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

## TUESDAY, SEPTEMBER 9, 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, September 9, 2014.

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| Present: | Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Lon Turner; Councilmember Don Wojcik |
| Absent: | Councilmember Linda Hatch; Councilmember Pat McKee |
| Staff Present: | Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Police Chief Chuck Wynn; Lieutenant Vince Schaan; Officer Deana Winn; 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)** Proclamation declaring September 22-26, 2014 as National Employer Support of the Guard and Reserve Week, sponsored by the Arizona Office for Employer Support of the Guard and Reserve. (Mayor Marley)

Mayor Marley read the proclamation and presented it to Tony Morrison with ESGR.

**b)** Proclamation declaring September 8-14, 2014 as "National Patriotism Week," sponsored by the Chino Valley Elks Lodge. (Mayor Marley)

Mayor Marley read the proclamation and presented it to Elks member Diana Culp.

**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 Vicory, Arizona Miss Amazing Pre-Teen 2014, acknowledged those sponsoring her participation in the Miss Amazing Pageant and Territorial Days parade.

Suzanne Vicory, Department C Superintendent, Yavapai County Fair, spoke about opportunities to volunteer for and participate in the upcoming Fair.

Rick Nichols, Secretary/Treasurer, Chino Valley Model Aviators, spoke about the club's air show on September 13.

**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)** First amendment rights as they pertain to citizens speaking on agenda items.

Mayor Marley reported that the Open Meeting Law required that Council meetings be noticed and held in public and agendas published, but it did not require a call or response to the public or public participation on agenda items. He reviewed the agenda item discussion process and how the public could contact councilmembers.

**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 report by Town Manager Robert Smith regarding Town accomplishments, and current or upcoming projects.

Mr. Smith reported on:

- the recent Territorial Days celebration;
- emergency management crews efforts' during recent flooding; and
- the Old Home Manor industrial park grant process.

**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.*

Staff requested that item 6b be postponed indefinitely.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to accept consent agenda items 6a and 6c.

**Vote:** 5 - 0 PASSED

**a)** Consideration and possible action to approve the June 10, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)

**b)** Consideration and possible action to approve changes to Personnel Policy No. 605, "Overtime: Non-Exempt Employees," to the Town of Chino Valley's Personnel Manual, dated September 12, 2002. (Cecilia Grittman, General Services Director)

**c)** Consideration and possible action to authorize the Town Manager to sign two Governor's Office of Highway Safety (GOHS) grant contracts, in an amount not-to-exceed $10,000 for high visibility impaired driver/DUI enforcement, and an amount not-to-exceed $6,139 for accident and crime scene software and training; and accept and authorize expenditure of said funds. (Chuck Wynn, Police Chief)

**7) ACTION ITEMS**

**a)** *Continued from August 26, 2014:* Discussion and possible action to address a complaint filed by Vice-Mayor Croft pursuant to Town Code Chapter 35 Code of Ethics Section 35.04 Conduct in Public Office paragraph (D). (Mayor Marley; Vice-Mayor Croft)

Recommended Action: Call upon Councilmember Hatch to publicly apologize to Ms. Schimikowsky, President/CEO, Chino Valley Area Chamber of Commerce, and to refrain from conversing in an intimidating manner when discussing Town business with visitors and staff.

Vice-Mayor Croft read his complaint and spoke about complaints from business owners and Chamber of Commerce members about Councilmember Hatch's demeanor during the August 12, 2014 meeting. He was requesting resolution of the matter by calling upon Councilmember Hatch to apologize. As she was not present, he requested that the item be postponed.

MOVED by Vice-Mayor Darryl Croft, seconded by Mayor Chris Marley to postpone item 7a.

**Vote:** 5 - 0 PASSED

**b)** Consideration and possible action to adopt Resolution No. 14-1045, authorizing the Mayor to sign all documents related to the submission of a grant application to the Arizona Commerce Authority Rural Economic Development Grant in the amount of $250,000 and pledge 10% of the qualified costs in matching funds, not to exceed $90,000. Matching funds will be budgeted for upon receipt of the Grant. (Ruth Mayday, Development Services Director)

Recommended Action: Adopt Resolution No. 14-1045, authorizing the Mayor to sign all documents related to the submission of a grant application to the Arizona Commerce Authority Rural Economic Development Grant in the amount of $250,000 and pledge 10% of the qualified costs in matching funds, not to exceed $90,000.

