



Town of Chino Valley

MEETING NOTICE TOWN COUNCIL

REGULAR MEETING
Tuesday, October 28, 2014
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 2014 as *American Diabetes Month*, sponsored by the American Diabetes Association, Phoenix, Arizona. (Mayor Marley)
- b) Proclamation declaring November 2014 as *Tax Credit Giving Month*, sponsored by Yavapai Big Brothers Big Sisters. (Mayor Marley)

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.

- a) Response to a request from Dan Carlson regarding failure in maintaining drainage ditch and weed control along Road 3 North, Road 1 West, and Gilson Street as a condition of easement granted.

5) **CURRENT EVENT SUMMARIES AND REPORTS**

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

- a) Status report by Town Manager Robert Smith regarding Town accomplishments, and current or upcoming projects.
- b) Status report on the Community Development Block Grant, special survey requested by the AZ Department of Housing.

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 accept the August 12, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to accept the August 26, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)
- c) Consideration and possible action to accept the September 9, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)
- d) Consideration and possible action to accept the September 18, 2014 study session minutes. (Jami Lewis, Town Clerk)
- e) Consideration and possible action to accept the September 23, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)
- f) Consideration and possible action to authorize the Mayor to sign the right-of-way dedication agreement from Tony Karcic for the dedication of Road 1 East south of Road 4 South. (Ron Gritman, Public Works Director/Town Engineer)
- g) Consideration and possible action to approve Financial Report for the month ended September 30, 2104. (Joe Duffy, Finance Director)

7) **ACTION ITEMS**

- a) Consideration and possible action to authorize issuance of a Conditional Use Permit for operating a private airport/landing strip on approximately nine (9) acres generally located at 849 East Road 1 South in the northeast quarter of the southeast quarter of Section 27, Township 15 North, Range 1 West. (Ruth Mayday, Development Services Director)

Recommended Action: Issue Conditional Use Permit 14-003 for the operation of the airstrip owned by Chino Valley Airpark LLC, as a conditional use rather than a legal nonconforming use.

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) **ADJOURNMENT**

Dated this 23rd day of October, 2014.

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 1-(800) 347-1695 (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/clerk/townagenda.shtml>, 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: 10/28/2014
Contact Person: Jami Lewis, Town Clerk
 Phone: 928-636-2646 x-1208
Department: Council
Item Type: Presentation Only
Estimated length of Staff Presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Proclamation declaring November 2014 as *American Diabetes Month*, sponsored by the American Diabetes Association, Phoenix, Arizona. (Mayor Marley)

SITUATION & ANALYSIS:

The American Diabetes Association requested this proclamation. Throughout November 2014, local residents can find out more information about diabetes online at stopdiabetes.com or by calling 1-800-DIABETES.

Attachments

Proclamation

Facts about diabetes in Arizona



PROCLAMATION

American Diabetes Month – November 2014



Whereas, in the United States, nearly 30 million people—including approximately 500,000 children and adults in Arizona—have diabetes, a serious disease with potentially life-threatening complications such as heart disease, stroke, blindness, kidney disease and amputation; and

Whereas, an additional 86 million people in the United States are at risk for development type 2 diabetes; and

Whereas, recent estimates project that as many as one in three American adults will have diabetes in 2050 if current trends continue; and

Whereas, an increase in community awareness is necessary to put a stop to the diabetes epidemic;

Now, Therefore, I, Chris Marley, Mayor of the Town of Chino Valley, do hereby proclaim ***November 2014*** as ***American Diabetes Month*** in Chino Valley, Arizona, and do hereby encourage all citizens to recognize American Diabetes Month and be part of the American Diabetes Association's Stop Diabetes movement to confront, fight and most importantly, change the future of this deadly disease.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the Town of Chino Valley to be affixed this ***28th*** day of ***October, 2014***.

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

The Burden of Diabetes in Arizona

Diabetes is a common disease in Arizona:

- In 2009, approximately 390,000 adults, or 7.9% of the adult population, had diagnosed diabetes.
- Adults without diabetes who are overweight and not physically active are at risk of developing diabetes. In 2009, 85.2% of all adults in Arizona were overweight or obese, and 32.5% were physically inactive.
- If current trends continue, one in three children born in Arizona after the year 2000 will develop diabetes within his or her lifetime. For minorities, this number is nearly one in two.

Diabetes is a serious disease in Arizona:

- People with diabetes in Arizona suffer from many diabetes-related complications. In 2006, 1,055 people with diabetes were diagnosed with end-stage renal disease, accounting for 51% of all new cases.
- In 2009, 36% of adults with diabetes reported having at least one day of poor health (physical or mental) in the previous month in which they could not perform their usual activities.
- Diabetes caused the deaths of 1,208 people in Arizona in 2005.

Diabetes is a costly disease in Arizona:

- People with diagnosed diabetes have medical expenses that are approximately 2.3 times higher than people who do not have diabetes.
- Individuals with diabetes spent approximately \$11,744 on medical costs in 2007.
- In 2006, diabetic medical expenses in Arizona totaled nearly \$2.3 billion, and indirect expenses, such as lost productivity and premature mortality, totaled more than \$1 billion.
- Nationally, the total economic cost of diabetes in 2007 was approximately \$174 billion. Medical expenses totaled \$116 billion, and indirect expenses, such as lost productivity and premature mortality, totaled \$58 billion.

Diabetes is a common, serious and costly disease that poses a major public health problem. The American Diabetes Association believes that if we are to truly make strides against this devastating disease, we must fund diabetes research and programs, improve health care, and support proven prevention measures.

Sources:

--American Diabetes Association Diabetes Cost Calculator.
<http://www.diabetesarchive.net/advocacy-and-legalresources/cost-of-diabetes.jsp>
 -- Arizona Department of Health Services, Arizona Diabetes Indicators Annual Report: 2008.
<http://www.azdiabetes.gov/pdf/IndicatorsReportJuly2008.pdf>
 --Centers for Disease Control and Prevention State Profiles, 2005.
<http://www.cdc.gov/chronicdisease/states>
 --Centers for Disease Control and Prevention State Surveillance Data, 2009.
<http://apps.nccd.cdc.gov/DDTSTRS/StateSurvData.aspx>

National Office

1701 North Beauregard Street
 Alexandria, VA 22311
 Tel: 703-549-1500 • Fax: 703-549-1715

Diabetes Information

Call 1-800-DIABETES (1-800-342-2383)
 Online: www.diabetes.org
 The Association gratefully accepts gifts through your will.

