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

TUESDAY, OCTOBER 25, 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, October 25, 2011.

Mayor Marley called the meeting to order at 6:02 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 Chief Pat Huntsman, Police Commander Chuck Wynn, Town Engineer/Public Works Director Ron Grittman, Development Services Director Pat Clingman, Recreation Manager Shannon Gansz; Town Clerk Assistant/Records Technician 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) Introduction of newly-appointed members to the Municipal Property Corporation, Parks and Recreation Advisory Board, and Senior Center Advisory Board. AND TRANSIT ADVISORY COMMITTEE.

Town Clerk Jami Lewis introduced the newly-appointed members of the subject public bodies.

2b) Presentation by Pam Pearsall, Yavapai County Assessor, regarding new legislation related to primary occupancy.

Ms. Pearsall presented information about how property taxes were assessed in Yavapai County, recent legislative changes, and classification changes.

3a) CALL TO THE PUBLIC

Ab Jackson, CEO, Chino Valley Area Chamber of Commerce, spoke about the upcoming Citizen's Academy graduation, Winter Wonderland, and Hometown Chino Christmas.

Clay Houghton with APS' Forestry Department spoke about upcoming vegetation management and line clearance activities in early 2012.

3b) RESPONSE TO THE PUBLIC

Mayor Marley had nothing to report.

4) CURRENT EVENT SUMMARIES AND REPORTS

Councilmember Best reported on the recent League Resolutions Committee meeting and the State's efforts to change the tax sharing process.

Mayor Marley read the Monthly Mayor's Report, which pertained to a current review of the Town's noise ordinance and participating in an Army National Guard training exercise.

4a) Report by Shannon Gansz, Recreation Manager, regarding Recreation Department operations.

Ms. Gansz reported on:

- The extended pool season.
- Recreation Department staffing.
- Current projects: Halloween Trick or Treat Party, monthly pre-teen nights, fall softball leagues, and Parks and Recreation Advisory Board by-laws revisions.
- The school district rescinding their facility use agreement with the Town.

Vice-Mayor Tenney suggested that staff continue dialoguing with the school district to see what could be done.

CONSENT AGENDA

5) Approve the Financial Report for two months ending August 31, 2011 for fiscal year 2011/2012. (Vera Smith, Finance Director)

6) Consideration and possible action to approve James Hancock and Michael Murphy as the pool of arbiters to fulfill the requirement of Town of Chino Valley Personnel Policy dated September 12, 2002, Policy No. 815 "Binding Arbitration," Revised April 2, 2003, Section III(B). (Cecilia Watts, General Services Director)

Vice-Mayor Tenney announced that Ms. Smith had received her CPA certificate.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to accept Consent Agenda items 5 and 6. The motion PASSED unanimously 7-0.

ACTION ITEMS

7a) PUBLIC HEARING regarding application from Heidi Husk for a new Series 12 (Restaurant) Liquor License for CD's Cattle Co., located at 1150 N. Highway 89 in Chino Valley. (Jami Lewis, Town Clerk)

Mrs. Lewis reported that the Police and Planning Departments reviewed the application for CD's Cattle Co. and recommended approval with no comments. Staff posted the establishment with the necessary notices to meet the required 20-day period from September 22, 2011 through October 25, 2011. Staff received no written arguments in favor of or in opposition to the application.

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.

7b) Consideration and possible action to approve application from Heidi Husk for new Series 12 (Restaurant) Liquor License for CD's Cattle Co. (Jami Lewis, Town Clerk)

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to approve application for a new Series 12 Liquor License transfer for CD's Cattle Co. The motion PASSED unanimously 7-0.

