



Town of Chino Valley

MEETING NOTICE TOWN COUNCIL

**REGULAR MEETING
Tuesday, October 27, 2015
6:00 P.M.**

**Council Chambers
202 N. State Route 89
Chino Valley, Arizona**

AGENDA

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

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a.** Proclamation declaring November 2015 as "Charitable Tax Credit Giving Month," sponsored by Yavapai Big Brothers Big Sisters. (Mayor Marley)
- b.** Presentation by Jim Arroyo regarding Oath Keepers. (Mayor Marley)
- c.** Presentation by Karolyn Ericson, InHouse Trainer Services, regarding the Core Values adopted by Town staff. (Cecilia Grittman, Assistant Town Manager)
- d.** Presentation regarding the Aquatic Center's financial and operating results and related information. (Joe Duffy, Finance Director)

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.

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.

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 reports by Mayor and Council regarding current events.
- b. Status report by Town Manager Robert Smith regarding Town accomplishments, and current or upcoming projects.

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.

- a. Consideration and possible action to adopt Resolution 15-1066, authorizing the conveyance of certain real property in settlement of Cortez v. Town of Chino Valley. (Phyllis Smiley, Town Attorney)
- b. Consideration and possible action to approve Financial Report for the three months ending September 30, 2015. (Joe Duffy, Finance Director)
- c. Consideration and possible action to accept the October 13, 2015 regular meeting minutes. (Jami Lewis, Town Clerk)
- d. Consideration and possible action to accept the October 15, 2015 study session minutes. (Jami Lewis, Town Clerk)

7. **ACTION ITEMS**

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

- a. Discussion of existing Medical Marijuana regulations and proposed amendments thereto; take public comment on proposed changes. (Mayor Marley; Vice-Mayor Croft)

Recommended Action: Direct staff to proceed with the proposed schedule.

- b. Discussion and possible action regarding (i) the USDA WIFA refinance, and use of savings/proceeds to fund Center Street sewer extension, and (ii) the Town 's water and sewer extension, buy-in fee and connection policies. (Robert Smith, Town Manager)

Recommended Action: Consider, discuss and possibly direct staff to take action relative to (i) the USDA WIFA refinancing project and/or the sewer extension project and (ii) code requirements relative to sewer extension, fees and connection policies.

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.

9. ACTION ITEMS RESUMED

After the Executive Session, Council will reconvene the Regular Meeting.

10. ADJOURNMENT

Dated this 23rd day of October, 2015.

By: **Jami C. Lewis, Town Clerk**

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 711 (Telecommunications Arizona Relay Service) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting.

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at <http://www.chinoaz.net/agendacenter> and in the Public Library and Town Clerk's Office.

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date: _____ Time: _____ By: _____

Jami C. Lewis, Town Clerk

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 2. a.

Meeting Date: 10/27/2015
Contact Person: Liz Hart, Deputy Town Clerk/Records Technician
Phone: 928-636-2646 x-1210
Department: Council
Estimated length of Staff Presentation: 5 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Proclamation declaring November 2015 as "Charitable Tax Credit Giving Month," sponsored by Yavapai Big Brothers Big Sisters. (Mayor Marley)

SITUATION & ANALYSIS:

Yavapai Big Brothers Big Sisters (YBBBS) desires to encourage the community to keep tax dollars local by using the tax credit donation to donate funds to both a school of choice and a qualifying charitable organization. There are over 80 qualifying charitable organizations in the area.

Attachments

Charitable Tax Credit Proclamation



PROCLAMATION

Charitable Tax Credit Giving Month November 2015



***Whereas,** the State of Arizona tax credit program enables taxpayers to contribute \$200 for a single taxpayer and \$400 for taxpayers filing a joint tax return, and receive a dollar for dollar tax credit on their Arizona tax bill; and*

***Whereas,** the full amount can be given to a qualified charitable organization of their choice AND a school of their choice. The taxpayers can use their tax dollars to express their beliefs and values by supporting a charity that does the work they hold dear; and*

***Whereas,** Employers are urged to adopt the option to allow employees to contribute to a Qualifying Charitable Organization from state withholding- thereby not reducing take home pay; and*

***Whereas,** Employees are encouraged to take advantage of the opportunity to contribute to a Qualifying Charitable Organization from their state tax withholding- without reducing take home pay.*

***Whereas,** by donating to a qualified charitable organization and a school, taxpayers are in effect, given the opportunity to choose how to use a portion of their tax dollars; and*

***Whereas,** taxpayers no longer need to itemize in order to participate in the Arizona Tax Credit Program. A donation that qualifies for a state tax credit is also fully deductible on a Federal tax return, reducing the Federal tax liability; and*

***Whereas,** the Arizona Tax Credit Program is a way of keeping our tax money in this community. Keeping tax dollars local through the charitable giving tax credit builds a stronger and better community at no cost to the donors.*

***Now, Therefore,** I, Chris Marley, Mayor of the Town of Chino Valley, in partnership with Yavapai Big Brothers Big Sisters, do hereby proclaim **November 2015** as **Charitable Tax Credit Giving Month**, and urge all of our citizens to recognize this observance and, for the good of the community, urge residents to keep their money local by making a donation to a qualified local charity and school.*

***In Witness Whereof,** I have hereunto set my hand and caused the Seal of the Town of Chino Valley to be affixed this **27th** day of **October** 2015.*

Chris Marley, Mayor

ATTEST: Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 2. b.

Meeting Date: 10/27/2015
Contact Person: Liz Hart, Deputy Town Clerk/Records Technician
Phone: 928-636-2646 x-1210
Department: Council
Estimated length of Staff Presentation: 10 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Presentation by Jim Arroyo regarding Oath Keepers. (Mayor Marley)

SITUATION & ANALYSIS:

N/A

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 2. c.

Meeting Date: 10/27/2015
Contact Person: Cecilia Grittman, Assistant Town Manager
 Phone: 928-636-2646 x-1202
Department: General Services
Estimated length of Staff Presentation: 15 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Presentation by Karolyn Ericson, InHouse Trainer Services, regarding the Core Values adopted by Town staff. (Cecilia Grittman, Assistant Town Manager)

SITUATION & ANALYSIS:

Karolyn Ericson of InHouse Trainer Services worked with Town Staff late last year to develop and define core values that characterizes the culture that Town staff wants to embody. This includes the way Town staff wants to treat each other, as well as how they want to be perceived by, and deliver service to, the public. Ms. Ericson worked through several workshops with Town employees, enabling the Town the opportunity to use the core values in many of our practices - our hiring practices, our annual performance evaluation processes, our disciplinary processes, and our personnel practices. We have been working the core values into employee training this Fall dealing with Customer Service, and eventually the Core Values will be used in the decision practices used by the Town staff. As this is an on-going, culture enhancing activity by staff, we wanted to share with the Town Council the success of this program.

After the first of the year Town staff intends on partnering with the School District in offering an Art Contest in which students will design a mural for the Council's back wall which incorporates the Core Values. Ms. Ericson's presentation will enlighten the Council and the community on what the core values are and how the staff developed them.

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 2. d.

Meeting Date: 10/27/2015
Contact Person: Joe Duffy, Finance Director
Phone: 928-636-2646 x-1211
Department: Finance
Estimated length of Staff Presentation: 10 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Presentation regarding the Aquatic Center's financial and operating results and related information. (Joe Duffy, Finance Director)

SITUATION & ANALYSIS:

Staff has prepared a detailed report of the financial and operating results for the Aquatic Center for the current season with comparisons to prior years and other communities.