The Mission of the American

Diabetes Association is to prevent and cure diabetes and to improve the lives of all people affected by diabetes.

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **2. b.**

Meeting Date: 10/28/2014
Contact Person: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
Department: Council
Item Type: Presentation Only
Estimated length of Staff Presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Proclamation declaring November 2014 as *Tax Credit Giving Month*, sponsored by Yavapai Big Brothers Big Sisters. (Mayor Marley)

SITUATION & ANALYSIS:

N/A

Attachments

Proclamation

Yavapai Charitable Organizations



PROCLAMATION

Tax Credit Giving Month – November 2014



***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; and*

***Whereas,** 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,** 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; and*

***Whereas,** 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; and*

***Whereas,** keeping tax dollars local though 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 2014 as "Charitable Tax Credit Giving Month" in Chino Valley, Arizona, and for the good of the community, urge residents to keep their money local by donating 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 28th day of October, 2014.*

Chris Marley, Mayor

ATTEST: Jami C. Lewis, Town Clerk

NAME OF ORGANIZATION	ADDRESS	CITY, STATE, ZIP CODE	TELEPHONE #
Blankets 4 Kids, Inc.	1130 W. Fawn Lane	Prescott, AZ 86305	(928) 541-0483
Boys & Girls Clubs of Central Arizona	335 E. Aubrey St.	Prescott, AZ 86303	(928) 776-8686
Boys to Men Mentoring Network of North Central Arizona	3208 Lakeside Village Dr.	Prescott, AZ 86301	(928) 499-0522
CASA - Central Arizona Seniors Association	9360 Manzanita Circle	Prescott Valley, AZ 86314	(928) 772-3337
Chino Valley Food Bank	P.O. Box 837	Chino Valley, AZ 86323	(928) 636-8478
Coalition for Compassion and Justice	P. O. Box 1882	Prescott, AZ 86302	(928) 445-8382
CommunityPregnancyCenter of Prescott	1124 E. GurleySt.	Prescott, AZ 86301	(928) 778-7654
Four CountyConference on Developmental Disabilities	P. O. Box 3262	Prescott, AZ 86302	(928) 634-8944
Horses with H.E.A.R.T., Inc.	P.O. Box 2427	Chino Valley, AZ 86323	(928) 533-9178
L.I.F.E. Ministries, Inc. dba CommunityPregnancyCenter of Prescott	1124 E. GurleySt.	Prescott, AZ 86301	(928) 778-7654
Nazcare	599 White Spar Rd.	Prescott, AZ 86303	(928) 442-9205
Neighbor To Neighbor	6717 E. 2nd St., Suite D	Prescott Valley, AZ 86314	(928) 775-6145
New Horizons Disability Empowerment Center,formerly New Horizons Independent LivingCenter	8085 E. Manley Dr.	Prescott Valley, AZ 86314	(928) 772-1266
Northland Cares	3112 Clearwater Dr., Suite A	Prescott, AZ 86305	(928) 776-4612
People Who Care	P. O. Box 12977	Prescott, AZ 86304	(520) 445-2480
Prescott Area Habitat for Humanity	1230 Willow Creek Rd.	Prescott, AZ 86301	(928) 445-8003
Prescott Area Women's Shelter	336 N. Rush St.	Prescott, AZ 86301	(928) 778-5933
Prescott CommunityCupboard Food Bank, Inc.	434 W. GurleySt.	Prescott, AZ 86301	(928) 778-4622
Prescott Evening Lions Foundation	P. O. Box 10304	Prescott, AZ 86304	
Prescott Free Clinic, Inc.	1090 Commerce Dr.	Prescott, AZ 86305	(928) 771-3122
Prescott Meals on Wheels	1280 Rosser St.	Prescott, AZ 86301	(928) 445-7630
Prescott Noon Lions Foundation	P.O. Box 2215	Prescott, AZ 86302	(928) 442-6797
Prescott Sunrise Lions Club Foundation	P. O. Box 985	Prescott, AZ 86302	(928) 713-8116
Prescott ValleyEarlyBird Lions Foundation, Inc.	P. O. Box 25495	Prescott Valley, AZ 86312	
Prescott Valley Food Bank	P.O. Box 26242	Prescott Valley, AZ 86312	(928) 772-4490
Prescott ValleyLibraryAdult Literacy	7501 E. Civic Center Circle	Prescott Valley, AZ 86314	(928) 759-3049
Project Aware, Inc.	217 W. Leroux	Prescott, AZ 86301	(928) 778-7744
SteppingStones Agencies	3343 N. WindsongDr., Suite 9	Prescott Valley, AZ 86314	(928) 772-4184
The Salvation Army, P.O. Box 2017	237 S. Montezuma St.	Prescott, AZ 86302	(928) 778-0150
West Yavapai Guidance Clinic, Inc.	505 S. Cortez St.	Prescott, AZ 86303	(928) 445-5211
Yavapai Big Brothers Big Sisters	P. O. Box 324	Prescott, AZ 86302	(928) 778-5135
Yavapai Casa for Kids, Inc.	P.O. Box 12457	Prescott, AZ 86304	(928) 632-7798
Yavapai Exceptional Industries	436 N. Washington Ave.	Prescott, AZ 86301	(520) 445-0991
Yavapai Food Bank	P. O. Box 4151	Prescott, AZ 86302	(928) 775-9204

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **5. b.**

Meeting Date: 10/28/2014
Contact Person: Cecilia Grittmann, General Services Director
 Phone: 928-636-2646 x-1202
Department: General Services
Item Type: Presentation Only
Estimated length of Staff Presentation: 5 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Status report on the Community Development Block Grant, special survey requested by the AZ Department of Housing.

