting at 7:09 p.m. and Mayor Marley reconvened it at 7:26 p.m.

7) **ACTION ITEMS**

- a) Consideration and possible action to approve an Accountability Contract between the Town of Chino Valley and the Chino Valley Chamber of Commerce in the amount of \$45,000. Funding source: \$38,000 to come from Non-Departmental outside agency line and \$7,000 to come from Contingencies. (Robert Smith, Town Manager)

Recommended Action: Approve an Accountability Contract between the Town and the Chino Valley Chamber of Commerce in the amount of \$45,000.

Mr. Smith reported that:

- The standing agreement between the Town and Chamber had been revised per the Chamber's new interests and directions for local business development and support. The Town's Development Services Department was working in partnership with the Chamber on several items to bring additional supportive resources to local business developers.
- As the Town began to recover from the recent economic downturn, the Chamber could serve as a force multiplier for the Town's economic development efforts. Staff identified several mechanisms by which the Town and Chamber could cooperatively work together to secure business and economic development improvements for the community, several of which were highlighted in the proposal.
- The draft contract outlined a set of specific objectives and deliverables, as well as regular reporting expected from the Chamber.

Council asked about potential conflicts of interest, as they were all Chamber members, and one sat on the Chamber board. Town Attorney Smiley stated that she would need to consider that.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Linda Hatch to table this item.

Vote: 6 - 0 PASSED

(Council resumed their discussion on this item after item 7e.)

Ms. Smiley deemed that there was no conflict of interest, as she did not believe any of the Council had a substantial interest in the Chamber, due to its non-profit status.

Ms. Schimikowsky reported on provisions of the proposed contract with regard to the Chamber's visitor center, promotion and marketing, economic development, tourism, and community education. She then reviewed the Chamber's budget, of which the Town supported about 26%.

Council expressed concern about:

- a provision in the draft contract that the Chamber would advocate in favor of the Town's general obligation bond ballot measure, as town resources could not be used for anything other than education;
- people speaking for or against ballot measure at Chamber luncheons;
- Chamber staff time spent with regard to ballot measures possibly being paid for by town funds.

Ms. Smiley agreed with striking that provision. While she did not believe Chamber luncheons could be considered a town resource, as the luncheons were paid for by the members and attendees, she could draft a policy to restrict such discussions to factual presentations with no one taking a position, and Chamber staff providing an accounting of their time spent during the election cycle. She also stated that she would resend guidelines related to use of town resources. Council asked Ms. Smiley to add language to the contract to differentiate funds and set guidelines.

Council asked Ms. Schimikowsky to provide an accounting of their total insurance costs and report to Council after attending conferences or meetings if the town was paying for it.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Linda Hatch to postpone Agenda Item 7a to the next meeting.

Vote: 5 - 1 PASSED

NAY: Vice-Mayor Darryl Croft

- b) Consideration and possible action to approve Financial Report for the month ended June 30, 2014. (Joe Duffy, Finance Director)

Recommended Action: Approve Financial Report for the twelve months ended June 30, 2014.

Mr. Duffy reported that:

- The General Fund was stable and covering day-to-day operations. Revenues had increased, primarily due to the 1% sales tax increase; expenses were under budget due to departments not spending budgeted items.
- The Town was using the HURF fund balance to perform the minimum amount of road maintenance and additional funding was required.
- The Capital Improvement Fund, which could be used for road improvements, was continuing to subsidize the Water Enterprise Fund.
- Water Enterprise Funds experienced significant losses in the last two years. Acquiring new accounts and growth was essential for eliminating the Capital Improvement Fund subsidy and begin paying back the General Fund.
- The Sewer Enterprise Fund was showing positive cash flow, but was not generating any excess funds for capital improvements, replacements, and system expansion.

Council asked where funds from donations for the Community Center Phase 3 project were noted. Mr. Duffy stated they should be in the grants fund, but he had not seen a designation for such funds.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve Financial Report for the twelve months ended June 30, 2014.

Vote: 6 - 0 PASSED

- c) Consideration and possible action to adopt Resolution No. 14-1044, levying and assessing an ad valorem tax on the assessed value of all real and personal property within the boundaries of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015, pursuant to Section 48-616, Arizona Revised Statutes. (Joe Duffy, Finance Director)

Recommended Action: Approve Resolution No. 14-1044, levying and assessing the ad valorem tax for the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015.