The report includes detail attendance records and recommendations to improve the usage and operating results next season.

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 6. a.

Meeting Date: 10/27/2015
Contact Person: Phyllis Smiley, Town Attorney
Department: Town Attorney
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: Cameron Property

AGENDA ITEM TITLE:

Consideration and possible action to adopt Resolution 15-1066, authorizing the conveyance of certain real property in compliance with the Provisional Settlement Agreement in the matter of Cortez v. Town of Chino Valley.

RECOMMENDED ACTION:

Approve Resolution 15-1066.

SITUATION AND ANALYSIS:

Issue Statement: On March 6, 2014, the Town of Chino Valley entered into a Provisional Settlement Agreement (the "Agreement") to settle litigation (Yavapai County Superior Court Case No. CV20061407) filed by Cortez Enterprises, Inc. ("Cortez") against the Town. The Agreement, which was effective March 4, 2014, provided for the Town to pay damages to Cortez in the form of a combination of land and cash. The Town Council, after considering several options, on October 13, 2015 approved the selection of the Cameron Ranch property (Yavapai County parcels no. 304-02-028A, -028B, -033 and -034) located in Paulden, Arizona. Resolution 15-1066 formalizes the Council's decision to convey the Property to Cortez. Approval of the resolution authorizes the Town Manager, Town Attorney and Mayor to execute the documents and complete the transaction.

After the Property has been conveyed, the lawsuit will be dismissed.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Resolution No. 15-1066
Exhibit A Legal Description

RESOLUTION NO. 15-1066**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, ARIZONA, AUTHORIZING AND DIRECTING THE MAYOR, TOWN MANAGER, AND TOWN ATTORNEY TO CONVEY APPROXIMATELY 40 ACRES OF REAL PROPERTY KNOWN AS CAMERON RANCH IN SETTLEMENT OF CORTEZ ENTERPRISES V. TOWN OF CHINO VALLEY.**

WHEREAS, the Chino Valley Town Council and Cortez Enterprises, Inc., ("Cortez") approved the Provisional Settlement Agreement (the "Agreement"), effective March 6, 2014 to settle litigation brought by Cortez in Yavapai County Superior Court, Case No. CV20061407; and

WHEREAS, the Agreement provided for the Town to pay damages to Cortez in the form of a combination of real property and cash, with the Town to designate a certain property acceptable to Cortez; and

WHEREAS, the Town Council considered its options and ultimately determined that the Cameron Ranch Property (the "Property") was the property to be conveyed as part of the settlement of the litigation; and

WHEREAS, Cortez has agreed to accept the Property along with \$35,590.00 in cash pursuant to the terms of the Agreement; and

WHEREAS, the Property consists of approximately 40 acres located at 24300 and 24400 North Troy Lane, Paulden, Arizona; Yavapai County Assessor's Parcel Numbers 304-02-028A, -028B, -033 and -034, which real property is described in Exhibit A, attached hereto and made a part hereof; and

WHEREAS, the Town Council finds that conveyance of the Property in lieu of continued civil litigation is in the best interests of the Town and conforms to and satisfies the provisions of the Agreement; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of Chino Valley, County of Yavapai, Arizona:

1. That the Mayor, Town Manager and Town Attorney are hereby authorized and directed to transfer the real property generally described in Exhibit A along with \$ 35,590.00 in cash to Cortez in satisfaction of the Agreement to settle all claims Cortez may have against the Town; and

2. That the Mayor, Town Manager, and Town Attorney are authorized to perform all acts necessary to convey said property to Cortez for the purposes described in this resolution on behalf of the Town.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 27th day of October, 2015.

Chris Marley, Mayor

ATTEST:

Jami Lewis, Town Clerk

APPROVED AS TO FORM:

Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
Town Attorney
By: Phyllis L. N. Smiley

I hereby certify the above foregoing Resolution No. 15-1066 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on October 27, 2015, and that quorum was present thereat and that the vote thereon was ayes and nays and abstentions. Council members were absent or excused.

Jami C. Lewis, Town Clerk

The following exhibits are attached hereto and incorporated herein:

1. Exhibit A – Legal Description of Property to be conveyed

EXHIBIT A

EXHIBIT "A"

Parcel 1:

The North half of the Northwest Quarter of the Southeast Quarter of Section 31, Township 18 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

Parcel 2:

The Southeast Quarter of the Northwest Quarter of the Southeast Quarter of Section 31, Township 18 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

Parcel 3:

The Southwest Quarter of the Northwest Quarter of the Southeast Quarter of Section 31, Township 18 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 6. b.

Meeting Date: 10/27/2015
Contact Person: Joe Duffy, Finance Director
 Phone: 928-636-2646 x-1211
Department: Finance
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve Financial Report for the three months ending September 30, 2015.

RECOMMENDED ACTION:

Approve Financial Report for the three months ended September 30, 2015.

SITUATION AND ANALYSIS:

The Finance Department prepares Financial Reports for the Mayor, Council, Staff and Community.

Upon Council approval, the reports will be posted on the Town's website.

The report includes the following sections:

Revenue and Expense Summary - This section details the Revenues and Expenditures of each fund. Comparing the year to date figures to the current year's annual budget and the prior year's month to date figures.

Major Revenue Summary - This section details the year to date figures for the Town's eight major revenue sources that account for 60% of the Town's Revenue.

Other Information - This section details other pertinent financial and statistical information including the Impact Fee Fund balance and the amount of General Fund Contingencies that have been allocated this fiscal year and a debt summary.

The Finance Director will supplement these reports with periodic presentations and other information throughout the fiscal year.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

September 2015 Financial Report

Town of Chino Valley

Arizona

Financial Report



To The Town Council

For the Three Months Ending September 30, 2015 25% of the Fiscal Year

Town of Chino Valley							
Revenue and Expense Summary							
For the Three Months Ending September 30, 2015 25% of the Fiscal Year							
				Actual vs Prior Year			
	Actual Year to Date FY 2014-15	Actual Year to Date FY 2015-16		Amount	% FY 2015-16/ FY 2014-15	Annual Budget FY 2015-16	% of Budget YTD
GENERAL FUND							
General Fund Revenues by Category							
Franchise Taxes	\$ 9,897	\$ 8,382	*	\$ (1,515)	-15%	\$ 134,500	6%
Tax Revenues	\$ 950,099	\$ 976,681		\$ 26,582	3%	\$ 3,904,000	25%
Licenses & Permits	\$ 33,272	\$ 55,366		\$ 22,094	66%	\$ 260,000	21%
Intergovernmental	\$ 734,242	\$ 742,544		\$ 8,302	1%	\$ 3,189,500	23%
Charges for Services	\$ 21,452	\$ 34,289		\$ 12,837	60%	\$ 108,000	32%
Fines and Forfeitures	\$ 17,958	\$ 22,530		\$ 4,572	25%	\$ 140,000	16%
Other Revenues	\$ 52	\$ 269		\$ 217	417%	\$ 1,500	18%
Contributions and Donations	\$ 674	\$ 1,617		\$ 943	140%	\$ 3,500	46%
Investment Earnings	\$ 182	\$ 124		\$ (58)	-32%	\$ 500	25%
Transfers In	\$ 25,000	\$ 64,998		\$ 39,998	160%	\$ 310,000	21%
Total Revenues	\$ 1,792,828	\$ 1,906,800		\$ 113,972	6%	\$ 8,051,500	24%
* Estimated final quarter accruals.							
Total Revenues for the General Fund are up \$113,972 over the previous fiscal year. Licenses and Permits are up due to an increase in Building Permits and Plan Check Fees this fiscal year. Transfers In were increased in the current years budget over the prior year. The total General Fund Revenues are up 6% compared to the last fiscal year.							