SITUATION & ANALYSIS:

In October of 2013 we began the public process for the Community Development Block Grant (CDBG), holding public hearings and considering public input and comment. The Town receives funding from the Department of Housing for a CDBG grant every four years. One of the requirements for the use of the money is that the project needs to benefit a low-to-moderate population. Four years ago we performed a large survey in the Chino Valley Chino Meadow's area for our flooding project, surveying close to 400 homes and qualifying the project. The project proposed for 2013/14 is a paving project that is a subset of the previous survey. As was communicated to the Council in previous meetings, we felt confident through our conversations with NACOG and AZ Dept of Housing that our previous survey would be sufficient for qualifying the neighborhood for the proposed paving project.

NACOG prepared the Town's application and submitted it to the AZ Department of Housing (AZ DOH). We received notice from the AZ DOH on July 29, 2014 that the previous survey would not suffice, and they gave us 30 days to respond. Mr. Grittmann, PW Director, responded on August 27, 2014 with a detailed explanation of the rationale behind the use of the previous survey and the explanation of why the Town believes, because of the wind and dust we receive in Chino Valley, that more than just the residents who reside on the dirt streets would receive the benefit of additional paved streets.

On August 27th we received an e-mail from Toni Pattison from the AZ DOH. She explained through her e-mail that beneficiaries for paving projects are considered to be those who receive a DIRECT benefit - those who are located on the streets or those driving frequently on the streets are the beneficiaries, and those are the properties that should be included in the survey.

The Town Manager, PW Director, and the General Services Director had a phone conference with the

AZ DOH staff explaining the Town's position and rationale. The AZ DOH was very receptive to our thoughts, but did not have the authority to approve the former survey, or a portion thereof, for the paving project, and had to confer with their specialist at Housing and Urban Development (Federal agency responsible for the funding to the AZ Department of Housing). AZ DOH agreed to speak to their representative and present the Town's rationale.

On September 12, 2014 a representative from HUD ruled that using a subset from the previous survey "this practice may be allowed in very limited cases where the time lapse between activities is small (e.g. less than a year). The reason is that even when the same people who were sampled during an income survey continue to live in the subset area, latent changes in their socioeconomic conditions may occur." It was determined that a new survey needs to be performed.

The paving projects, which covers a portion of Cottonwood Lane, Railroad Avenue, Sunset Avenue, Lazy Loop, Lobo Lane, and a section of Center Street, will benefit 71 homes. Therefore, the Town has prepared the letters and the surveys for the residents receiving a direct benefit, and they were mailed out on October 8, 2014. The residents will have until October 20, 2014 to return the surveys, and we will follow up with those who have not responded by contacting them directly by telephone or in person. It is anticipated that the survey and all documents will be turned into the AZ DOH by November 17, 2014.

Attachments include correspondence between the Town, AZ DOH, HUD, and a copy of the survey request and survey.

Attachments

Correspondence, ADOH
Survey, Council Packet

JANICE K. BREWER
Governor



MICHAEL TRAILOR
Director

STATE OF ARIZONA
DEPARTMENT OF HOUSING

1110 WEST WASHINGTON, SUITE 310
PHOENIX, ARIZONA 85007

(602) 771-1000 WWW.AZHOUSING.GOV
FAX: (602) 771-1002

July 29, 2014

Cecilia Watts, CDBG Coordinator
Town of Chino Valley
202 N. State Route 89
Chino Valley, AZ 86323

Re: Chino Meadows Paving Improvements
FY2014 Community Development Block Grant ("CDBG") Regional Application

Dear Ms. Watts:

The Arizona Department of Housing ("ADOH" or the "Department") has completed its initial Completeness and Threshold Review of your CDBG application in accordance with Section 3 of the *CDBG Application Handbook*. Our review consisted of an assessment regarding the completeness of the application as well as verification that all threshold items have been met. Our findings are presented below:

1. The application includes information for a Special Survey that was completed in January, 2010. The information provided does not seem to align with the current project's Service Area. The Special Survey data shows a total of 1080 beneficiaries and 396 structures in the survey area. However, these figures appear to be too high for the proposed project. ADOH believes that a new survey, encompassing just the proposed Service Area will need to be completed. Please contact your Programs Specialist for guidance on completing this requirement. ADOH will not be able to complete the review of this application until a valid Special Survey supporting low-mod data is completed.

As indicated in the *CDBG Application Handbook*, both Threshold and Completeness Review deficiencies allow each applicant a thirty-day correction period. In order that we might continue our review, we request that you provide the missing information and related support documents no later than the close of business on September 29, 2014. If the required information is not provided by that date, the Department will discontinue its review of this application. If you have any questions regarding this request, you may contact your specialist at 602.771.1044 or by e-mail at: toni.pattison@azhousing.gov.

Sincerely,

Kathy Blodgett, Administrator
Community Development and Revitalization

cc: Toni Pattison, CD&R Programs Specialist



The Town of Chino Valley
Public Works/Engineering Department
1982 Voss Drive, #201
P.O. Box 406
Chino Valley, AZ 86323

Town Hall Telephone (928) 636-2646
Town Hall Fax (928) 636-2144
Telephone (928) 636-7140
Fax (928) 636-7141
www.chinoaz.net

August 27, 2014

Ms. Kathy Blodgett
State of Arizona
Department of Housing
Community Development and Revitalization, Administrator
1110 West Washington
Phoenix, AZ 85007

RE: Chino Valley Paving Improvements
FY 2014 Community Development Block Grant (CDBG) Regional Application

Dear Ms. Blodgett,

Pursuant to your letter dated July 29, 2014, the Town of Chino Valley (Town) would like to request that the Department of Housing (Department) reconsider its position as to the issue relating to the need for a new Special Survey of the project's service area. In your letter you state "The Special Survey data shows a total of 1080 beneficiaries and 396 structures in the survey area. However, these figures appear to be too high..."

The Town would like to propose to the Department why these are the correct and appropriate numbers that represent the beneficiaries for the project. Attached is a map that depicts both the 2010 drainage project and the 2014 paving project. The 2010 drainage project is shown as a shaded area. As with many projects, the actual number of beneficiaries goes well beyond the limits of the actual project. The 2010 drainage project provides for stormwater relief for all property owners that are down stream of the constructed improvements. While the project area is relatively small, the 2010 CDBG drainage project provides relief for a distance of almost 1 mile north of the project limits. The constructed stormwater improvements provided stormwater relief for well over 396 structures.