Mr. Duffy reported that:

- Each year, the Town's Street Lighting Improvement Districts (SLIDs) were required by law to undergo the same budgeting process as municipalities. Council approved the SLID tentative budget on July 8, and on July 22, held the requisite public hearing and approved the district's final budget.

- The final step in this process was for Council to approve a resolution to levy and assess an ad valorem tax on the real and personal properties located within the boundaries of each street lighting improvement district to pay for the annual expenses of those districts.
- Approval of Resolution 14-1044 will levy the tax and direct the County to calculate the rate necessary pay for the district's expenses.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Don Wojcik to approve Resolution No. 14-1044, levying and assessing the ad valorem tax for the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015.

Vote: 6 - 0 PASSED

- d) Consideration and possible action to approve the 2014-15 Roadway Resurfacing Program in an amount not to exceed \$150,000.00 as proposed. (Ron Gritman, Public Works Director/Town Engineer)

Recommended Action: Move to approve the 2014-15 Roadway Resurfacing Program in an amount not to exceed \$150,000.00 as proposed.

Mayor Marley reported that staff had asked for a postponement of this item.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to postpone Action Item 7d until the following meeting.

Vote: 6 - 0 PASSED

- e) Consideration and possible action to to reschedule the November 11, 2014 regular meeting and cancel the November 25 and December 23, 2014 regular meetings. (Jami Lewis, Town Clerk)

Recommended Action: Reschedule the November 11, 2014 regular meeting to November 18, 2014 and cancel the November 25 and December 23, 2014 regular meetings.

Ms. Lewis reported that:

- Historically, Council did not hold their regularly scheduled second meetings in November and December due to conflicts with holiday schedules. In addition, Council's first scheduled meeting in November was Veterans Day holiday.
- Per Town Code Section 30.065, Council must hold at least one regular meeting in each month. Thus, Council must either hold the November 25 meeting or reschedule the November 11 meeting.
- Staff recommended rescheduling the first meeting to the 18th in order to accommodate the length of time it might take the county to complete the ballot count from the November 4 election.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Don Wojcik to reschedule the November 11 regular meeting to November 18 and to cancel the November 25 and December 23 regular meetings.

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.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to recess to executive session at 8:21 p.m.

Vote: 6 - 0 PASSED

- a) 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 and an Agreement to Extend the Operation and Maintenance Services Agreement with Fann Contracting, Inc. related to the construction of the wastewater treatment plant and potential fiscal impacts and alternative funding sources. (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 9:49 p.m.

- a) Consideration and possible action to approve a temporary extension of that portion of the Construction Manager at Risk Contract between the Town of Chino Valley and Fann Contracting, Inc., dated June 12, 2003 and all amendments thereto, providing for Fann to perform Operations and Maintenance Services of the Chino Valley Wastewater Collection, Treatment and Effluent Discharge Project. (Robert Smith, Town Manager)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Don Wojcik to approve a temporary extension of that portion of the Construction Manager at Risk Contract between the Town of Chino Valley and Fann Contracting, Inc., dated June 12, 2003 and all amendments thereto, providing for Fann to perform Operations and Maintenance Services of the Chino Valley Wastewater Collection, Treatment and Effluent Discharge Project.

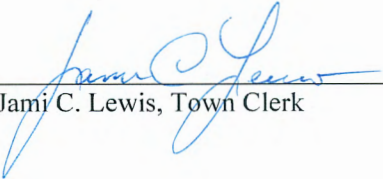
Vote: 6 - 0 PASSED

10) ADJOURNMENT

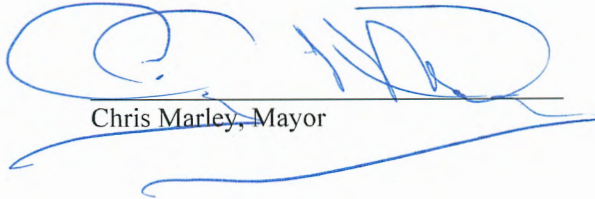
MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Don Wojcik to adjourn the meeting at 9:51 p.m.

Vote: 6 - 0 PASSED

ATTEST:



Jami C. Lewis, Town Clerk

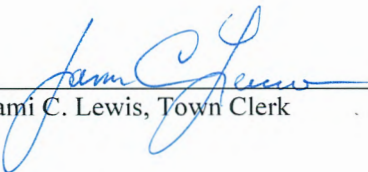


Chris Marley, Mayor

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 August, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28th day of October, 2014.



Jami C. Lewis, Town Clerk