Town of Chino Valley						
Revenue and Expense Summary						
For the Three Months Ending September 30, 2015 25% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2014-15	Actual Year to Date FY 2015-16	Amount	% FY 2015-16/ FY 2014-15	Annual Budget FY 2015-16	% of Budget YTD
General Fund Expenditures by Department						
Prosecutor	\$ 26,294	\$ 26,100	\$ (194)	-1%	\$ 130,600	20%
Town Clerk	\$ 42,932	\$ 38,069	\$ (4,863)	-11%	\$ 197,600	19%
Town Manager	\$ 98,886	\$ 84,485	\$ (14,401)	-15%	\$ 392,500	22%
Human Recourses	\$ 13,758	\$ 44,657	\$ 30,899	225%	\$ 195,300	23%
Municipal Court	\$ 72,925	\$ 55,019	\$ (17,906)	-25%	\$ 261,900	21%
Finance	\$ 72,931	\$ 67,556	\$ (5,375)	-7%	\$ 329,200	21%
Management Information System	\$ 52,353	\$ 36,771	\$ (15,582)	-30%	\$ 273,600	13%
Mayor and Council	\$ 7,265	\$ 8,094	\$ 829	11%	\$ 33,000	25%
Planning	\$ 44,603	\$ 39,307	\$ (5,296)	-12%	\$ 186,300	21%
Building Inspection	\$ 62,032	\$ 68,045	\$ 6,013	10%	\$ 277,100	25%
Police	\$ 633,767	\$ 615,140	\$ (18,627)	-3%	\$ 2,651,800	23%
Animal Control	\$ 31,306	\$ 21,810	\$ (9,496)	-30%	\$ 123,300	18%
Recreation	\$ 5,150	\$ 9,366	\$ 4,216	82%	\$ 63,800	15%
Library	\$ 70,011	\$ 67,803	\$ (2,208)	-3%	\$ 309,600	22%
Senior Center	\$ 52,320	\$ 48,820	\$ (3,500)	-7%	\$ 242,400	20%
Parks Maintenance	\$ 109,333	\$ 97,654	\$ (11,679)	-11%	\$ 333,200	29%
Aquatic Center	\$ 65,887	\$ 72,319	\$ 6,432	10%	\$ 244,900	30%
Facilities Maintenance	\$ 81,811	\$ 84,752	\$ 2,941	4%	\$ 345,900	25%
Fleet Maintenance	\$ 70,727	\$ 51,807	\$ (18,920)	-27%	\$ 341,000	15%
Engineering	\$ 15,900	\$ 25,812	\$ 9,912	62%	\$ 122,000	21%
Non Departmental	\$ 150,236	\$ 183,926	\$ 33,690	22%	\$ 996,500	18%
Total Expenditures	\$ 1,780,428	\$ 1,747,312	\$ (33,116)	-2%	\$ 8,051,500	22%
Total Revenue Over (Under)						
Total Expenditures	\$ 12,400	\$ 159,488	\$ 147,087		\$ -	
GENERAL FUND (Continued)						
Total General Fund Expenditures are down \$33,116 or 2% compared to last fiscal year. Through September each department should be less than 25%. In total the General Fund Departments are at 22%. Parks Maintenance and Aquatic Center are up due to the seasonality of their operations.						

Town of Chino Valley						
Revenue and Expense Summary						
For the Three Months Ending September 30, 2015 25% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2014-15	Actual Year to Date FY 2015-16	Amount	% FY 2015-16/ FY 2014-15	Annual Budget FY 2015-16	% of Budget YTD
HIGHWAY USER REVENUE FUND						
Total Revenues	\$ 202,026	\$ 223,972	\$ 21,946	11%	\$ 1,014,000	22%
Expenditures						
Road Maintenance	\$ 175,765	\$ 159,854	\$ (15,911)	-9%	\$ 1,014,000	16%
Total Revenue Over (Under)						
Total Expenditures	\$ 26,261	\$ 64,118	\$ 37,857		\$ -	
Total Fund Revenues are up 11% over the prior fiscal year due to the budgeted increase in HURF fund distributions. Expenditures are down 9% this fiscal year due to costs associated with this years road maintenace expenditures.						
WATER ENTERPRISE FUND						
Water Revenues	\$ 111,145	\$ 139,588	\$ 28,443		\$ 5,038,000	
Transfers In	\$ 70,175	\$ 37,500	\$ (32,675)		\$ 150,000	
Total Revenues	\$ 181,320	\$ 177,088	\$ (4,232)	-2%	\$ 5,188,000	3%
Expenditures						
Water Utility Operations	\$ 133,038	\$ 129,389	\$ (3,649)		\$ 484,200	
Debt Service/Reserve		\$ -	\$ -		\$ 4,646,000	
Total Expenditures	\$ 133,038	\$ 129,389	\$ (3,649)	-3%	\$ 5,130,200	3%
Total Revenue Over (Under)						
Total Expenditures	\$ 48,282	\$ 47,699	\$ (583)		\$ 57,800	
Total Water Enterprise Fund Revenues are down 2% due to reduced budgeted transfers in from the Capital Improvement Fund. Water Service Fees are up 32% primarily due to an increase in active accounts. The rate increase and a slight increase in water usage also contributed. Expenditures are down slightly over last fiscal year.						
SEWER ENTERPRISE FUND						
Total Revenue	\$ 367,419	\$ 375,420	\$ 8,001	2%	\$ 2,204,200	17%
Expenditures						
Sewer	\$ 177,799	\$ 213,556	\$ 35,757		\$ 751,200	
Debt Service/Reserve	\$ 41,184	\$ 38,764	\$ (2,420)		\$ 1,453,000	
Total Expenditures	\$ 218,983	\$ 252,320	\$ 33,337	15%	\$ 2,204,200	11%
Total Revenue Over (Under)						
Total Expenditures	\$ 148,436	\$ 123,100	\$ (25,336)		\$ -	
Total Sewer Enterprise Fund Revenues are up 2% over last fiscal year. Sewer Buy In fees are down but offset by a 24% increases in Sewer Service Fees. Operating expenses are up due to additional personal costs allocated to the department.						

Town of Chino Valley						
Revenue and Expense Summary						
For the Three Months Ending September 30, 2015 25% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2014-15	Actual Year to Date FY 2015-16	Amount	% FY 2015-16/ FY 2014-15	Annual Budget FY 2015-16	% of Budget YTD
CAPITAL IMPROVEMENT FUND * (excludes bond projects)						
Total Revenues	\$ 316,702	\$ 325,562	\$ 8,860	3%	\$ 4,060,500	8%
Lease Purchase Proceeds	\$ 715,346		\$ (715,346)			
Bond Proceeds			\$ -			
Transfers In Road Impact Fees			\$ -		\$ 529,000	
Capital Improvements	\$ 99,733	\$ 630,497	\$ 530,764		\$ 3,304,000	
Equipment Acquisition	\$ 389,856		\$ (389,856)			
WWTP Acquisition			\$ -			
Transfers	\$ 345,032	\$ 284,250	\$ (60,782)		\$ 1,137,000	
Total Expenditures	\$ 834,621	\$ 914,747	\$ 80,126	10%	\$ 4,441,000	21%
Total Revenue Over (Under)						
Total Expenditures	\$ 197,427	\$ (589,185)	\$ (71,266)		\$ 148,500	
Capital Improvement Fund Tax Revenues are up slightly by 3% over the prior fiscal year primarily due to an increase in Construction Sales Tax activity. Transfers are down due to the decreased amount budgeted this fiscal year. Capital Improvements are up due to the Chino Meadows Unit 5 at Peavine drainage project being constructed this fiscal year.						

