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

TUESDAY, OCTOBER 9, 2012
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, October 9, 2012.

Present: Mayor Chris Marley; Vice-Mayor Carl Tenney; Councilmember Mike Best; Councilmember Darryl Croft; Councilmember Dean Echols; Councilmember Linda Hatch; Councilmember Lon Turner

Staff Present: Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Sharon Sargent-Flack; Finance Director Joe Duffy; Police Commander Mark Garcia; Town Engineer/Public Works Director Ron Grittman; Civil Engineer Richard Straub; Town Clerk Assistant Liz Hart (recorder)

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

Mayor Marley called the meeting to order at 6:03 p.m.

Vice-Mayor Tenney gave the invocation and Mayor Marley led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Presentation by Arizona Department of Transportation regarding possible construction of two round-abouts located at the intersections of State Route 89 and Perkinsville Road and State Route 89 and Road 4 North. (Ron Grittman, Town Engineer)

Acronym used in this item:
ADOT (Arizona Department of Transportation)

Mr. Grittman reported that staff had been working with ADOT regarding the possible construction of intersection improvements at State Route 89 and Perkinsville Road and State Route 89 and Road 4 North. ADOT will be presenting the conceptual design and desired input from Council and the public.

Alvin Stump, ADOT Prescott District Engineer, introduced other ADOT officials: Randy Blake, Development Specialist; Tricia Lewis, Senior Community Relations Officer; and Bill Pederson, who was over all northern Arizona. Mr. Stump then reported that:

- ADOT was proposing roundabouts for these two intersections as they would be more efficient, safer, and funding was available at this time. A study done in 2009 resulted in Road 4 North qualifying for a roundabout, but not for a signal or turn lanes. This improvement would accommodate future growth. Perkinsville Road did not qualify for a signal as it was too close to the signal at Road 3 North.

- With the Road 4 North concept design, engineers tried to minimize impact to the corner properties, but as ADOT had not yet met with property owners, this concept could change.
- The Perkinsville concept design was smaller than the one at Road 4 North, due to the lower operating speed in this part of town and there being less right-of-way to work with.
- The roundabouts would have the same accommodations for trucks as the one at Road 4 South, but the Road 4 South roundabout was designed for a future three lane structure, whereas the new ones were desgined for two lanes only.
- ADOT will maintain these roundabouts.
- ADOT's next steps were to start meeting with business and property owners, hold public meetings in December or January, and start the final design in the spring.
- At the Town's request, ADOT was working with staff on putting sleeves under the intersections for future utilities.

Public Comment:

Ralph Morrison, owner of Morrison Motors, located at the Perkinsville intersction, preferred any solution other than a roundabout, as the construction period and possible accidents in the roundabout would negatively affect his business. Mr. Stump stated that ADOT could consider doing construction at night; they would have measures to control dust, and a signal would require them to take his sidewalk and limit left turns out of his property.

LuAnn Neitchman asked about future truck traffic on Perkinsville related to development of the shooting range and industrial park. Mr. Stump stated that the structure was designed to accommodate such truck traffic.

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 speaker remarks.

Craig Brown, on behalf of the Paulden Area Community Organization, spoke about "Viva la Verde," a movie on the Verde Rider being shown in Paulden on October 12.

Jim Klein, resident, spoke about several subdivisions platted in 2007 that were never developed and asked about zoning reversions on those properties. Mayor Marley asked the town manager to look into that.

Tom Payne, on behalf of the Chamber of Commerce, spoke about the next Chamber luncheon on October 10.

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 recent meetings of the Northern Arizona Council of Governments Economic Development Committee and Yavapai Regional Medical Center Board of Electors.

Councilmember Croft reported that the October 9 Roads and Streets Committee meeting was being rescheduled due to lack of a quorum.

Councilmember Best reported on the next Public Safety Committee meeting to be held October 18.

a) Presentation regarding Town wide managed print services. (Spencer Guest, I.T. Specialist)

Mayor Marley reported that this item was being postponed.

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.

7) ACTION ITEMS

a) PUBLIC HEARING regarding Resolution No.12-1000, proposing an extension of the alternative expenditure limitation—home rule option. (Joe Duffy, Finance Director)

Mr. Duffy reported that:

- On June 3, 1980, Arizona voters approved Arizona Constitution, Article IX, §§20 and 21, prescribing an expenditure limitation for each county, city, town, and community college district to control expenditures and limit future increases in spending. The state formula developed in 1980 to determine this spending cap did not depend upon actual revenues received not did it let local elected officials set the spending cap based on services needed for citizens.
- The Town was under the state-imposed expenditure limitation until 1985, when Chino Valley citizens voted to approve the Alternative Expenditure Limitation (Home Rule option), which allowed for local control whereby the Council would set the spending cap every year. The Town had operated under Home Rule since 1985 and the Town's current option would expire in June 2013.

