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

TUESDAY, OCTOBER 23, 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 23, 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; Magistrate John Walker; Town Engineer/Public Works Director Ron Grittman; Utilities Supervisor Chris Bartels; Building Official Dan Trout; Town Clerk Jami Lewis (recorder)

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

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

Councilmember Best gave the invocation followed by Mayor Marley leading the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Proclamation: Red Ribbon Week October 22 through October 26, 2012

Mayor Marley read the proclamation and presented it to representatives from the Chino Valley Elks Club. Anne Benton, Youth Chair, spoke about their drug awareness program, school poster contest, and materials available to the public.

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.

Sally Brown spoke about having difficulty with being able to place a mobile home on her property due to a roadway encroachment. Council recommended that she contact the town manager.

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 reported that on October 9, Jim Klein asked Council to look into a planned area development platted in 2007 but never developed. Staff found several developments in the same condition and was researching it further.

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.

Town Engineer Ron Grittman recognized Cornerstone, a local business, for donating a 1,500 pound slab of sandstone to the Town and reported that staff was using the stone to create a nice entrance to the Town's South Campus.

Mayor Marley announced that candidate packets for the 2013 Council election were now available in the Town Clerk's Office.

Town Manager Robert Smith reported on the Town's budget challenges, the current strategic financial planning process, and staff's recommendations:

- The Town needed to resolve its budget gap and prepare a plan to stay solvent.
- Typical responses to revenue reductions, such as hiring freezes and operations cuts, and drastic responses, such as deep cuts and reductions to employees and citizens, did not fix the problem. Ignoring the problem, deferring needs, or using accounting tricks would only make matters worse.
- The right response was to spend within the means and have a true understanding of costs and financial impacts, which would create financial stability, strengthen the organization, and solve the underlying problem. The Town's desire to seek the right response had resulted in Council's embarking on a short-term strategic plan and initiating priority based budgeting (PBB), which focused on a thorough understanding of revenues, promoting diversification of revenues, planning for rainy days, understanding budget and actual variances, knowing the true costs of doing business, staying sustainable, and basing decisions on a plan.
- Staff was recommending a financial model tool that would help Council and public to visualize current conditions and the results of financial decisions. This tool could be accessed for about $5,000.

Finance Director Joe Duffy added that:

- In the past, he had found PBB to be very useful for Council, staff, and the public; and staff's goal was to start using it as soon as possible for the next budget cycle.
- The Town's current financial strategic planning process was a good step toward initiating PBB, in which the government would state its priorities and all programs would be ranked against those priorities.

- He also recommended that the Town use the framework in the Government Financial Officers Association Handbook for developing its budget.

a) Quarterly Status Report regarding Magistrate Court operations. (Councilmembers Hatch & Croft)

Judge John Walker reported that:

- Court staff had accounted for $10,000 of an unspecified $46,000 found last year in the Court's general account. These funds were from bonds not exonerated and restitution payments not made. Staff hoped to complete its research on the balance within nine months.
- For the first quarter of the fiscal year, they collected about $84,000 with $27,000 of that going to the Town.
- 575 cases were filed—more than the two previous quarters—and civil traffic citations were up 13%.
- As he now had two clerks again, they hoped to initiate some new payment methods for the public in January.

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) Consideration, discussion and possible action to approve Professional Services Agreement with Walker Consulting, effective 7/1/2012 through 6/30/2013. (Cecilia Watts, General Services Director)

The staff report by Ms. Watts stated that the Town's financial struggles over the past several years were complex and needed a certain level of expertise to resolve. Town staff desired to engage Pat Walker of Walker Consulting to manage and develop the Town's Strategic Financial Plan. The agreement included three phases: (i) Council Financial Strategic Workshop; (ii) work with the finance director and the Program Review Committee to develop program budgets; and (iii) develop the Financial Strategic Plan. The Strategic Financial Plan will provide action steps encompassing up to 24 months.

Town Manager Robert Smith reported that Ms. Walker had worked on the current budget for the Town and the upcoming impact fees analysis, and had already begun working on Phase I of this agreement. Ms. Walker had also demonstrated experience and expertise in priority based budgeting (PBB). Key staff will help build the PBB, using Excel and the web-based software described under agenda item 5. Ms. Walker's impact fee work was covered by a separate agreement.

Councilmember Hatch stated that she thought Council had already approved payment for the Council workshop and recommended that, if that was so, that amount be excluded from the motion.

Mayor Marley also noted that a date error in agreement's terms had been corrected.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to approve Professional Services Agreement with Walker Consulting beginning July 1, 2012 and effective through June 30, 2013 for Financial Strategic Planning Services in an amount not to exceed $28,340, with the priviso that the Town may have prevously approved some payments for the retreat.