Ms. Mayday reported that:

- The purpose of the Rural Economic Development Grant (REDG) program was to provide funding to rural communities for economic development purposes. Qualifying projects must demonstrate that the expenditure of grant dollars will lead to job growth in small towns.
- The western end of Old Home Manor (OHM) was well situated for commercial and industrial development purposes; however, a lack of utility infrastructure had stymied

development in the area. Staff was directed to pursue funding opportunities to extend the infrastructure necessary for such development on approximately 200 acres at OHM.

- Staff had been working with the Arizona Commerce Authority (ACA) and the Economic Development Administration (EDA) to design a project that will provide infrastructure to the area, as well as an additional ingress/egress via East Road 4 North.
- In February 2014, staff submitted an application with ACA for funding, which narrowly missed approval. Staff then revised the application per suggestions by the EDA. If successful, staff recommended leveraging the dollars awarded as match for the proposed EDA Economic Development Assistance Program application in October.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to adopt Resolution No. 14-1045, authorizing the Mayor to sign all documents related to the submission of a grant application to the Arizona Commerce Authority Rural Economic Development Grant in the amount of $250,000 and pledge 10% of the qualified costs in matching funds, not to exceed $90,000.

**Vote:** 5 - 0 PASSED

**c)** Consideration and possible action to approve Funding Agreement with the Arizona Department of Housing, in the amount of $275,000, for the Owner Occupied Housing Rehabilitation Program. Funds to come from Arizona Department of Housing. (Ruth Mayday, Development Services Director)

Recommended Action: Authorize the Mayor to sign all documents necessary related to the execution of the Funding Agreement with the Arizona Department of Housing for the Owner Occupied Housing Rehabilitation Program, and authorize staff to take all actions necessary to complete the obligations set forth in the Funding Agreement.

Ms. Mayday reported that:

- Staff had applied for HOME and State Housing funds to facilitate rehabilitation of substandard housing in the Town. Staff was notified on August 18, 2014 that the application had received full funding. The next step was to accept the Funding Agreement so that staff could initiate the program in the community.
- This project will benefit the neediest households in the community with home repairs, and benefit the Town as a whole by eliminating health/safety issues, blight, and degradation of the housing stock.
- The grant included $250,000 for repairs and $25,000 for administration fees.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to authorize the Mayor to sign all documents necessary related to the execution of the Funding Agreement with the Arizona Department of Housing for the Owner Occupied Housing Rehabilitation Program, and authorize staff to take all actions necessary to complete the obligations set forth in the Funding Agreement.

**Vote:** 5 - 0 PASSED

**d)** 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 and Lease Purchase Agreement; and approve Resolution No. 14-1042 authorizing the Mayor to execute the Agreement and all related documents necessary to the consummation of the transactions contemplated by the Agreement. (Joe Duffy, Finance Director)

Recommended Action: Approve the Leasing Services Proposal from NB: AZ Public Financial Services and Lease Purchase Agreement; and approve Resolution No. 14-1042.

Mr. Duffy reported that:

- The town issued a Request for Proposal for leasing services to be used to acquire equipment detailed in the FY 2014/2015 adopted budget.
- After reviewing the three responses with the Finance Committee on July 15, 2014, staff recommended awarding the contract to NB: AZ Public Financial Services, a Division of Zions First National Bank and Affiliate of National Bank of Arizona.
- The town will finance the acquisitions for five years at 1.93% interest and staff will bring the purchase agreements for each individual piece of equipment to Council for approval.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve the Leasing Services Proposal from NB: AZ Public Financial Services and Lease Purchase Agreement; and approve Resolution No. 14-1042.