- Home Rule was only one of the alternative expenditure options for voters; the other most common one was the permanent base adjustment, which would allow the Town to permanently change the state's base amount used to formulate the spending limit. Of the 90 Arizona municipalities, 62% were under Home Rule, 25% were under permanent base, and 13% were under the state limit. Staff recommended the Home Rule option for the Town.
- Under the state formula, the Town could only spend $5,907,000 in Fiscal Year 2013/2014, whereas the Town projected to receive $14,564,000 in revenues, resulting in the Town not being able to spend 59% of its revenues and having to cut most services. The unused funds would remain in the bank. A "yes" vote will allow the Town to set its spending cap based on actual revenues and local needs for the next four years, while a "no" vote will require the Town to set its spending cap based on the state formula for at least the next two years.
- The Town was authorized to utilize whatever means it chose to present the facts and educate the public, but was prohibited by law from expending Town funds to influence the outcome of an election regarding alternative expenditure limitation.
- This was the first of two required public hearings; the second one will be on October 18. Should Council approve Resolution No. 12-1000 on October 18, staff will place the Home Rule extension proposal on the March 12, 2013 ballot. Should Council not approve the Resolution, the item will not be placed on the ballot and the Town's expenditure limitation will revert back to the state-imposed limitation.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to open the public hearing.
Vote: 7 - 0 PASSED - Unanimously

No one from the public spoke.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to close the public hearing.
Vote: 7 - 0 PASSED - Unanimously

b) Consideration and possible action to approve the modification of the Intergovernmental Agreement between the Town of Chino Valley and the Arizona Department of Transportation (ADOT) to allow the Town of Chino Valley to contract with Jon Hair for the delivery of three equine sculptures. Funds in the amount of $250,000 to come from ADOT reimbursement. (Ron Grittman, Town Engineer)

Acronyms used in this item:
IGA (Intergovernmental Agreement)
ADOT (Arizona Department of Transportation)

Mr. Grittman reported that:

- On January 11, 2011, the Town approved an IGA with ADOT for the State Route 89 Sidewalk and Landscaping project. ADOT was proposing to add responsibilities to both parties in that the Town will contract directly with Jon Hair for acquisition of the equine sculptures and ADOT will reimburse the Town in the amount of $250,000 for these services.
- In addition, the Town added clarifications as to how the monies would be dispersed. Both the Jon Hair professional services agreement and the ADOT IGA modification

provided that the Town will not disperse any funds until actual cash was received from ADOT. The artist was aware of this stipulation and had agreed to the restrictions. ADOT also reviewed the invoicing strategy proposed by the artist and did not foresee any issues.
- Once approved, Mr. Hair will present his conceptual design to a design committee and then Council. The statues will be in the roundabout at Road 4 South, while the proposed entrance monument would be placed on the side of the highway.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the modification of the intergovernmental agreement between the Town of Chino Valley and the Arizona Department of Transportation to allow the Town of Chino Valley to contract with Jon Hair for the delivery of three equine sculptures with funds to be reimbursed from ADOT.

Vote: 7 - 0 PASSED - Unanimously

c) Consideration and possible action to approve the Professional Services Agreement between the Town of Chino Valley and Jon Hair Studio of Fine Art in an amount not to exceed $250,000.00 for the construction and placement of three monumental bronze equine sculptures within the round-about at Outer Loop Road and State Route 89. The Town will be reimbursed from ADOT for all expenditures for this project; funds will be accounted for in the Grant Fund. (Ron Grittman, Town Engineer)

Mr. Grittman reported that:
- The relationship between this item and 7b was to provide for a pass-through funding situation in that 7b allowed ADOT to reimburse the Town, while this item allowed the Town to pay Mr. Hair.
- On May 27, 2010, the Town entered into a professional services agreement with Stanley Consultants to provide design and construction plans for installation of a five-foot sidewalk and landscaping along State Route 89 between Center Street and Road 4 South/Outer Loop Road. Included in this landscaping was the installation of three full size equine sculptings.
- In February 2011, Stanley Consultants completed the construction plans and specifications for the project, including a lump sum price of $250,000 to provide three full size equine sculptings to be placed in the center of the existing roundabout located at Road 4 South/Outer Loop Road.
- On August 8, 2012, ADOT requested that the Town contract directly with Jon Hair Studio of Fine Art, LLC., for these services. ADOT will reimburse the Town $250,000 for the cost of the statues, and in order to maintain the Town's financial stability, the Town will pay Mr. Hair only after ADOT's reimbursement.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the professional services agreement between the Town and Jon Hair Studio of Fine Art in an amount not to exceed $250,000 for the construction and placement of three monumental bronze equine sculptures within the round-about at Outer Loop Road and State Route 89.