Vote: 7 - 0 PASSED - Unanimously

b) Consideration and possible action to approve the copier usage agreement for managed print services with Arizona Office Technologies (AOT). (Spencer Guest, IT Specialist)

Mr. Guest reported that:

- When he and the town Clerk staff began to evaluate a replacement copier for Town Hall, the town manager had asked them to look into Managed Print Services (MPS) for the whole Town, which would involve outsourcing management, responsibility, maintenance, and improvements of hard copy devices.
- Benefits of MPS included standardized devices organization wide, having a balanced volume of equipment, keeping up with technology, and removing maintenance headaches from staff.
- Cost analyses had demonstrated that MPS would cost the same or lower than the Town's current expenses.
- The proposed contract with Arizona Office Technologies would result in the Town receiving several new devices and some being retired or relocated, and some changes in staff procedures.

Council asked staff to look into a fuel charge on the lease agreement and to provide them with specific costs and timeframes.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to postpone item 7b.

Vote: 7 - 0 PASSED - Unanimously

c) *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:

- Heinfeld and Meech conducted a User Fee Study that was presented to Council at a Study Session on September 6, 2012. This was the first time the Town had a Town wide fee study done.
- At the study session, several departments made additional recommendations for some or all of the fees based on their experience within their departments and the perception of their market. As building inspection staff had not yet had a chance to present their fees, Chief Building Official Dan Trout was present to do so.
- Staff had drafted a resolution for approval, should Council be ready to adopt the fee schedule. With approval tonight, staff was required to post the new fees on the Town website for 60 days, and the new fees would be effective January 1, 2013.
- The proposed schedule in the packet included three new fees for grading permit text amendments, election pamphlet arguments, and park lighting, as well as some Senior Center fees beng simplified at the request of the Finance Committee.

Mr. Trout related that the Finance Committee had asked him to re-evaluate the building fees to be more in line with those of the Town's neighboring entities. As Heinfeld Meech did not calculate permit fees per square foot, staff reworked the numbers per square foot, which reduced the fees by 25%. While some component fees were higher than the other entities' and others were lower, the overall permit fee was more in line with the Town's neighbors. Once staff had some history with the new fees, they intended to revisit the matter and make adjustments. They also wanted the fee structure to be clear to the public.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to approve the consolidated user fee schedule to be effective January 1, 2013.

Vote: 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to amend his motion to adopt Resolution 12-1001 to approve the fee schedule.

Vote: 7 - 0 PASSED - Unanimously

d) Discussion and possible action to approve the Town Council Citizen Survey (Cecilia Watts, General Services Director)

Ms. Watts reported that:

- During a study session on August 6, 2012, Council requested that staff develop a citizen survey to receive feedback from the citizens regarding the Town's financial challenges and some of the proposed solutions.
- Past surveys resulted in the following priorities: ambulance services, roads and streets, and community swimming pool (1993); water rights, streets and roads, and law enforcement (2001 and 2002); responsible growth, water and sewer, and Highway 89 and roads (2004).
- Staff, Mayor Marley, and Vice-Mayor Tenney developed two versions of a two-page survey with five questions, as well as a cover letter from the mayor.
- Surveys will be mailed out to all registered voters within Chino Valley; currently the Town had 5,775 registered voters. The estimated cost was between \$5,000-\$6,000.
- A token will be attached to each survey to ensure that only one survey was returned per registered voter. Voters will be able to fill out the survey and mail it back, drop it off at select points, or fill it out on-line.
- With tonight's approval, the survey should be mailed out in early November and staff hoped to have the results for the December 11 Council Meeting.

Council reviewed the cover letter and questions and suggested various changes to questions 1, 3, and 4. They also asked staff to let citizens know where public computers were available.

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Darryl Croft to approve the citizen survey draft 3 as amended.

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).

a) Council may vote to hold an executive session pursuant to Arizona Revised Statutes § 38-431.01(A)(3), discussion or consultation for legal advice with the attorney or attorneys of the public body, and/or § 38-431.01(A)(4), discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding a pre-annexation development agreement that is the subject of pending litigation, *Cortez Enterprises v. Town of Chino Valley* , CV 2006-1407, Yavapai County Superior Court, including but not limited to the Oct 10, 2012 mediation. (Mark Drutz, Town Attorney)

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Linda Hatch to go into executive session at 8:12 p.m.

Vote: 7 - 0 PASSED - Unanimously

Mayor Marley reconvened the meeting into open session at 9:08 p.m.

Council took no action on item 8a.

9) ADJOURNMENT

MOVED by Vice-Mayor Carl Tenney, seconded by Councilmember Mike Best to adjourn the meeting at 9:09 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 23rd 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