Town of Chino Valley						
Revenue and Expense Summary						
For the Three Months Ending September 30, 2015 25% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2014-15	Actual Year to Date FY 2015-16	Amount	% FY 2015-16/ FY 2014-15	Annual Budget FY 2015-16	% of Budget YTD
OTHER MINOR FUNDS						
Other Minor Funds -Revenues						
CDBG Grant			\$ -			
Grants Fund	\$ 117,336	\$ 55,244	\$ (62,092)		\$ 3,385,000	
Special Revenue Fund Court	\$ 913	\$ 1,363	\$ 450		\$ 38,500	
Capital Asset Replacement	\$ 28	\$ 338	\$ 310		\$ 10,000	
Police Impact Fee Funds	\$ 394	\$ 12,374	\$ 11,980		\$ 63,000	
Library Impact Fee Funds			\$ -			
Parks/Rec Impact Fee Funds	\$ 5	\$ 3	\$ (2)		\$ 16,000	
Roads Impact Fee Funds	\$ 2,537	\$ 112	\$ (2,425)		\$ 529,000	
Special Revenue Fund PD	\$ 7,581	\$ 10,812	\$ 3,231		\$ 45,000	
CVSLID Districts	\$ 28	\$ 2	\$ (26)		\$ 4,000	
Total Revenues	\$ 128,822	\$ 80,248	\$ (48,574)	-38%	\$ 4,090,500	2%
CDBG Grant			\$ -			
Grants Funds	\$ 45,588	\$ 73,165	\$ 27,577		\$ 3,385,000	
Special Revenue Fund - Court		\$ 2,822	\$ 2,822		\$ 38,500	
Capital Replacement Fund		\$ 11,390	\$ 11,390		\$ 10,000	
Police Impact Fee Funds	\$ 454	\$ 14,793	\$ 14,339		\$ 63,000	
Library Impact Fee Funds	\$ 11,652		\$ (11,652)			
Parks/Rec Impact Fee Funds	\$ 13,420		\$ (13,420)		\$ 16,000	
Roads Impact Fee Funds			\$ -		\$ 529,000	
Special Revenue Fund PD	\$ 3,890	\$ 7,764	\$ 3,874		\$ 40,000	
CVSLID Districts	\$ 996	\$ 971	\$ (25)		\$ 4,000	
Total Expenditures	\$ 76,000	\$ 110,905	\$ 34,905	46%	\$ 4,085,500	3%
Total Revenue Over (Under)						
Total Expenditures	\$ 52,822	\$ (30,657)	\$ (83,479)		\$ 5,000	
TOTAL ALL FUNDS						
Total Revenue All Funds	\$ 2,989,117	\$ 3,089,090	\$ 99,973	3%	\$ 24,608,700	13%
Total Expenditures All Funds	\$ 3,218,835	\$ 3,314,527	\$ 95,692	3%	\$ 24,926,400	13%
Total Revenue Over (Under)						
Total Expenditures All Funds	\$ (229,718)	\$ (225,437)	\$ 4,280		\$ (317,700)	
(1) Budget does not include Carryover Amounts from Prior Fiscal Years						
(2) Year to date amounts include actual expenditures paid to date.						

Town of Chino Valley
Major Revenue Summary
For the Three Months Ending September 30, 2015 25% of the Fiscal Year

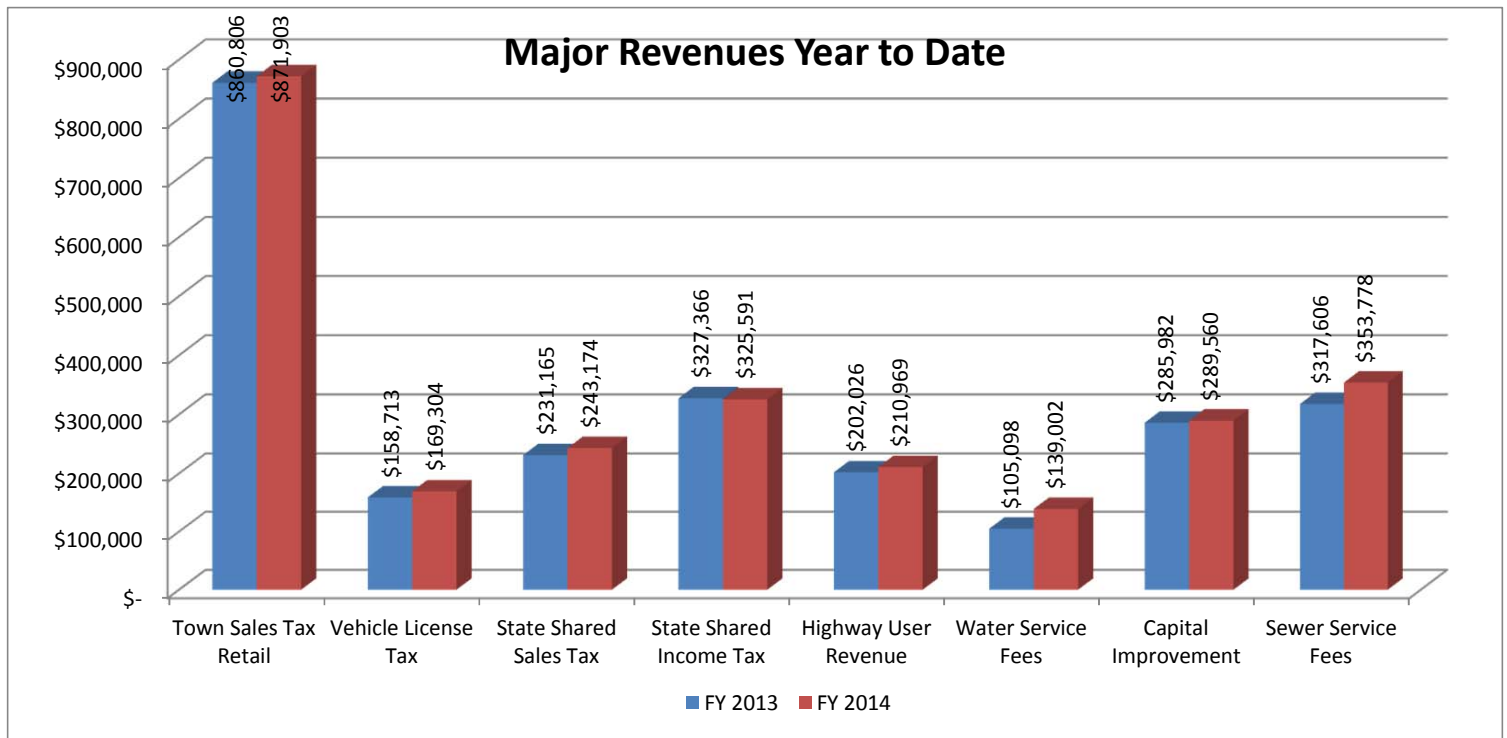
					Actual vs Prior Year	
	Actual Year to Date FY 2014-15	Annual Budget FY 2015-16	Actual Year to Date FY 2015-16	% of Budget YTD	Amount	%
Town Sales Tax Retail	\$ 860,806	\$ 3,550,000	\$ 871,903	25%	\$ 11,097	1%
Vehicle License Tax	\$ 158,713	\$ 641,000	\$ 169,304	26%	\$ 10,591	7%
State Shared Sales Tax	\$ 231,165	\$ 1,033,000	\$ 243,174	24%	\$ 12,009	5%
State Shared Income Tax	\$ 327,366	\$ 1,302,000	\$ 325,591	25%	\$ (1,775)	-1%
Highway User Revenue	\$ 202,026	\$ 843,000	\$ 210,969	25%	\$ 8,943	4%
Water Service Fees	\$ 105,098	\$ 365,000	\$ 139,002	38%	\$ 33,904	32%
Capital Improvement	\$ 285,982	\$ 1,304,000	\$ 289,560	22%	\$ 3,578	1%
Sewer Service Fees	\$ 317,606	\$ 1,450,000	\$ 353,778	24%	\$ 36,172	11%
Major Revenues Y.T.D.	\$ 2,488,762	\$ 10,488,000	\$ 2,603,281	25%	\$ 114,519	5%
Total Revenue All Funds	\$ 2,989,117	\$ 24,608,700	\$ 3,089,090	13%	\$ 99,973	3%