**Vote:** 5 - 0 PASSED

**e)** Consideration and possible action to approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed $115,473.60 ($28,868.40 each,) two Ford 550 from Berge Ford in an amount not to exceed $111,512.50 ($55,756.25 each,) 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 and one 10-Wheel Dump Truck from Empire Machinery in an amount not to exceed $180,000 for a combined total of $681,388.14, all financed through a lease/purchase agreement with Zions First National Bank. (Ron Grittman, Public Works Director/Town Engineer)

Recommended Action: Approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed $115,473.60 ($28,868.40 each,) two Ford 550 from Berge Ford in an amount not to exceed $111,512.50 ($55,756.25 each,) 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 and one 10-Wheel Dump Truck from Empire Machinery in an amount not to exceed $180,000 for a combined total of $681,388.14, all financed through a lease/purchase agreement with Zions First National Bank.

Mr. Grittman reported that:

- As several town vehicles and pieces of equipment were far beyond the recommended service life or were completely inoperable, the finance department had developed a financing package to acquire replacement vehicles and equipment.
- The four police vehicles—one to be used as an administrative vehicle, one 550 truck, front end loader, back hoe, and the 10-wheel dump truck were needed immediately. Public Works was requesting an additional 550 truck to be used as a heavy duty truck for roadway patch materials in addition to what Council had already approved through the budget process.
- While this package was funded in the current fiscal year budget, the vehicles and equipment were reserved in the previous fiscal year to allow the supplier to hold them from existing stockpiles at 2014 prices.
- Administration's goal, through the development of a capital improvement program that spanned multiple years, endeavored to provide as much lead and planning time possible for the organization to maintain and replace such assets.

Finance Director Duffy added that between the original budget projections and current purchase price, the Town would spend $40,000 less on the police vehicles and $30,000 on the dump trucks.

Town Attorney Smiley corrected the agenda item title in that the dump truck was to be purchased from Vanguard Trucking, not Empire Machinery.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed $115,473.60 ($28,868.40 each,) two Ford 550 from Berge Ford in an amount not to exceed $111,512.50 ($55,756.25 each,) 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 and one 10-Wheel Dump Truck from Empire Machinery in an amount not to exceed $180,000 for a combined total of $681,388.14, all financed through a lease/purchase agreement with Zions First National Bank, with amendment for vanguard trucking to replace empire machinery.

**Vote:** 5 - 0 PASSED

f) Consideration and possible action to approve change order number 1 to the existing Yavapai County Intergovernmental Agreement by $447,020.00 for phase 1 of the Chino Meadows Flood Control Project for a total project amount of $450,000.00. Funds to come from Yavapai County Flood Control. (Ron Grittman, Public Works Director/Town Engineer)

Recommended Action: Approve change order number 1 to the existing Yavapai County Intergovernmental Agreement by $447,020.00 for phase 1 of the Chino Meadows Flood Control Project.

Mr. Grittman reported that:

- This item was being driven by Yavapai County. The county and town had previously entered into an intergovernmental agreement (IGA), in which the county had committed to fund three stormwater projects within the Town, contingent upon the availability of funding.
- In the current fiscal year, the county had committed to fund $450,000 for the Chino Meadows Units 2 and 5 drainage project; the engineering estimate for the entire project was $1,084,000.00. Therefore, with insufficient funding to complete the entire project in one fiscal year, rather than execute a new IGA, the county elected to do a change order to the IGA, and split the project into two phases, with $450,000 in this fiscal year and $500,000 in the next. As there was still a balance from the last year's project of $2,980, the change order for this fiscal year reflected the difference in that amount.
- Phase one of the project will construct a box culvert at Porcupine Pass at Little Doggie Draw and begin the channel improvements to Little Doggie Draw. The project will be completed within the current fiscal year.
- Phase two will continue the channel improvements to Little Doggie Draw, construct a new box culvert at the Peavine Trail and Little Doggie Draw, and extend a significant detention pond on the east of the Peavine Trail parallel to Railroad Avenue.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve change order number 1 to the existing Yavapai County Intergovernmental Agreement by $447,020.00 for phase 1 of the Chino Meadows Flood Control Project.