Vote: 7 - 0 PASSED - Unanimously

d) Consideration and possible action to approve the Professional Services Agreement between the Town of Chino Valley and Lyon Engineering for the design of the flood control project at Road 3 North at Town Hall in an amount not to exceed $52,075. The Town will be reimbursed 100% from the Yavapai County Flood Control District. (Ron Grittman, Town Engineer)

Mr. Grittman reported that:

- On January 11, 2012, the Town submitted five flood control projects to the Yavapai County Flood Control District ("District") for consideration of funding. On July 23, 2012, the County notified the Town that they would fund three flood control projects over the next three years, including the subject project.
- The project will incorporate a series of modular box culverts that were purchased by the Town in approximately 2004 and Lyon Engineering ("Lyon") will complete the design and work with the Town on the relocation of conflicting utilities in order to assure that the project will be constructed within the existing fiscal year.
- Because of concerns brought up by local residents, Lyon will design the proposed channels in accordance with the approved Appaloosa Meadows subdivision. Specific attention will be focused on assuring that the proposed stormwater system had the ability to restrict any increase in stormwater volume to the Appaloosa Meadows subdivision and will assure that ample backwater capabilities were achieved.
- Staff anticipated a springtime bid with completion by June 30, 2013.
- These flood control monies came from the Town's citizens, paid through their County property taxes. The Town had not received any funding from the District in many years, but due to the joint efforts of citizens and Town officials, the Town was now receiving funding for these projects.

Councilmember Hatch acknowledged a community member who called her every day during her candidacy to ask about this these funds.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the Professional Services Agreement between the Town of Chino Valley and Lyon Engineering for the design of the flood control project Road 3 North at Old Town Hall in an amount not to exceed $52,075.

Vote: 7 - 0 PASSED - Unanimously

e) Consideration and possible action to approve the Professional Services Agreement between the Town of Chino Valley and Stroh Architects for the design of the modifications to the old Town Hall building to be converted into an expansion of the Chino Valley Library in an amount not to exceed $16,000. Funds to come from Library Impact Fees and additional funds will be available from the Yavapai County Library District. (Ron Grittman, Town Engineer)

Mr. Grittman reported that:

- Approximately 18 months ago, the Town Council chambers were relocated to the 202 South State Route 89 facility, followed by administration personnel about six months ago. This move freed up space in the old Town Hall building, located at 1020 W. Palomino Road.
- Several alternatives had been analyzed in the past for the best use of this facility. In the past, staff contemplated moving the Police Department there; however, they found it was not viable because of how Voss Road would bisect the necessary coordination between the existing police building and the old Town Hall building. Likewise, a space analysis showed that there was not sufficient office space to accommodate Public Works and Development Services operations.
- As the Library also needed extra space, staff was proposing to allow the Library to expand into much of this facility. GIS and IT Divisions will stay on the west side and the Friends of the Library could continue to use the old council chambers for a time, and then it could be used as a community room.

- Stroh Architects will prepare construction and other documents necessary to put the project out for bid. They will also prepare a cost estimate of the project to assure that it was within budget.
- Impact Fee funds, as well as contributions by the County Library District, will fund the renovation.

Town Manager Robert Smith added that:

- Although other departments were still struggling with space, the Library was the only department with any funds for renovation, which could not be spent on anything else, and staff preferred to put the space to use.
- Staff had discussed several alternatives for the Police, Development Services and Public Works Departments, but had no solid recommendation yet, although he desired to have Public Works and Development Services closer to Administration.
- As the Police facility needed a division of space between investigation and detectives and it did not have enough space to serve the officers on patrol, they were still hoping to take over the Community Development building. Once the Food Bank will have relocated, Police expected to use that facility for evidence storage.
- The architect had been instructed to allow for isolation of the old chambers and restrooms for use by the Town or public. If the Town determined that it needed the old council chambers, it would be able to use it, but if the Library took it over, the Town would have to trade for use of its space later. In considering the needs of the community, staff intended for it to be used by the Library first, then the public or Town.

Council expressed some concern about keeping part of the space available for emergencies or other Town needs.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the Professional Services Agreement between the Town of Chino Valley and Stroh Architects for the design of the modifications to the old Town Hall building to be converted into an expansion of the Chino Valley Library in an amount not to exceed $16,000.

Vote: 7 - 0 PASSED - Unanimously

f) Report and possible discussion regarding an Open Meeting Law violation and guidelines for Council communications with regard to the Open Meeting Law. (Tom Kack, Town Attorney)

Acronym used in this item:
OML (Open Meeting Law)

Town Attorney Sharon Flack reported that:

- There were two parts to this item: (i) Attorney General conclusions stemming from an OML investigation; and (ii) Council's request for a tutorial regarding email communications for Council and all Town public bodies.
- A number of months ago, a former Town employee filed an inquiry with the Attorney General regarding a potential OML violation with regard to an executive session held in May 2009. The Attorney General examined several executive sessions during a three-year period and concluded that two violations occurred in May 2009 and April 2010.