83%

43%

84%

The Major Revenues are up \$114,519 or 5% over the prior fiscal year in line with the budget projections. Town Sales Tax Retail is up slightly, however construction sales tax is up 2% so far this fiscal year. Water Service Fees are up 32% primarily due to an increase in active accounts. Sewer Service Fees reflect the rate increase that went into effect January 1, 2015 and new accounts added to the system/



Impact Fee Fund Recaps					
For the Three Months Ending September 30, 2015 25% of the Fiscal Year					
	Police Impact Fees	Library Impact Fees	Parks/Rec Impact Fees	Roads Impact Fees	
Beginning Fund Balance @ 6/30/15	\$ 13,254	\$ -	\$ 18,281	\$ 575,032	
Impact Fees Revenue to Date	\$ 12,374	\$ -	\$ 3	\$ 112	
Impact Fees Expenditures to Date	\$ 14,793	\$ -	\$ -	\$ -	
Ending Fund Balance to Date	\$ 10,835	\$ -	\$ 18,284	\$ 575,144	
Budgeted Expenditures FY 15/16	\$ 63,000	\$ -	\$ 16,000	\$ 529,000	
Contingency Funds Budget					
For the Three Months Ending September 30, 2015 25% of the Fiscal Year					
	Actual Year to Date FY 2015-16	Annual Budget FY 2015-16			
General Fund Budget		\$ 380,000			
General Fund Balance		\$ 380,000			
HURF Fund Budget		\$ 42,000			
Water Fund Budget		\$ 31,000			
Sewer Fund Budget		\$ 49,000			
Balance of Contingency Budget	\$ -	\$ 502,000			
Annual Debt Service Summary By Fund					
Fiscal Year Ended June 30, 2016					
Debt Issue	Date Issued	Original Amount	Outstanding Amount as of June 30, 2015	FY 2016 Principal	FY 2016 Interest
General Government					
GADA Loan 2007A	7/1/2011	\$ 3,825,000	\$ 3,385,000	\$ 240,000	\$ 162,806
US Bank Series 2010	12/15/2010	\$ 7,280,000	\$ 7,280,000		\$ 331,638
		\$ 11,105,000	\$ 10,665,000	\$ 240,000	\$ 494,444
Water Enterprise Fund					
US Bank Series 2010	12/15/2010	\$ 745,000	\$ 565,000	\$ 45,000	\$ 24,712
Sewer Enterprise Fund					
WIFA	1/10/2007	\$ 1,580,000	\$ 1,012,403	\$ 80,034	\$ 27,922
WIFA	1/11/2008	\$ 4,853,000	\$ 3,496,027	\$ 248,952	\$ 98,378
WIFA	1/1/2015	\$ 2,963,671	\$ 2,841,817	\$ 124,303	\$ 57,121
USDA	2/16/2007	\$ 1,595,000	\$ 1,374,323	\$ 40,329	\$ 55,947
USDA	4/10/2008	\$ 1,505,000	\$ 1,337,955	\$ 36,343	\$ 54,509
USDA	4/16/2008	\$ 1,332,000	\$ 1,185,137	\$ 32,116	\$ 48,284
		\$ 13,828,671	\$ 11,247,662	\$ 562,077	\$ 342,161
Total Town of Chino Valley Debt		\$ 25,678,671	\$ 22,477,662	\$ 847,077	\$ 861,317



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 6. c.

Meeting Date: 10/27/2015

Contact Person: Jami Lewis, Town Clerk

Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: N/A

AGENDA ITEM TITLE:

Consideration and possible action to accept the October 13, 2015 regular meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the October 13, 2015 regular meeting minutes.

Attachments

October 13, 2015 minutes

DRAFT

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

**TUESDAY, OCTOBER 13, 2015
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 13, 2015.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Susie Cuka; Councilmember Corey Mendoza; Councilmember Jack Miller

Absent: Councilmember Lon Turner

Staff Town Manager Robert Smith; Assistant Town Manager Cecilia Grittman; Finance Director Joe

Present: Duffy; Police Officer Stephen Farmer; Town Engineer/Public Works Director Ron Grittman; Development Services Director Ruth Mayday; Associate Planner James Gardner; Deputy Town Clerk Liz Hart; GIS/CAD/Web Technician (Videographer) Jan Mazy; Town Clerk Jami Lewis (recorder)

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

Mayor Marley called the meeting to order at 6:02 p.m.

Councilmember Best gave the invocation; Mayor Marley led the Pledge of Allegiance.

2) **INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**

- a) Presentation by Mr. Duane Howard, Chino Valley Unified School District Superintendent, of the school district's performance, using the Auditor General's performance statistics. (Cecilia Grittman, Assistant Town Manager)

Mr. Howard reported on the results of the Auditor General's report relating to district pupil population, per pupil spending, administrative costs per pupil, teacher pay, graduation rate, poverty rate, and math, reading, writing, and science scores.

- b) Presentation regarding the Town of Chino Valley's Sales Tax Audit Program and recent changes in the Sales Tax Laws. (Joe Duffy, Finance Director)

Mr. Duffy and Don Zelechowski, the Town's sales tax auditor, reported on the Town's sales tax audit program, tax simplification legislative changes, prime contracting legislative changes, and specific TPT tax issues in the Town.

Council asked Mr. Zelechowski to look into manufactured homes possibly falling under use tax regulations.

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.

Lee Paul, resident, spoke about Council recalls.

Mary Conner, Assistant for Supervisor Craig Brown, spoke about a County Town Hall meeting to be held November 17 in the Chino Valley Senior Center.

Nancy Herrero with the Senior Center Advisory Board spoke about the Senior Center's grand re-opening and ribbon cutting on October 22.

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) Questions regarding building permit for Freeman Farms.

Mayor Marley reported on the federal ADA standards and the Town's Unified Development Ordinance requirements, as well as the permit process, for the subject building permit.

- b) Access problems on Picacho Boulevard created by new fencing being installed along the right-of-way.

Mayor Marley reported that the developer of the adjacent property had agreed to dedicate additional right-of-way to provide depth to Picacho Blvd.

- c) Questions regarding medical marijuana and Town regulations.

Mayor Marley reported on current medical marijuana farming facilities in the Town and neighboring jurisdictions, and a scheduled study session to discuss the matter.

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 reports by Mayor and Council regarding current events.

Mayor Marley read a letter from a citizen thanking Council for street improvements to Lazy Loop Road. He then read the monthly mayor's report, which pertained to critical thinking.