The paving project, shown on the same map, provides relief in terms of the reduction of fugitive dust that is generated by the unsurfaced roadways well beyond the limits of Chino Meadows Unit 5. Winds in central Arizona routinely reach



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speeds of 40MPH during the spring months from March until June. These winds can easily carry the fugitive dust several miles away from where the dust is being generated. The metro Phoenix area itself considers fugitive dust when using CMAQ (air quality) dollars for a project. Areas that are benefited by paving over unsurfaced streets go well beyond the immediate project limits.

Attached is also snap shot of Google Maps that depicts the overall area immediately adjacent to the Chino Valley Paving Improvements FY 2014 Community Development Block Grant (CDBG) Regional Application project. The scale on this map does not even represent an area that fugitive dust should be considered. Clearly there are well over 396 structures within this limited area. Should the application of a distance that is similar to the Phoenix metro area, for air quality, would represent well over 396 benefited structures.

The Town respectfully requests that the Department reconsider its position to the requirement that a new Special Survey is required. The Town believes that by providing the paving of the dirt streets within a neighborhood that has already qualified under a previous project that there is no need for an additional Special Survey. In addition, once the consideration of the beneficiaries that are within the influence of a region that would be consistent with what is applied in the metro Phoenix area, when CMAQ dollars are involved, that the Town's estimation of 396 structures is in all likelihood a low estimate.

If you have any questions please feel free to contact me at (928) 636-7140.

Sincerely,

Ron Grittmann, P.E.
Public Works Director/Town Engineer

Cc: Toni Patterson CD&R Programs Specialist
Cecilia Watts, CDBG Coordinator





Attachment 2

Cecilia Grittman

From: Toni Pattison <Toni.Pattison@azhousing.gov>
Sent: Thursday, August 28, 2014 9:14 AM
To: Ron Grittman
Cc: Cecilia Grittman; Irollins@nacog.org
Subject: RE: Scan from a Xerox WorkCentre

Hi Ron,

Thank you for sending the letter and maps. Here is the situation we face with your survey. The way that HUD requires surveys for paving projects is based on the homes that receive DIRECT benefit. Those that are located on the streets, or driving frequently on the streets are the beneficiaries. So, if "Main Street" where every resident must drive to access to schools, stores, etc is to be paved, then you could argue that all town residents would be beneficiaries. However, when we deal with neighborhood streets, the beneficiaries are those living and driving regularly on the streets. We don't have "wiggle room" on this, and have had several applications this year and last that have had to comply with this process.

We do understand the argument you make about fugitive dust. But, if you choose to use that as your support, you will still need to provide a new survey. This time, the survey would need to encompass all of those areas provided "relief in terms of the reduction of fugitive dust that is generated by the unsurfaced roadways" that reaches "well beyond the limits of Chino Meadows 5" as stated in your letter. You would need to provided details documentation on how the "dust radius" is calculated and then survey all homes in that area.

That said, the Town is looking at two options. A small scale survey that encompasses those households located on the streets to receive pavement or a large scale survey that encompasses all the households that could be affected by the blowing dust. According to your letter, it sounds like the latter would encompass an area much larger than the original survey and include many more than the original 396 homes. The first option (from what I can estimate from the maps provided) would require surveying approximately 50-60 households. I would recommend the first option.

We fully understand that surveys are not an easy undertaking; they require a lot of staff time and dedication. However, this is something that is required by HUD and is becoming more heavily looked at in the past few years since many communities lack sufficient Census data for their service areas. I hope you understand that providing adequate documentation that a proposed Service Area is low-mod is what all CDBG projects hinge on. Without proper documentation, the entire project's validity can be questioned and funding can be jeopardized.

If you have any additional questions, please let me know.

Thank you,
 Toni

-----Original Message-----

From: Ron Grittman [<mailto:rgrittman@chinoaz.net>]
Sent: Wednesday, August 27, 2014 3:13 PM
To: Toni Pattison
Cc: Cecilia Grittman; Irollins@nacog.org
Subject: FW: Scan from a Xerox WorkCentre

Toni,

Attached is the Town's request to have a new Special Survey for the Town of Chino Valley 2014 CDBG project. A hard copy is being sent in the regular mail.

Thanks,

Ron Grittman, P.E.
Public Works Director/Town Engineer
(928) 636-7140

-----Original Message-----

From: Sherri Turner
Sent: Wednesday, August 27, 2014 3:03 PM
To: Ron Grittman
Subject: FW: Scan from a Xerox WorkCentre

-----Original Message-----

From: WorkCentre 7120 [<mailto:cvprintcopy@chinoaz.net>]
Sent: Wednesday, August 27, 2014 2:58 PM
To: Sherri Turner
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Number of Images: 4
Attachment File Type: PDF

Device Name: WorkCentre 7120
Device Location:

For more information on Xerox products and solutions, please visit <http://www.xerox.com/>

Cecilia Grittman

From: Toni Pattison <Toni.Pattison@azhousing.gov>
Sent: Monday, September 15, 2014 12:33 PM
To: Ron Grittman; Cecilia Grittman; Robert Smith
Subject: FW: State CDBG Special Survey Question

Good Afternoon Everyone,

Thank you for your patience while we followed-up with HUD on your questions regarding the validity of your Special Survey. Kathy contacted several HUD staff, including our local office (who typically will defer to the regional and/or DC office) and the HUD DC staff person who oversees the Special Survey procedures and regulations for the State CDBG program.

If you scroll to the bottom, you will find Kathy's original e-mail to Neba Funiba in DC. Her original e-mail includes a general question regarding the situation. Above that is Mr. Funiba's response indicating that a new survey is required. We wanted to be sure that we covered the situation clearly and in the appropriate amount of detail, so Kathy followed up again with an additional question. The final response from Mr. Funiba (just below in red) indicates that HUD is remaining firm on their stance that a new survey will be required.

I hope this helps to clarify the situation for you. Please read through the correspondence and let us know if you have any questions. At this point we are going to require a new Special Survey as stated in the original letter sent by ADOH on July 29, 2014. If we all agree that this is the path we must follow, I will send a follow-up letter revising the deadline for the survey.