**Vote:** 5 - 0 PASSED

**g)** Consideration and possible action to adopt Resolution No. 14-1047 adopting a policy for the prioritization of roadways for the Town's annual roadway resurfacing program. (Ron Grittman, Public Works Director/Town Engineer)

Recommended Action: Adopt Resolution No. 14-1047 adopting a policy for the prioritization of roadways for the Town's annual roadway resurfacing program.

Mr. Grittman reported that:

- Over the past several years, the town has had its Highway User Revenue Funds (HURF) diminished to the point that there was only sufficient funding to resurface approximately two miles of its 106 miles of surfaced streets.
- In 2009, the town spent $100,000 per mile. To stretch dollars, last year's resurfacing program was done inhouse. As the first attempt was not real successful, staff created a new standard, which was working much better and was costing $45,000 per mile. Even so, the town's needs were so far beyond the budget.
- Council directed staff to work with the Roads and Streets Committee to formalize the town's roadway maintenance policy. The proposed policy memorialized the resurfacing guidelines and prioritization criteria that staff already employed.

Council asked about allowing the public to front money for roadway repair. Mr. Grittman and Town Manager Smith related that the Roads and Streets Committee did not recommend it, as the more affluent areas would always receive priority; the town had limited manpower, equipment, and time to complete the work; and staff needed to address critical failures first.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to adopt Resolution No. 14-1047 adopting a policy for the prioritization of roadways for the Town's annual roadway resurfacing program.

**Vote:** 5 - 0 PASSED

**h)** Consideration and possible action to approve the spring 2015 roadway resurfacing program in an amount not to exceed $170,000 from Highway User Revenue Funds and $50,000 from Road Impact Fees for the streets identified in the staff report. (Ron Grittman, Public Works Director/Town Engineer)

Recommended Action: Approve the spring 2015 roadway resurfacing program in an amount not to exceed $170,000 from Highway User Revenue Funds and $50,000 from Road Impact Fees for the streets identified in the staff report.

Mr. Grittman reported that:

- The spring 2015 roadway resurfacing program was created in accordance with the prioritization policy proposed under item 7g.
- As a means of trying to bridge the financial gap between budget constraints and the transportation system needs, Public Works purchased a chip spreading machine last year and developed an on call oil contract. The intent of these actions was to perform the chip seal program in-house at a reduced cost in order to surface more roadways.
- Staff recently resurfaced Granada Estates and portions of Road 3 South with the proposed double chip seal covered with a fog seal, which had proven to be good product.

- The proposed roadways to be resurfaced were significantly in excess of the funds available and will be addressed in their designated order listed until the road materials funds were exhausted. Staff recently added surfacing Center Street at the Santa Cruz Wash to the list, which will be brought to Council as an inhouse project in December.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve the spring 2015 roadway resurfacing program in an amount not to exceed \$170,000 from Highway User Revenue Funds and \$50,000 from Road Impact Fees for the streets identified in the staff report.

**Vote:** 5 - 0 PASSED

Council recessed at 7:10 p.m. and reconvened at 7:26 p.m.

**i)** Consideration and possible action to adopt Resolution No. 14-1046 authorizing acquisition of real property for right-of-way purposes for Center Street from Road 1 East to the East side of the Santa Cruz Wash and accepting the dedication of said property as set forth in the deeds attached to the staff report. (Ron Grittman, Public Works Director/Town Engineer)

Recommended Action: Adopt Resolution No. 14-1046 and accept the dedications of real property as set forth in the deeds attached to the staff report.