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

Mr. Smith reported on Town program updates, and statistics regarding permits, business creation, total budget per capita, staffing headcount, and grants and investments in the Town's infrastructure.

6) **CONSENT AGENDA**

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Consent Agenda items 6a, b and c.

Vote: 6 - 0 PASSED - Unanimously

- a) Consideration and possible action to accept the August 25, 2015 regular meeting minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to accept the September 8, 2015 regular meeting minutes. (Jami Lewis, Town Clerk)
- c) Consideration and possible action to accept the September 22, 2015 regular meeting minutes. (Jami Lewis, Town Clerk)

Mayor Marley recessed the meeting at 7:05 p.m. and reconvened it at 7:15 p.m.

7) **ACTION ITEMS**

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session .

- a) Consideration and possible action to adopt Ordinance No. 15-803 rezoning subject parcel 306-04-009J, consisting of approximately 0.5 acres, located in Section 03, Township 16 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, located at approximately 206 West Road 4 North, from Light Commercial (CL) to Single Family Residential (0.16 acre minimum) (SR-0.16). (Ruth Mayday, Development Services Director)

Recommended Action: Adopt Ordinance No. 15-803 allowing the rezoning of the property generally located at 206 W. Road 4 North from Light Commercial (CL) to Single Family Residential (0.16 acre minimum) (SR-0.16).

Councilmember Miller declared a possible conflict of interest, as he lived near the subject property, and recused himself at 7:16 p.m.

Associate Planner Gardner reported on the subject request:

- *Purpose:* Inability to sell the property as zoned, as it could not be financed through a traditional home loan.
- *Conditions:* Although the rezone would allow for subdivision of the parcel into three 7,000 square foot parcels, the property's current configuration would make such subdivision difficult, and the applicant agreed to a stipulation that would prevent further subdivision of the parcel until municipal sewer and water services were available on-site. Sewer and water infrastructure were currently over one mile from the site, limiting its viability for commercial development in the near-term future.
- *Compliance:* The request (i) will not be materially detrimental to persons residing or working in the vicinity adjacent to the property, to the neighborhood, or to the public welfare; (ii) was in general conformance with the zoning classifications in the immediate area; (iii) will not affect the amount of commercial land in town, as it was currently used as a residential property.

The property's potential buyer stated that he understood that nearby parcels could be commercially developed in the future.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to adopt Ordinance No. 15-803 allowing the rezoning of the property generally located at 206 W. Road 4 North from Light Commercial (CL) to Single Family Residential (0.16 acre minimum) (SR-0.16).

Vote: 5 - 0 PASSED

Other: Councilmember Jack Miller (RECUSE)

Councilmember Miller returned to the dais at 7:23 p.m.

- b)** Consideration and possible action to approve an Accountability Contract between the Town of Chino Valley and the Chino Valley Area Chamber of Commerce in the amount of \$38,000, which was approved in the Town's budget. Funds to come from a budgeted line in the non-departmental budget. (Robert Smith, Town Manager)

Recommended Action: Approve an Accountability Contract between the Town and the Chino Valley Area Chamber of Commerce in the amount of \$38,000.

Mr. Smith reported that the standing agreement between the Town and the Chamber outlined a set of specific objectives and deliverables, as well as regular reporting that would be expected from the Chamber, and requested a set amount of consideration for that suite of services.

Arlene Alen, CEO, Chamber of Commerce, presented the Director's Plan for fiscal year 2015/16, which included a new customer services position, lunches, community involvement, place-making, tourism, marketing and events, branding, education, grants and incubation, and marketing and public relations.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Corey Mendoza to approve an Accountability Contract between the Town and the Chino Valley Area Chamber of Commerce in the amount of \$38,000.

Vote: 6 - 0 PASSED - Unanimously

- c) Consideration and possible action to fill vacancies and/or modify members on Council subcommittees (Appointments, Economic Development, Finance, Program Review, Public Safety, and Water and Utilities). (Jami Lewis, Town Clerk)

Recommended Action: Fill vacancies and modify subcommittee members as discussed.

Mayor Marley reported that recent Council resignations left vacancies on the five Council subcommittees. Staff recommended that Council appoint the newly-appointed councilmembers to vacant subcommittee positions and make new chair assignments where needed.

Councilmember Cuka indicated an interest in Finance and Economic Development.
Councilmember Miller indicated an interest in Water and Utilities and Public Safety.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve appointment of Councilperson Cuka to Finance and Economic Development Committees, and Councilmember Miller to Public Safety and Water and Utilities.

Vote: 6 - 0 PASSED - Unanimously

- d) Consideration and possible action to update the appointment of councilmembers and staff to various regional and state entity committees. (Mayor Marley)

Recommended Action: Update existing appointments as discussed.

Mayor Marley reported that he desired to revisit the entity appointments to include the three new councilmembers.

Council discussed the appointments and made the following changes:

- Removed Yavapai County Water Advisory Committee and its Technical Advisory Committee, as they no longer existed.
- Removed NACOG Economic Development Committee, as the appointee was no longer a councilmember.
- Appointed Councilmember Miller as representative to Central Yavapai Metropolitan Planning Organization.
- Appointed Councilmember Miller as liaison, and Councilmember Best as alternate, to the Chino Valley Fire District Board.
- Appointed Councilmember Cuka as liaison alternate to the Municipal Court.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Corey Mendoza to make appointments to those positions as discussed.

Vote: 6 - 0 PASSED - Unanimously

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 Mike Best to recess from the regular meeting and hold an executive session at 7:47 p.m.

Vote: 6 - 0 PASSED - Unanimously

- a) Pursuant to A.R.S. Section 38-431.03(A)(3) and (4) for discussion or consultation for legal advice with the Town Attorney and in order to consider its position and instruct the Town Attorney regarding the Town's position regarding settlement of the matter of Cortez v. Town of Chino Valley. (Robert Smith, Town Manager)

9) ACTION ITEMS RESUMED

After the Executive Session, Council will reconvene the Regular Meeting.

Mayor Marley reconvened the regular meeting at 7:56 p.m.

- a) Consideration and possible action regarding the settlement of the matter of Cortez v. Town of Chino Valley. (Robert Smith, Town Manager)

Council took no action on this item.

10) ADJOURNMENT

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to adjourn the meeting at 7:57 p.m.

Vote: 6 - 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 13th day of October, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 27th day of October, 2015.

Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 6. d.

Meeting Date: 10/27/2015

Contact Person: Jami Lewis, Town Clerk

Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: N/A

AGENDA ITEM TITLE:

Consideration and possible action to accept the October 15, 2015 study session minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the October 15, 2015 study session minutes.

Attachments

October 15, 2015 minutes

DRAFT

MINUTES OF THE STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

**THURSDAY, OCTOBER 15, 2015
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Study Session in the Chino Valley Library Community Room, located at 1020 W. Palomino Road, Chino Valley, Arizona, on Thursday, October 15, 2015.

Present: Mayor Chris Marley; Councilmember Susie Cuka; Councilmember Corey Mendoza; Councilmember Jack Miller; Councilmember Lon Turner

Absent: Vice-Mayor Darryl Croft; Councilmember Mike Best

Staff Town Manager Robert Smith; Assistant Town Manager Cecilia Grittman; Finance Director Joe

Present: Duffy; Town Engineer/Public Works Director Ron Grittman; GIS/CAD/Web Technician (Videographer) Jan Mazy; Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER; ROLL CALL

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

2) Presentation and discussion regarding USDA WIFA refinance, Center Street sewer extension, Town's water and sewer extension, buy-in fee and connection policies. (Robert Smith, Town Manager)

Mayor Marley reported that this discussion would include guidelines for the proposed Center Street/Mollie Rae project, as well as a more comprehensive town wide policy before starting work on Mollie Rae.