Thank you,
 Toni

From: Funiba, Neba V [<mailto:Neba.V.Funiba@hud.gov>]
Sent: Friday, September 12, 2014 11:02 AM
To: Kathy Blodgett
Cc: Hoemann, James E; Peterson, Robert C; Uhler, David M; Toni Pattison
Subject: RE: State CDBG Special Survey Question

Kathy:

If the residents in the survey area have not changed and there have been no changes to the existing demographics, AND if there was a sufficient number of homes surveyed and a sufficient number of responses received from the survey subset area are we then ok to pull out the data for the subset area from the previous income survey of the larger Chino Meadows area?

This is a very slippery slope—this practice may be allowed in very limited cases where the time lapse between activities is small (e.g., less than a year). The reason is that even when the same people who were sampled during an income survey continue to live in the subset area, latent changes in their socioeconomic conditions may occur. For example, some of them who work, may have experienced increases in their incomes due to pay raises, or decreases in their incomes due to retirements, some of them who used to work two jobs may now have only one job (and vice versa), Or a family member who was not old enough to have a job is now working, etc. (Whatever the case, the State must ascertain that the boundaries of the subset area are not drawn so as to guarantee the 51% LMI threshold.)

From: Kathy Blodgett [<mailto:Kathy.Blodgett@azhousing.gov>]
Sent: Wednesday, September 10, 2014 11:04 AM
To: Funiba, Neba V
Cc: Hoemann, James E; Peterson, Robert C; Uhler, David M; Toni Pattison
Subject: RE: State CDBG Special Survey Question

Neba,
 Thanks for getting back to me so quickly!!

I have a follow up question.

If the residents in the survey area have not changed and there have been no changes to the existing demographics, AND if there was a sufficient number of homes surveyed and a sufficient number of responses received from the survey subset area are we then ok to pull out the data for the subset area from the previous income survey of the larger Chino Meadows area?

Thanks so much for your assistance,

Katherine E. Blodgett
 CD&R Programs Administrator



1110 W. Washington St., Suite 310
 Phoenix, Arizona 85007
 Direct 602.771-1021 | Main 602.771-1000 | Facsimile 602.771-1029
www.azhousing.gov



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From: Funiba, Neba V [<mailto:Neba.V.Funiba@hud.gov>]
Sent: Wednesday, September 10, 2014 6:16 AM
To: Kathy Blodgett
Cc: Hoemann, James E; Peterson, Robert C
Subject: RE: State CDBG Special Survey Question

Kathy:

An income survey designed for a CDBG-funded activity in a defined service area can be used for another CDBG-funded activity if the service area of the second activity coincides exactly (i.e., coterminous) with the service area of the first activity and nothing (such as natural disasters) has happened to change existing

demographics. Therefore, if the existing LMISD for the smaller section of Chino Meadows does not contain enough income data, a new income survey must be conducted.

Neba

From: Kathy Blodgett [<mailto:Kathy.Blodgett@azhousing.gov>]
Sent: Tuesday, September 09, 2014 5:37 PM
To: Funiba, Neba V
Subject: State CDBG Special Survey Question
Importance: High

Neba,

I have a community in Arizona that completed a special survey to qualify an area known as Chino Meadows for a flood/drainage project. The Special survey came back with 77% of the residents being low-mod income.

The community is now applying for funds to do street improvements in a much smaller section of the Chino Meadows special survey area.

Is it possible to use a subset of the original special survey and apply the low-mod income percentage to this project? I don't believe that we can argue that the entire Chino Meadows special survey area benefits from the proposed new street improvements project.

Katherine E. Blodgett
 CD&R Programs Administrator



1110 W. Washington St., Suite 310
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202 N State Route 89
CHINO VALLEY, AZ 86323



TELEPHONE (928) 636-2646
FAX (928) 636-2144
www.chinoaz.net

Ms. Toni Pattison
CDBG Programs Specialist
Arizona Department of Housing
1110 W. Washington, Suite 310
Phoenix, AZ 85007

Dear Ms. Pattison:

The Town of Chino Valley is requesting a special survey for CDBG funding. Our Town Engineer has prepared a Scope of Work and identified the project area. The methodology will be as follows:

1. A copy of the survey questionnaire is attached.
2. A copy of the survey cover letter is attached.
3. The surveys will be mailed to the property owner on record from the County database.
4. The project area (population) of Chino Valley residents whom this concerns encompasses 71 houses, and roughly 6 blocks. It is part of an area identified as Chino Meadows II and Chino Meadows V, all of which have dirt streets, which has caused dust problems and an inability to handle sheet flow from heavy rains adequately.
5. The survey will be a sample of 71 residences, and the labels will be produced by the Town of Chino Valley. Since the number of house benefitting from this project is not overwhelming, we will be sending surveys to all affected residences in an effort to reach the proper survey response rate via the mailing.
6. The survey response time will be 14 days and will begin October 8th, 2014. If the appropriate response rate is not achieved, we will attempt contact by a telephone call or, if a phone number is not available, an in-person visit between 9 a.m. and 5 p.m.
7. TDD information is included in the letter. The letter and survey will be provided in English on one side and Spanish on the other.



202 N State Route 89
CHINO VALLEY, AZ 86323



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8. The survey will be completed by November 17, 2014.
9. Responses will be checked off the master control sheet of addresses.
10. Homes that are vacant and/or bank owned (foreclosed) will be verified, once the survey is mailed, that they are vacant during the survey process and will not be counted in the population.
11. Isabel Rollins, NACOG CDBG Program Manager, will assist in making the final determinations in defining the policies of the survey:
 - The head of household is declared by the household residents.
 - A family is one or more persons.
 - The definition of income is on the Survey Form.
 - Valid surveys will have the family size and income information completed and will be signed by either a household member or will have the verification of the surveyor.
12. Cecilia Watts, General Services Director for the Town of Chino Valley, will train staff or volunteers as needed for the process, and will oversee the final tally of the survey.
13. The survey information will be separated, sealed, and labeled "Confidential" and kept by Cecilia Grittman, General Services Director, Town of Chino Valley, 202 N State Route 89, Chino Valley, AZ 86323, in a locked file room. The survey information will be retained per CDBG guidelines, five years after grant close-out.

If you should have any questions or concerns, please call me. I may be reached at 928.636.2646, ext. 1202.