8) Discussion and possible action relative to authorizing staff to: (a) solicit professional assistance from Ostrander Consultants, Inc. to draft a Section 5311 Grant Application for State Fiscal Year 2012/2013 should Council elect to proceed with applying for the said grant; (b) proceed with hiring part-time staff to manage operations and administrative functions of the Town's Transit Program; (c) implement Ostrander Consultants, Inc. recommended service modifications to migrate from a "Flexi-route" program to a "Dial-a-Ride" service; and (d) explore other service delivery models for possible implementation on July 1, 2012. The current ADOT Fiscal Year (FY) 2011/2012 5311 grant budget includes funding for two types of positions whose functions are: (a) to administer and operate the transit system, and (b) to provide dispatch services and other routine operational tasks. The funding made available in the FY 2011/2012 grant is as follows: $10,500 for a part time Transit Program Administrator and $13,500 for a part time Transit Clerk whose duties would include providing dispatch services for the program. The positions in question have a local match requirement which will be met by drawing funds from the Town's LTAF II account as well as a small amount being drawn from the Town's general fund. (Michael Scannell, Town Manager)

Town Manager Michael Scannell reported on several Transit matters:

<u>FFY 2012/2013 Grant Application</u>

- ADOT's Section 5311 Grant application for Federal Fiscal Year 2012/2013 would be due December 2, 2011. Should Council elect to proceed with submitting a grant for that period, the Town would need to seek assistance, as Jason Kelly, who authored the two prior proposals, will not be available to assist with the subject grant.
- Ms. Amy Ostrander, a transit consultant who worked extensively with ADOT, had indicated that she could be available to prepare the grant application.
- At staff's request, ADOT seemed to indicate that they would likely step forward to assist the Town with grant application preparation and possibly fund the grant writing expense. If ADOT did so, the Town's general fund would not shoulder any expense relative to preparing the grant application.

<u>Transit Program Staffing</u>

- Since July 2011, the transit program had essentially been operated by volunteers, while administrative functions were shared by part-time and full-time personnel. This current staffing configuration was insufficient to properly manage the program.
- As such, the Town may want to consider hiring qualified personnel to operate and administer the program on a part-time basis. The current, approved grant included sufficient funding to pay for these positions.

<u>Transit Program Evaluation</u>

- Ostrander Consultants reviewed the Town's transit program in March and September 2011. During her original review, Ms. Ostrander recommended that the transit program serve a minimum of 2.0 passenger trips per service hour by end of summer 2011. Present ridership was 1.47 per hour.
- Ms. Ostrander was of the opinion that under the current flexi-route program configuration, the current ridership did not meet the recommended ridership levels and thus recommended that, if the Town was to continue offering transit services, it should reconfigure the program into a more customer-centric Dial-a-Ride operation.

- If the Town moved to the Dial-a-Ride model, there was no assurance that ridership levels will increase to the levels that would support continued operations, however, the program's operating expenses should decline as a result of achieving a more efficient utilization of the transit system's rolling stock.

<u>Transit System Future</u>

- The Town was struggling with myriad demands and inordinate financial pressures. While initiating a Transit Program was a laudable goal, staff believed that the program was never properly staffed and had, since its inception, drawn staff resources away from the Town's normal service delivery activities.
- Staff continued to advance the recommendation that the Transit Program be transitioned to a Not for Profit governance model. Should the Town not be able to achieve his, Council might consider terminating the delivery of transit services.
- Continuing to deliver transit services in the face of the limited ridership levels could be construed as not being in the Town's best interest.

Questions asked and staff responses were as follows:

- *General Fund expenses:* These were 25% of any LTAF 2 funds used—currently 25% of $14,000. As LTAF 2 funds will be impacted soon, the general fund would be further impacted if the program were to continue and/or the Town had to start paying drivers.
- *Role of Transit Advisory Committee (TAC):* Staff needed boundaries and guidance from Council regarding the committee's authority to waive fees and fares, among other things.
- *Transitioning to not-for-profit:* This might make sense, but there was no guarantee that one would be willing to step up. Ridership will probably not grow with the current limited hours of operation and the current volunteer system was in peril, as no new drivers were volunteering.
- *Applying for grant funds for next FY:* There was no downside to applying, and if awarded, the Town did not have to accept it. Staff had heard unofficially that ADOT was willing to fund Ms. Ostranders effort to prepare the grant. If ADOT did not fund her, the Town would have to. He will discuss various program scenarios with Ms. Ostrander.
- *Operations issues:* Staff's main concern was lack of manager oversight of program. 10-12 hours per week was not enough. Mr. Kelly was only working on the grant and he had 12 hours in one month, and Mr. Smith had 15 in one month. Hopefully, the grant application will answer those questions.