Town Manager Smith explained that staff was proposing to refinance some debt through WIFA to eliminate some interest. To accomplish this, WIFA required that the Town borrow new money toward a specific project. Staff had proposed to extend sewer to the Mollie Rae subdivision since it was already plumbed for gravity sewer.

Finance Director Duffy reviewed a presentation originally given on July 14, 2015 pertaining to:

- an overview of WIFA and funding it provided to municipalities;
- benefits of and savings from obtaining funding from WIFA;
- current Town loans with WIFA, and USDA loan summary;
- proposed new WIFA loan and new USDA loan summary;
- Center Street/Mollie Rae Subdivision sewer project; and
- proposed refinance schedule.

Staff and Council reported that:

- *Loan Funding:* The loan funding was specific to the subject project. Once the loan closed, the Town had up to two years to spend the money and complete the project. If interest rates went up too high by closing time, Council could decline the loan. No interest would be paid until the Town starting drawing down the funds. If Council decided not to fund the project after approvals, WIFA could defund it, but they might not lend to the Town in the future.
- *Project Details:* Under current development standards, one-acre lot subdivisions, such as Mollie Rae, were not required to have sewer; however, the developer had chosen to plumb for it. Staff anticipated starting engineering work in March; the Town's engineering cost estimates were at least 10% high for budgeting purposes. The Town would be required to use standard bidding processes for the work.
- *Sewer Connection Policy:* Current policy would mandate service connections on 28 existing residential units on Center Street between the current sewer location and Mollie Rae. Town officials had expressed concern about the mandate and possibly amending the policy.
- *Options Regarding Existing Residential Hook Ups:* Council could (i) offer a discount or waiver, a delayed requirement, or some sort of incentive; (ii) use Town general sales tax dollars, rather than that of system users, to subsidize a portion of the connection costs; and (iii) make a one-time determination for Center Street or develop a policy that strove for social equity as much as possible in the present and future. As the project was estimated to take nine months, Council had about 15 months from now to make a decision.

Staff and Council discussed:

- design details, trench requirements, and lift stations versus a gravity system;
- the project's relationship with the pending Prescott water system acquisition;
- the Chino Meadows sewer project compared to this one;
- the funding source to pay back the loan;
- costs for property owners to connect to sewer compared to installing a new septic system or replacing a leach line; connection fee amortization options; and related ADEQ regulations; and
- development of the Town's original bifurcated connection fee.

Council comments:

- Connection fees needed to be consistent.
- Council needed to develop scenarios, then get numbers from staff.
- Council should review Town Code Chapter 51 before November.
- Council needed to outline a plan for sewer extensions.
- Council should consider requiring all new developments to connect to sewer.

Council discussion summary:

- No one objected to the proposed refinance or Mollie Rae project.
- No one expressed support for mandatory hook ups between an existing sewer line and a new development.
- No one expressed support for the Town paying wholly for such connections.
- Several supported a one-time discounted cost of \$3,000 for those who voluntarily hooked up while the trench was open; thereafter any such volunteer connections would be at the current \$6,000 fee. As a policy, said discount could be offered to those between connection points any time a sewer project was being paid for by a developer, grant, refinancing, or other such funding.

- They were not ready for public input on October 28, as they preferred to have a plan with options for the Center Street residents before taking it to them and before trenching began. They did not object to an October 28 study session to continue their discussion.
- Councilmembers should forward any further thoughts and questions that occurred after this meeting to the town manager for inclusion on the October 28 agenda.

3) ADJOURNMENT

MOVED by Mayor Chris Marley, seconded by Councilmember Corey Mendoza to adjourn the meeting at 7:21 p.m.

Vote: 5 - 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 Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 15th day of October, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 27th day of October, 2015.

Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 7. a.

Meeting Date: 10/27/2015
Contact Person: Ruth Mayday, Development Services Director
 Phone: 928-636-4427 x-1217
Department: Development Services
Item Type: Action Item
Estimated length of staff presentation: 20 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Discussion of existing Medical Marijuana regulations and proposed amendments thereto; take public comment on proposed changes.

RECOMMENDED ACTION:

Direct staff to proceed with the proposed schedule.

SITUATION AND ANALYSIS:

Issue Statement It is expected that approval of recreational use of Marijuana will appear on the 2016 statewide ballot. Given the proliferation of medical marijuana cultivation facilities in the Town of Chino Valley, a review and update of the existing regulations is warranted.

Applicable "Policy": Key Result Area 1: Strong Fiscal Health; Goal 3: Resolve Outstanding Legal Issues; Objective E: Resolve issues with UDO.

Satisfaction of "Policy" Revising the UDO in regards to marijuana cultivation will provide clear and consistent regulation of manner and placement of such uses, and allow for adjustment of existing regulations to meet the demands of a growing industry.

Summary of Issues and Staff Rationale In 2010, voters in Arizona approved the use of marijuana for medical purposes. The Town of Chino Valley took the following actions regarding regulating the manner and placement of said uses in the Town:

1. 4/5/11: Public hearing at P & Z to make recommendation to TC
2. 5/10/11: TC refers matter back to staff to include 500' separation from churches
3. 3/20/12: P & Z holds public hearing; recommends no separation between church and MMJ uses
4. 4/24/12 TC decides to abide by state regulations
5. 9/10/13 TC directs staff to research and draft MMJ regulations
6. 11/19/13: Public Hearing at P & Z; forward amendments to TC with recommendation for approval

7. 12/10/13: Town Council adopts Ordinance 13-779, regulating the manner and placement of MMJ uses.
8. 3/11/14: Town Council adopts Resolution 14-1025 Opposing the Legalization of Recreational Marijuana
9. 4/22/14: Town Council adopts Resolution 14-1030 Supporting a Tax on Marijuana Growing Facilities

Staff has initiated the Citizen Review and Public Hearing process to consider amendments to the Unified Development Ordinance, which was amended by Ordinance 13-779 related to regulating the manner and placement of Medical Marijuana facilities in Chino Valley; this process is in full compliance with ARS 9-462.04. Staff recommends Town Council direct staff to continue with the following schedule:

1. Take public comment regarding existing regulations on October 27, 2015 during the regular Town Council meeting.
2. Provide proposed amendments to the Unified Development Ordinance and Ordinance 13-779 for the regular meeting of the Planning and Zoning Commission on November 3, 2015; Conduct a Citizen Review and Public Hearing on draft amendments at that meeting but not make a recommendation to the Town Council until an additional public hearing is held.
3. Provide additional public notice and hold a second public hearing at the Planning and Zoning Commission meeting on November 17 where the Planning & Zoning Commission will again consider the proposed amendments and make a recommendation to Town Council.
4. On December 8, 2015 Town Council will consider the recommendations of the Planning and Zoning Commission with respect to proposed amendments to the UDO and Ord. No. 13-779 and may take action to adopt said amendments, modify said amendments, or continue the item to a future date.

Findings of Fact

1. Chino Valley has a number of cultivation facilities that have been established to support the Medical Marijuana industry;
2. In 2013, Chino Valley approved regulations of the manner and placement of Medical Marijuana facilities;
3. Citizens have expressed concern in regards to the number of Medical Marijuana facilities in Chino Valley.