Thank you,

Cecilia Grittman
General Services Director



202 N State Route 89
CHINO VALLEY, AZ 86323



TELEPHONE (928) 636-2646
FAX (928) 636-2144
www.chinoaz.net

October 8, 2014

The Town of Chino Valley is applying for a Community Development Block Grant (CDBG) to assist with paving projects in your area. We have been allocated \$266,693 for this project, and the scope of work is on file at Town Hall, at the address listed above, should you wish to review the application. This project is an asphalt paving project encompassing the following streets: a portion of Cottonwood Lane, Center Street, Railroad Avenue, Sunset, Lazy Loop, and Lobo Lane.

We are surveying the households who have been determined to receive a direct benefit from this paving project. Survey results will determine eligibility for these federal grant funds to make the necessary improvements.

Please help! In order for the information from this survey to be valid, we must have everyone respond.

All information will be **kept confidential!** We will separate the information regarding family size, income, and demographics from the bottom portion of the page. Thus there will be no way for anyone to connect the information regarding your income and ethnic status with your name and address.

The Town of Chino Valley will collect and tabulate the information. For grant application purposes, we will only be giving grouped information, such as "20% of respondents are persons with disabilities."

Please answer the survey form, sign it, and return it in the enclosed (stamped) envelope by OCTOBER 22, 2014.

If you have any questions about this survey or have accessibility needs, please contact Cecilia Grittman, General Services Director, Town of Chino Valley, at 928.636.2646, ext 1202, or Isabel Rollins, NACOG, at 928.778.2692.

Thank you for your cooperation.

Sincerely,

Cecilia Grittman

Cecilia Grittman
General Services Director

For TTY access, call the Arizona Relay Service at 1-800-367-8939 and ask for Town of Chino Valley at 928-636-1787.



202 N State Route 89
CHINO VALLEY, AZ 86323



TELÉFONO (928) 636-2646
FAX (928) 636-2144
www.chinoaz.net

8 de octubre de 2014

El Pueblo de Chino Valley ha presentado una solicitud para una Concesión de Desarrollo de Bloque de la Comunidad (Community Development Block Grant [CDBG]) para ayudar con los proyectos de pavimentar en su área. Nosotros hemos asignado \$266,693 para este proyecto, y el alcance de trabajo esta entablado en el Ayuntamiento, a la dirección que aparece arriba, si es que desea revisar a la solicitud. Este proyecto en un proyecto del proyecto de pavimentar con asfalto abarcando las siguientes calles: una parte de Cottonwood Lane, Center Street, Railroad Avenue, Sunset, Lazy Loop, y Lobo Lane.

Estamos encuestando las casas que se han determinado a recibir un beneficio directo de este proyecto de pavimentar. Los resultados de la encuesta determinarán elegibilidad para estos fondos federales para llevar a cabo los mejoramientos necesarios.

iPor favor ayude! Para que la información de esta encuesta sea válida, es necesario que todos respondan.

iToda la información se **mantendrá confidencial!** Vamos a separar la información en relación con tamaño de la familia, ingresos, y demográficos de la parte de abajo de esta página De este modo no habrá ninguna manera de que cualquier persona pueda relacionar la información tocante sus ingresos y estado étnico con su nombre y dirección.

El Pueblo de Chino Valley va a recaudar y tabular la información. Para propósitos de la solicitud de concesión, nosotros solamente vamos a ofrecer información en grupo, tal como el "20% de respondientes son personas con incapacidades."

Por favor conteste el formulario de la encuesta, fírmelo, y regréselo en el sobre adjunto (con franqueo pagado) para el 22 DE OCTUBRE DE 2014.

Si tiene cualesquier preguntas tocantes esta encuesta o tiene necesidades de accesibilidad, por favor comuníquese con Cecilia Grittman, Directora de Servicios Generales, Pueblo de Chino Valley, al 928.636.2646, extensión 1202, o con Isabel Rollins, NACOG, al 928.778.2692.

Gracias por su cooperación.

Atentamente,

Cecilia Grittman

Cecilia Grittman
Directora de Servicios Generales

Para acceso al TTY, comuníquese con Arizona Relay Services al 1-800-367-8939 y pida Pueblo de Chino Valley al 928-636-1787.





SURVEY

THE FIRST 2 ITEMS AND BOTTOM PORTION MUST BE COMPLETED TO BE VALID.

(items A,B, & E)

A) TOTAL ANNUAL HOUSEHOLD INCOME IN 2013: (check appropriate box).

Total household income (range) »»»»»	\$0 - \$30,700	\$ 30,701 - \$ 35,100	\$ 35,101 - \$ 39,500	\$ 39,501 - \$ 43,850	\$ 43,851 - \$ 47,400	\$ 47,401 - \$ 50,900	\$ 50,901 - \$ 54,400	\$ 54,401 or above
Check box								

(Include salaries and wages before payroll deductions, net income from a business, interest, dividends, social security and pension payments, unemployment compensation, and welfare payments in calculating total household income. Income should **not** include food stamps, insurance reimbursements, irregular gifts, or scholarships.)

B) TOTAL NUMBER OF PERSONS LIVING IN HOUSEHOLD: _____*The following demographic information is optional but will prove helpful to the Town***C) Ages of Household Members:**

Below 19 years of age (# of persons) _____

20 – 61 years of age (# of persons) _____

62 years of age or older (# of persons) _____

Head of Household, Race Categories**Ethnicity**

D)	RACE	Check only one race category	Check if also Hispanic	Number of Disabled Persons in Household: _____ Female Head of Household: Yes _____ No _____
1	American Indian or Alaska Native			
2	Asian			
3	Black or African American			
4	Native Hawaiian or Other Pacific Islander			
5	White			
6	American Indian or Alaska Native <i>and</i> White			
7	Asian <i>and</i> White			
8	Black or African American <i>and</i> White			
9	American Indian or Alaska Native <i>and</i> Black or African American			
10	Multi-Racial or Other			

E) TO BE SEPARATED AFTER RECEIPT

I, _____ verify that this information is true and accurate.
 (printed name)

Signature: _____ Date: _____

Mailing Address: _____
 Mailing Location Town/City Zip

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. a.**

Meeting Date: 10/28/2014

Contact Person: Jami Lewis, Town Clerk

Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to accept the August 12, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the August 12, 2014 regular meeting minutes.