Ron Romley, TAC Chair, reported that:

- Ms. Ostrander and other similar systems stated that it took at least three years to establish transit.
- TAC favored three of the manager's recommendations. They preferred the not-for-profit model and were already looking into it.
- They had setbacks in the last year, but they had not missed a route and the public was starting to realize the service was available.
- The Town had money until the middle of 2013 and they were asking Council to give them a chance.

Council discussion:

- Concerns included: Town budget, long term funding of the program, unknown factors with new grant, and how long it should take before determining whether or not the program was viable.
- They generally believed the program should be under one hired employee.
- They asked staff to provide information on program options; a census or survey of riders' names, addresses, times and drop-off/pick-up points; an expanded data set.

Public Comment:

Paul Edina suggested that the group research when and where workers and students needed transport. Mayor Marley noted that there were some legal issues with transporting school children.

Ab Jackson with the Chamber of Commerce supported giving the system a chance to work and encouraged local shopping.

Finance Director Smith reported that applying for the grant had no risk and there was no way to know the full impact until the analysis was done. The committee should factor in paid drivers and hiring a full-time person including benefits.

Council discussed each of the above four issues separately.

FFY 2012/2013 Grant Application

Mr. Romley stated that TAC supported this item.

Council generally supported keeping the options open and going forward with the application.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to authorize staff to engage Amy Ostrander of Ostrander Consulting to prepare a grant application for ADOT's 5311 Program for the federal fiscal year beginning October 1, 2012, said application being due to ADOT no later than December 2, 2011; and authorize Mayor Marley to sign and transmit the grant application to ADOT upon its completion. The motion PASSED unanimously 7-0.

Transit Program Staffing

Mr. Romley stated that TAC supported this item.

Mr. Scannell believed that a part-time position less than 19 hours per week would be sufficient and he believed this cost would stay below the allocation.

Council suggested that TAC disclose the direction of the program to applicants.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to authorize the Human Resources Department to recruit and establish a list of qualified applicants for subsequent hire for the position of Transit Clerk and Transit Administrator; in addition, grant the Town Manager the discretion to merge the two positions in question if he believes that doing so would be in the best interest of the program and provided that said merger of the positions comports with the ADOT 5311 grant guidelines. The motion PASSED unanimously 7-0.

Transit Program Evaluation

Mr. Romley stated that TAC did not support reconfiguring the program, as (i) ridership was increasing, going to the mall opened up a whole new avenue for service, Town stops were increasing, and the system was still constantly evolving; (ii) the drivers and TAC were committed to the program and had been for two years; (iii) per Ms. Ostrander's report, TAC and the volunteer drivers provided adequate, safe, and reliable services; (iv) previous dial-a-ride services ran out of money before the year was up; they were already operating as a dial-a-ride in some instances; and dial-a-rides cost more money than the bus.

Tom Armstrong, TAC member stated that they could get the data Council desired; he believed there were 10-12 persons who rode the bus consistently.

Mr. Scannell stated that staff's recommendation was driven by the data provided by transit personnel.

Council discussion:

- They needed the data previously requested to make an informed decision. Until then, they needed to consider alternatives, such as part-time dial-a-ride and part-time transit, as there were reasons to maintain both types of services.
- Some wanted to give the system a chance for success.
- Council could defer the research to the new manager.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to direct that staff work with the Transit Advisory Committee to consider a Dial-a Ride option for the transit program, gather the necessary data and bring a report back to Council within 90 days. The motion PASSED unanimously 7-0.