Mr. Grittman reported that:

- This item will authorize staff to acquire certain real property for right-of-way (ROW) and accept the dedications of ROW along the Center Street alignment between Road 1 East to the eastern side of the Santa Cruz Wash. ROW from the eastern portion of the Santa Cruz Wash to the Railroad was dedicated under previous Chino Meadows subdivisions.
- The town was authorized to acquire property for rights-of-way pursuant to A.R.S. §§ 9-240(B) and 9-241. The Town Code required that the town formally accept dedications of ROW. Per the town attorney, the subject resolution will give formal authority from Council to acquire and accept the ROW. It also authorized condemnation, but staff would bring any such action back to Council.
- The ROW listed under this resolution was required to construct the Center Street extension and the requisite future box culvert. All property owners listed under this resolution were contacted and were generally in favor of the project, provided that the Town surface and maintain Center Street. Some property owners will require a separate agreement, which was currently being refined between the parties.
- Thus far, no money had been exchanged for the property. Staff anticipated an expense of no more than a few thousand and would only consider condemnation as a last resort.

Town Attorney Smiley added that in this case, the town was acquiring fee title for ROW as parcels to be owned by the town and used as public ROW, rather than as easements. The attorneys recommended a resolution, so that title companies would be aware of the town's authority to purchase the land and why.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to adopt Resolution No. 14-1046 and accept the dedications of real property as set forth in the deeds attached to the staff report.

**Vote:** 5 - 0 PASSED

**j)** Consideration and possible action to accept the Right-of-Way dedications for Road 1 East between Road 4 South and Kalinich Avenue, Brownlow Avenue, Road 4 1/2 South and Kalinich Avenue. (Ron Grittman, Public Works Director/Town Engineer)

Recommended Action: Accept the Right-of-Way dedications for Road 1 East between Road 4 South and Kalinich Avenue, Brownlow Avenue, Road 4 1/2 South and Kalinich Avenue.

Mr. Grittman reported that:

- This item will authorize the town to acquire certain real property for right-of-way (ROW) and accept the subject dedications of ROW that was required to construct the necessary roadways off Road 1 East along the Karcic parcel South from Road 4 South and the necessary east/west streets connecting Road 1 east to SR 89 at Brownlow, Road 4-1/2 and Kalinich.
- The town was authorized to acquire property for rights-of-way pursuant to A.R.S. §§ 9-240(B) and 9-241. The Town Code required that the town formally accept the dedication of ROW.
- The Town was committed to building these roads through an Intergovernmental Agreement with ADOT for a roundabout at Kalinich and SR 89. Construction was scheduled for six months after ADOT completed its improvements along SR 89 between Road 4 South and Deep Well Ranch Road.
- All subject property owners under this resolution had been contacted and were generally in favor of the project, provided that the Town surface and maintain the roadways. Some property owners will require a separate agreement, which was currently being refined.
- Additional dedications between Roads 3 and 4 South will be forthcoming within 9 to 12 months.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to accept the Right-of-Way dedications for Road 1 East between Road 4 South and Kalinich Avenue, Brownlow Avenue, Road 4-1/2 South and Kalinich Avenue.

**Vote:** 5 - 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 Lon Turner to recess into executive session at 7:46 p.m.

**Vote:** 5 - 0 PASSED

Mayor Marley reconvened the regular meeting at 8:48 p.m.

**a)** 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 Attorney. (Councilmember Hatch; Councilmember McKee; Councilmember Wojcik)

**b)** 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 that is the subject of negotiations related to the Construction Manager at Risk Contract between the Town of Chino Valley and Fann Contracting, Inc. dated June 12, 2003 and all amendments thereto. (Robert Smith, Town Manager)

**c)** Pursuant to A.R.S. § 38-431.03(A)(1) for discussion or consideration of employment, assignment, appointment, demotion, dismissal, disciplining or resignation of Planning and Zoning Commissioners Michael Edmonds and Robert McCaullay. (Mayor Marley)

**9) ACTION ITEMS RESUMED**

*After the executive session, Council will reconvene the Regular Meeting.*

**a)** Consideration and possible action to terminate the appointment and remove Commissioners Michael Edmonds and/or Robert McCaullay from the Planning and Zoning Commission. (Mayor Marley)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to terminate appointment and remove Commissioners Michael Edmonds and Robert McCaullay from the Planning and Zoning Commission.

**Vote:** 5 - 0 PASSED

**10) ADJOURNMENT**

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to adjourn the meeting at 8:49 p.m.

**Vote:** 5 - 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 9th day of September, 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