Attachments

August 12, 2014 minutes

DRAFT

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

**TUESDAY, AUGUST 12, 2014
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, August 12, 2014.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Linda Hatch; Councilmember Pat McKee; Councilmember Lon Turner; Councilmember Don Wojcik

Absent: Councilmember Mike Best

Staff Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Phyllis

Present: Smiley; Police Lieutenant Vince Schaan; Police Officer Brandon Frost; Finance Director Joe Duffy; Town Engineer/Public Works Director Ron Grittmann; Planner Ruth Mayday; Town Clerk Assistant Liz Hart; Town Clerk Jami Lewis (recorder)

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

Mayor Marley called the meeting to order at 6:00 p.m.

Mayor Marley gave the invocation and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a)** Consideration and possible action to proclaim August 2014 as Child Support Awareness Month, sponsored by the Department of Economic Security, Division of Child Support Services. (Mayor & Council)

Mayor Marley read the proclamation.

- b)** Presentation of the Annual Report by Tracie Schimikowsky, CEO/President, Chino Valley Area Chamber of Commerce, as required by the Accountability Contract between the Town and Chamber. (Robert Smith, Town Manager)

Ms. Schimikowsky spoke about: FY 2014 statistics related to visitors, volunteers, and staff; ways they helped create a strong local economy, promoted the community, provided networking opportunities, and represented the interests of business with government/political action; FY 2014 scope of services review; the Town's 2014 platinum sponsorship; Chamber annual report; FY 2014 budget vs. actual; and other Arizona chambers with municipal partnerships.

Council asked her to provide them with the Chamber's entire 990 budget.

- c) Presentation of the lease proposal for Old Home Manor by the Yavapai County Youth Livestock Association (YCYLA). (Mayor Marley)

Susan Cuka, Chair of YCYLA, spoke about the organization being established to create youth livestock events in Yavapai County, return the town's equestrian arena at Old Home Manor to a spectator arena, and hold a county fair style event. The group was interested in a five-year lease with the town for use of the arena.

Council suggested that the group register with the state while waiting to obtain their 501(C)(3) designation and asked to see the group's complete budget and insurance paperwork.

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.

Steve Chontos with Chino Golf Range asked about: (i) the Town's response to a letter he sent in March, relative to the town's legal authority to build a road using an easement across his property and proof that the easement had been dedicated, and (ii) the reasoning used to propose infrastructure expansion between Road 2 North and Road 3 North instead of other available areas.

Scott Freitag, Fire Chief, spoke about the Chino Valley Fire District's Joint Management Agreement with Central Yavapai Fire District that went into effect on July 18, the benefits of that relationship, and recent district activities.

4) **RESPONSE TO THE PUBLIC**

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

Mayor Marley had nothing to report.

5) CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

Councilmember Hatch reported on NACOG's 2014 scope of work for the Comprehensive Economic Development Strategy (CEDS), grant proposals, and federal technical assistance for the town.

Mayor Marley spoke about his Monthly Mayor's Report, which pertained to water stewardship.

- a) Presentation by Development Services Director Ruth Mayday regarding the Old Home Manor Industrial Park Economic Development Administration (EDA) Grant Presentation to NACOG on August 7, 2014.

Ms. Mayday and Town Manager Smith reviewed two presentations given to NACOG with regard to the town's application for an Economic Development Administration grant for the proposed industrial park.

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

Mr. Smith reported on NACOG's recommending the town's Old Home Manor industrial park project to the Economic Development Administration.

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 Pat McKee to accept Consent Agenda items 6a, b, c, and d.

Vote: 6 - 0 PASSED

- a) Consideration and possible action to approve the May 15, 2014 study session minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to waive Town fees for the Territorial Days activities for the Lions and the Lionesses. (Cecilia Gritman, General Services Director)
- c) Consideration and possible action to rescind the Intergovernmental Agreement for Election Services between the Yavapai County Board of Supervisors and the Yavapai County Recorder and the Town of Chino Valley, approved on July 8, 2014, and approve corrected Intergovernmental Agreement for Election Services between the same parties (Jami Lewis, Town Clerk)
- d) Council will recess to observe Councilmember Hatch's birthday.

Council recessed the meeting at 7:09 p.m. and Mayor Marley reconvened it at 7:26 p.m.

7) ACTION ITEMS

- a) Consideration and possible action to approve an Accountability Contract between the Town of Chino Valley and the Chino Valley Chamber of Commerce in the amount of \$45,000. Funding source: \$38,000 to come from Non-Departmental outside agency line and \$7,000 to come from Contingencies. (Robert Smith, Town Manager)

Recommended Action: Approve an Accountability Contract between the Town and the Chino Valley Chamber of Commerce in the amount of \$45,000.

Mr. Smith reported that:

- The standing agreement between the Town and Chamber had been revised per the Chamber's new interests and directions for local business development and support. The Town's Development Services Department was working in partnership with the Chamber on several items to bring additional supportive resources to local business developers.
- As the Town began to recover from the recent economic downturn, the Chamber could serve as a force multiplier for the Town's economic development efforts. Staff identified several mechanisms by which the Town and Chamber could cooperatively work together to secure business and economic development improvements for the community, several of which were highlighted in the proposal.
- The draft contract outlined a set of specific objectives and deliverables, as well as regular reporting expected from the Chamber.

Council asked about potential conflicts of interest, as they were all Chamber members, and one sat on the Chamber board. Town Attorney Smiley stated that she would need to consider that.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Linda Hatch to table this item.

Vote: 6 - 0 PASSED

(Council resumed their discussion on this item after item 7e.)

Ms. Smiley deemed that there was no conflict of interest, as she did not believe any of the Council had a substantial interest in the Chamber, due to its non-profit status.

Ms. Schimikowsky reported on provisions of the proposed contract with regard to the Chamber's visitor center, promotion and marketing, economic development, tourism, and community education. She then reviewed the Chamber's budget, of which the Town supported about 26%.

Council expressed concern about:

- a provision in the draft contract that the Chamber would advocate in favor of the Town's general obligation bond ballot measure, as town resources could not be used for anything other than education;
- people speaking for or against ballot measure at Chamber luncheons;
- Chamber staff time spent with regard to ballot measures possibly being paid for by town

funds.