Transit System Future

Mr. Romley stated that TAC supported all but the last statement on this item. The current grant was effective through October 1. Transit would never pay for itself and the annual cost was about $80,000 per year.

Mr. Scannell reported that staff was working with Council to identify the Town's core competencies, as its fiscal challenges would be even greater next year. He did not believe the Town was the proper delivery for this service, which was a legitimate candidate for a not for profit, like those in Payson and Bisbee.

Council discussion:

- TAC needed to be determine how the not for profit model would work and begin soliciting proposals to start the next fiscal year.
- Continued postponing of the item made it harder to resolve things.
- Council had until September 30 to make a cut if necessary; until then, they could keep all options on the table.
- Council needed more data and a report on transitioning to a not for profit within the next 90 days.
- Council asked staff to find out if the remainder of the current grant could be transferred to a not for profit.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to direct the town manager and/or designee to solicit proposals from current or potential not for profit organizations for management of the transit system for the next federal fiscal year and bring back a report in the next 90 days. The motion PASSED unanimously 7-0.

9) Consideration and possible action to amend Town of Chino Valley Personnel Policy, dated September 2002, Policy No. 700 "Vacations" to increase employee vacation leave bank accrual limits from 240 hours to 320 hours, effective immediately. Upon an employee's termination of employment, there is an additional fiscal impact relating to the unused accrual balance. The impact is usually somewhat offset by the timing gap between when a position is terminated and when it becomes filled. If approved, the difference in the maximum payout upon termination could potentially increase by 80 hours. (Cecilia Watts, General Services Director)

General Services Director Cecilia Watts reported that:

- Chino Valley Personnel Policy No. 700 "Vacations," dated September 12, 2002, Section V(B) provided for vacation accural rates and a maximum vacation accrual of 240 hours, calculated at December 31 of each year. Vacation hours accrued in excess of 240 at December 31 were eliminated from the books unless the employee had made prior arrangements with the supervisor to take such vacation hours within the next six months.
- Many employees, for various reasons, were accruing vacation leave at rates at which they may lose some of their earned vacation if not used by the end of this calendar year.
- Of 85 full-time equivalents (FTE), nearly 53% of them could potentially accrue the maximum amount of vacation accrual and potentially lose some of their earned vacation.
- Reasons for this included: Difficulty in taking time off due to the furlough structure; many of the Town's employees being with the Town over five years and accruing vacation leave at a higher rate; employees increasing vacation and sick leave time for a cushion after the Town dropped the Short Term Disability benefit two years ago; and less need to use leave time since offices were closed on Fridays.
- Staff researched vacation accruals allowed by West Yavapai County public entities and based upon this, staff believed that the Town's vacation accrual amounts were too low and was recommending that vacation hours be allowed to accrue to a maximum of 320 hours annually.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to amend Town of Chino Valley Personnel Policy, dated September 2002, Policy No. 700 "Vacations" to increase employee vacation leave bank accrual limits from 240 hours to 320 hours, effective immediately. The motion PASSED unanimously 7-0.

10) Consideration and possible action to adopt Resolution No. 11-972, establishing a Mayor's Ad Hoc Water Stewardship Committee. (Jami Lewis, Town Clerk)

Town Clerk Jami Lewis reported that the Mayor desired to establish a committee to research methods and opportunities for water conservation, aquifer recharge, and rain harvesting in order to preserve the Town's natural resources. The committee will be comprised of the Mayor, acting as chair, and four members of the community. It will meet once per month and will report results of its research to Council.

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to Adopt Resolution No. 11-972, establishing a Mayor's Ad Hoc Water Stewardship Committee, and direct staff to begin recruitment process to fill the four (4) public positions. The motion PASSED unanimously 7-0.

11) Consideration and possible action to adopt Resolution No. 11-973, establishing a Mayor's Ad Hoc Flood Control Committee. (Jami Lewis, Town Clerk)

Town Clerk Jami Lewis reported that the Mayor desired to establish a committee to research methods of diversion, retention, and reuse of storm water in the Chino Valley area. The committee will be comprised of the Mayor, acting as chair, Councilmember Linda Hatch, and three members of the community. It will meet once per month and will report results of its research to Council.