Fiscal Impact

Fiscal Impact?: NO

If Yes, Budget Code:

Available:

Funding Source:

Attachments

No file(s) attached.



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 7. b.

Meeting Date: 10/27/2015
Contact Person: Robert Smith, Town Manager
 Phone: 928-636-2646 x-1201
Department: Town Manager
Item Type: Action Item
Estimated length of staff presentation: 10 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Discussion and possible action regarding (i) the USDA WIFA refinance, and use of savings/proceeds to fund Center Street sewer extension, and (ii) the Town 's water and sewer extension, buy-in fee and connection policies.

RECOMMENDED ACTION:

Consider, discuss and possibly direct staff to take action relative to (i) the USDA WIFA refinancing project and/or the sewer extension project and (ii) code requirements relative to sewer extension, fees and connection policies.

SITUATION AND ANALYSIS:

Issue Statement

The Town Council may choose to refinance existing USDA debt with funds from WIFA that are available at a subsidized interest rate. Savings in interest payments would be significant, but in order to access WIFA financing, a new loan amount must be included as part of the refinance action. WIFA has authorized the refinancing, loan and a \$250,000 grant as part of the refinancing package.

Staff has suggested that the loan required for the refinancing be used to construct a sewer line extension along Center street, to the west, out to Molly Rae Subdivision. This subdivision of 106 lots was created with gravity sewer installed, and without a sewer service connection to the Town, the developer will be adding homes to the subdivision that include septic tanks.

Based on connection fees to be paid by homeowners building new homes in the subdivision, the entire cost of the loan for the construction project to extend a sewer line out to Molly Rae will be defrayed.

Applicable "Policy"

The Town's codes have specific requirements for mandatory connections to utilities that are extended into new service areas.

Satisfaction of “Policy”

Council may choose to amend Town code that is applicable to utility projects and mandatory connection fees.

Summary of Issues and Staff Rationale

Concern has been expressed for existing residential uses that are impacted by a utility extension -- in particular, mandatory connections may prove a burden the average citizen may not be able to support, even with a 10 year amortization of the cost (allowable in Town Code).

Council may consider amending the Town Code to provide for waivers or discounted costs (incentives) relative to connection fees for existing residential uses impacted by a new utility extension, to establish an acceptable approach to moving forward with the proposed sewer extension on Center Street.

Should Council act to create waivers or discounts, those forgone fees represent costs that should be covered from somewhere -- instruction to staff in this regard will yield alternatives for Council to consider for final adoption.

Findings of Fact

Fiscal Impact

Fiscal Impact?: n/a

If Yes, Budget Code:

Available:

Funding Source:

Total fiscal impact will be determined based on Council decision.

Attachments

USDA WIFA Refinance powerpoint, updated

Town Code Section 51.075



USDA WIFA REFINANCE

Finance Department

October 22, 2015

Why WIFA?

- WIFA offers subsidized interest rates. Chino Valley qualifies for a 20% discount.
- WIFA extends grants to underprivileged communities' that reduce the amount that has to be paid back. WWTP saved \$478,929, Prescott Water Acquisition \$636,000, Center Street Sewer \$250,000.
- WIFA allows borrowers to fund a reserve fund over 5 years instead of financing the amount up front.
- WIFA also encourages a repair and replacement fund if applicable.

Current USDA Loan Summary

Current Loans	Interest Rate	Payoff	Original Balance	Outstanding Balance
USDA 2007	4.1250%	2/16/2037	\$1,595,000	\$1,374,524
USDA 2008	4.1250%	4/10/2038	\$1,505,000	\$1,339,709
USDA 2008	4.1250%	4/16/2038	\$1,332,000	\$1,185,137
Total			<u>\$4,432,000</u>	<u>\$3,899,370</u>
		Term	23 Years	23 Years

Note refinanced loan will payoff on 7/1/2038

Refinance with WIFA

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Total Debt Service Existing Loan	4.1250%	23 Years	\$5,916,310
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Total Debt Service New Loan	2.40%*	23 Years	\$5,141,130
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Total Cash Savings			<u>\$775,180</u>
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Present Value Savings			\$642,293
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* *Estimated Interest Rate*

Center Street Project

Stifel Report Page 1

Design	\$50,000
Construction	\$510,000
Closing Costs	\$5,000
Total Project	<u>\$565,000</u>

Design Paid by Town	-\$50,000
WIFA Grant Forgivable Principal	-\$250,000
Total Loan	<u><u>\$265,000</u></u>

New Debt Service 20 Year Loan	\$335,310
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Total Combined Loan Savings

	Net Saving
Total Debt Service Existing Loan 23 Years	\$775,180
Total Debt Service New Loan 23 and 20 Years	(\$335,310)
Total Savings	<u><u>\$439,870</u></u>

Molly Rae Subdivision

		Buy In Fees	Total Buy In Fees
Total Lots	106		
Total Homes to date	4		
Number of Homes Remaining	<u>102</u>	\$6,000	\$612,000
Total Future Annual Sewer Fees	102	\$64	\$78,336
Total Project Cost			\$315,000
Total Debt Service			\$335,310
Other homes along Center	28?	\$6,000	?

*Town may offer an incentive to hookup during construction.

USDA Loan Summary

	Current	New
Existing USDA Debt	\$3,881,000	\$3,881,000
Center Street Sewer Line		\$310,000
Closing Costs		\$75,000
Other		\$4,000
Total	<u>\$3,881,000</u>	<u>\$4,270,000</u>
Annual Debt Service	<u>\$271,000</u>	<u>\$255,000</u>

Refinance Schedule

7/16/2015 Council Study Session. Present Data

7/28/2015 Council Adopts Debt Authorization

WIFA sends Town Project Finance Application (PFA)

8/28/2015 PFA back to WIFA

10/21/2015 WIFA Board Approval

11/10/2015 Loan Documents to Council for Approval

11/??/15 Loan Closes

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Water and Sewers

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(3) *Improvement or community facility districts.* Where either of the above methods are not applicable due to the scope or cost of anticipated construction costs, a community facilities district or an improvement district may be formed in accordance with provisions of state and local ordinances. (Ord. 04-578, passed 7-22-2004)

§ 51.062 EXTENSIONS; INAPPLICABILITY OF PROVISIONS TO EXISTING AGREEMENTS, NO INTEREST TO BE PAID.

This policy is not retroactive to existing agreements signed under previous policies. No interest will be applicable on, nor applied to, the agreed "approach main" construction cost. (Ord. 04-578, passed 7-22-2004)

WATER SERVICE CONNECTIONS

§ 51.075 CONNECTION TO WATER MAINS REQUIRED; EXISTING RESIDENTIAL OPTIONAL.

(A) Where commercial, industrial and other non-residential property is located upon a street in which a water main is laid, the property shall be connected with the water system. These services shall extend at right angles from the main to the curbside, or property line, and shall be installed in accordance with town standard details.

(B) A new home on residential property located upon a street where a town water main is located shall be connected with the town water system. The connection shall not prohibit the construction and operation of a non-exempt well in accordance with state ADWR regulations.

(C) Where a new water main is laid on a street with existing residential homes that have an on-site domestic well, the properties may elect to continue use of their on-site well in lieu of connecting to the town system. In the event that the properties do connect to the town system, either at the time of original line construction or at some later date, the on-site well shall be properly sealed and abandoned. In accordance with ADWR and ADEQ standards, the abandonment shall be inspected, confirmed and documented by the Utility Department.

(D) The number, location, manner of construction and sizes of all service connections shall be subject to the approval of the Director. (Ord. 04-578, passed 7-22-2004)