- The violation in May 2009 was due to the executive session notice citing A.R.S. 38-431.01(A)(1), which governed employment dismissal and salaries, and notice not being provided to the potentially affected emplyees. In addition, the meeting was not properly memorialized, as the staff member tasked with drafting minutes did not do so and later left the Town's employ.
- The violation in April 2010 was due to the executive session notice citing the same subparagraph as above in error. In addition, this meeting was also not memorialized for the same reasons.
- Staff and the Town attorneys needed to carefully consider the topics of proposed executive sessions and make sure correct subsections applied. The Attorney General's proposed resolution to address this matter was to discuss the matter in an open sssion and provide Council with a brief review of the Arizona Agency Handbook with regard to personnel matters and executive sessions.

Ms. Flack then reviewed pertinent portions of the Arizona Agency Handbook, followed by guidelines regarding email and serial communications. Generally, email communications should be treated like they were face-to-face discussions with another member of the public body; emails to more than a quorum should be for informational purposes only with no proposed action or any business of the town; and emails to less than a quorum should include a cautionary statement.

g) Consideration and possible action to approve an upgrade to the Town's Municipal Software as described in the Caselle Clarity Upgrade Software & Services Proposals dated September 12, 2012 for a total amount of $55,425. The Town did not budget for this project this fiscal year; staff recommends using Contingency Funds for this fiscal year's portion of $17,925 and budgeting $22,800 in fiscal year 2013 and $14,700 in fiscal year 2014. (Joe Duffy, Finance Director)

Mr. Duffy reported that:

- Since 1998, the Town had used Caselle "Classic" software for its Financial Accounting and other needs. In 2006 Caselle upgraded its "Classic" version to the new enhanced "Clarity" version. As Microsoft will quit supporting the ACCESS database engine that ran "Classic" and there were several problems incorporating new Town processes with the current version, staff researched the various options.
- Options were to continue with "Classic" and shop around for new software or upgrade to "Clarity." The three main software providers all had good products. The main reason to consider changing was the potential to get features that Caselle did not offer. However, it took a lot of time to vet new software, training was time intensive, conversion would require another full-time staff position, and the cost would be around $200,000.
- Caselle gave a detailed demonstration of the new software to staff, and staff presented it to the Finance Committee. As the upgrade would enable staff to perform many of their tasks more efficently, enable the Town to provide better customer services to its citizens, be done for $55,000, include new modules, and make more data available to the public per new laws effective in January 2013, staff recommended financing the upgrade to "Clarity" over three fiscal years to minimize the financial impact.

Vice-Mayor Tenney, Chair, Finance Committee, believed this would be an efficient use of money for the next several years.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve Caselle Clarity Upgrade Software & Services Proposals dated September 12, 2012 for a total amount of $55,425, using contingency funds for this fiscal year's portion of $17,925; and budget $22,800 for fiscal year 2013/2014 and $14,700 for fiscal year 2014/2015.

Vote: 7 - 0 PASSED - Unanimously

h) *Continued from September 6, 2012:* Continued discussion and possible action regarding User Fee Schedule prepared by Heinfeld & Meech, dated August 2012. (Cecilia Watts, General Services Director)

Ms. Watts reported that the Finance Committee reviewed this item and recommended some revisions for Development Services and Senior Center fees. As these were not yet complete, the Finance Committee desired to review them again, and staff still needed to review fees tied to the Engineering News Record Index, the item needed to be postponed.

i) Consideration and possible action in support of three resolutions presented by the Greater Arizona Mayors Association (GAMA). (Mayor Marley)

Mayor Marley reported that on August 30, 2012, GAMA discussed three resolutions pertaining to repealing HB 2826, the consolidated elections bill; supporting the accelerated sunset of HB 2643, related to police officer duty-related injury; and support for State Parks. The mayors agreed to take these resolutions, or their own versions, to their councils for consideration before GAMA's next meeting on October 12. He then reviewed the subject resolutions.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to instruct the mayor to support repeal of HB 2826, support acceleration of HB 2643, and support state parks funding.

Vote: 7 - 0 PASSED - Unanimously

8) EXECUTIVE SESSION

Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the Town's attorneys on any of the above agenda items pursuant to A.R.S. § 38-431.03(A)(3).

9) ADJOURNMENT

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to adjourn the meeting at 7:43 p.m.

Vote: 7 - 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 9th day of October, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of January, 2013.

Jami C. Lewis, Town Clerk