Vice-Mayor Tenney MOVED, seconded by Councilmember Croft, to Adopt Resolution No. 11-973, establishing a Mayor's Ad Hoc Flood Control Committee, and direct staff to begin recruitment process to fill the three (3) public positions. The motion PASSED unanimously 7-0.

12) Consideration and possible action to adopt Resolution No. 11-974, establishing a Mayor's Ad Hoc Alternative Energy Committee. (Jami Lewis, Town Clerk)

Town Clerk Jami Lewis reported that the Mayor desired establish a committee to research and encourage alternative energy usage in the Chino Valley area. The committee will be comprised of the Mayor, acting as chair, Councilmember Linda Hatch, and three members of the community. It will meet once per month and will report results of its research to Council.

Vice-Mayor Tenney MOVED, seconded by Councilmember Croft, to adopt Resolution No. 11-974, establishing a Mayor's Ad Hoc Alternative Energy Committee, and direct staff to begin recruitment process to fill the three (3) public positions. The motion PASSED unanimously 7-0.

13) Consideration and possible action to rescind and/or appoint an applicant to the Board of Adjustment and appoint an applicant to the Planning and Zoning Commission. (Jami Lewis, Town Clerk)

Town Clerk Jami Lewis reported that:

- The Council Appointments Committee met on September 20, 2011 to review applications to fill positions on several public bodies and presented their recommendations to Council on October 11, 2011. At that meeting, Council voted 4-3 to refer the committee's recommendation for the Planning and Zoning Commission back to the committee for further review.
- As the person whom Council appointed to the Board of Adjustment on October 11 had also applied for the Planning and Zoning Commission, staff recommended that an option be available for Council to rescind its appointment to the Board of Adjustment and appoint someone new should that person be the selected appointee to the Planning and Zoning Commission.

Councilmember Hatch MOVED, seconded by Vice-Mayor Tenney, to appoint Michael Edmonds to Planning and Zoning Commission to fill the vacancy on Planning and Zoning Commission. The motion PASSED unanimously 7-0.

Councilmember Hatch MOVED, seconded by Councilmember Croft, to rescind appointment of Michael Edmonds made last week to the Board of Adjustment and appoint Candy Blakeslee to fill the open position. The motion PASSED unanimously 7-0.

EXECUTIVE SESSION

14a) Council may vote to hold an Executive Session pursuant to A.R.S. §38-431.03(A)(3) and (A)(4) to obtain legal advice and consider its position and instruct its attorneys regarding negotiations and a potential agreement between the Town and Sun Edison LLC regarding the dedication and improvement of certain road(s) and/or other considerations between the Town and Sun Edison. (Tom Kack, Town Attorney)

14b) Consideration and possible action with regard to approving an agreement or accommodation with Sun Edison, LLC regarding roads, access, clarifications, corrections, and development issues.

Town Attorney Tom Kack reported Council addressed item 14a and 14b last week, so no executive session was needed. The new contract with the Sun Edison settled the dispute and the associated ordinance did not need to be modified.

15) Council may vote to hold an executive session pursuant to A.R.S. § 38-431.03(A)(3) and (A)(4) and (A)(7) to obtain legal advice from its attorneys and designated representatives and to consider its position and instruct its attorneys, or other designated representatives, regarding Yavapai County's request to purchase property for a Waste Transfer Station on Town Property to be located in or about "Old Home Manner." (Chris Marley, Mayor)

Town Attorney Tom Kack reported that this item did not need discussion.

16) ADJOURNMENT

Vice-Mayor Tenney MOVED, seconded by Councilmember Hatch, to adjourn the meeting. The motion PASSED unanimously 7-0 at 8:13 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 25th day of October, 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

Jami C. Lewis, Town Clerk