Ms. Smiley agreed with striking that provision. While she did not believe Chamber luncheons could be considered a town resource, as the luncheons were paid for by the members and attendees, she could draft a policy to restrict such discussions to factual presentations with no one taking a position, and Chamber staff providing an accounting of their time spent during the election cycle. She also stated that she would resend guidelines related to use of town resources. Council asked Ms. Smiley to add language to the contract to differentiate funds and set guidelines.

Council asked Ms. Schimikowsky to provide an accounting of their total insurance costs and report to Council after attending conferences or meetings if the town was paying for it.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Linda Hatch to postpone Agenda Item 7a to the next meeting.

Vote: 5 - 1 PASSED

NAY: Vice-Mayor Darryl Croft

- b) Consideration and possible action to approve Financial Report for the month ended June 30, 2014. (Joe Duffy, Finance Director)

Recommended Action: Approve Financial Report for the twelve months ended June 30, 2014.

Mr. Duffy reported that:

- The General Fund was stable and covering day-to-day operations. Revenues had increased, primarily due to the 1% sales tax increase; expenses were under budget due to departments not spending budgeted items.
- The Town was using the HURF fund balance to perform the minimum amount of road maintenance and additional funding was required.
- The Capital Improvement Fund, which could be used for road improvements, was continuing to subsidize the Water Enterprise Fund.
- Water Enterprise Funds experienced significant losses in the last two years. Acquiring new accounts and growth was essential for eliminating the Capital Improvement Fund subsidy and begin paying back the General Fund.
- The Sewer Enterprise Fund was showing positive cash flow, but was not generating any excess funds for capital improvements, replacements, and system expansion.

Council asked where funds from donations for the Community Center Phase 3 project were noted. Mr. Duffy stated they should be in the grants fund, but he had not seen a designation for such funds.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve Financial Report for the twelve months ended June 30, 2014.

Vote: 6 - 0 PASSED

- c) Consideration and possible action to adopt Resolution No. 14-1044, levying and assessing an ad valorem tax on the assessed value of all real and personal property within the boundaries of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015, pursuant to Section 48-616, Arizona Revised Statutes. (Joe Duffy, Finance Director)

Recommended Action: Approve Resolution No. 14-1044, levying and assessing the ad valorem tax for the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015.

Mr. Duffy reported that:

- Each year, the Town's Street Lighting Improvement Districts (SLIDs) were required by law to undergo the same budgeting process as municipalities. Council approved the SLID tentative budget on July 8, and on July 22, held the requisite public hearing and approved the district's final budget.
- The final step in this process was for Council to approve a resolution to levy and assess an ad valorem tax on the real and personal properties located within the boundaries of each street lighting improvement district to pay for the annual expenses of those districts.
- Approval of Resolution 14-1044 will levy the tax and direct the County to calculate the rate necessary pay for the district's expenses.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Don Wojcik to approve Resolution No. 14-1044, levying and assessing the ad valorem tax for the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015.

Vote: 6 - 0 PASSED

- d) Consideration and possible action to approve the 2014-15 Roadway Resurfacing Program in an amount not to exceed \$150,000.00 as proposed. (Ron Gritman, Public Works Director/Town Engineer)

Recommended Action: Move to approve the 2014-15 Roadway Resurfacing Program in an amount not to exceed \$150,000.00 as proposed.

Mayor Marley reported that staff had asked for a postponement of this item.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to postpone Action Item 7d until the following meeting.

Vote: 6 - 0 PASSED

- e) Consideration and possible action to to reschedule the November 11, 2014 regular meeting and cancel the November 25 and December 23, 2014 regular meetings. (Jami Lewis, Town Clerk)

Recommended Action: Reschedule the November 11, 2014 regular meeting to November 18, 2014 and cancel the November 25 and December 23, 2014 regular meetings.

Ms. Lewis reported that:

- Historically, Council did not hold their regularly scheduled second meetings in November and December due to conflicts with holiday schedules. In addition, Council's first scheduled meeting in November was Veterans Day holiday.
- Per Town Code Section 30.065, Council must hold at least one regular meeting in each month. Thus, Council must either hold the November 25 meeting or reschedule the November 11 meeting.

- Staff recommended rescheduling the first meeting to the 18th in order to accommodate the length of time it might take the county to complete the ballot count from the November 4 election.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Don Wojcik to reschedule the November 11 regular meeting to November 18 and to cancel the November 25 and December 23 regular meetings.

Vote: 6 - 0 PASSED

8) EXECUTIVE SESSION

Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to recess to executive session at 8:21 p.m.

Vote: 6 - 0 PASSED

- a) An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding a Settlement and Release Agreement and an Agreement to Extend the Operation and Maintenance Services Agreement with Fann Contracting, Inc. related to the construction of the wastewater treatment plant and potential fiscal impacts and alternative funding sources. (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 9:49 p.m.

- a) Consideration and possible action to approve a temporary extension of that portion of the Construction Manager at Risk Contract between the Town of Chino Valley and Fann Contracting, Inc., dated June 12, 2003 and all amendments thereto, providing for Fann to perform Operations and Maintenance Services of the Chino Valley Wastewater Collection, Treatment and Effluent Discharge Project. (Robert Smith, Town Manager)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Don Wojcik to approve a temporary extension of that portion of the Construction Manager at Risk Contract between the Town of Chino Valley and Fann Contracting, Inc., dated June 12, 2003 and all amendments thereto, providing for Fann to perform Operations and Maintenance Services of the Chino Valley Wastewater Collection, Treatment and Effluent Discharge Project.

Vote: 6 - 0 PASSED

10) ADJOURNMENT

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Don Wojcik to adjourn the meeting at 9:51 p.m.

Vote: 6 - 0 PASSED

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 12th day of August, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28th day of October, 2014.

Jami C. Lewis, Town Clerk

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. b.**

Meeting Date: 10/28/2014

Contact Person: Jami Lewis, Town Clerk

Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to accept the August 26, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the August 26, 2014 regular meeting minutes.

Attachments

August 26, 2014

DRAFT

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

**TUESDAY, AUGUST 26, 2014
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, August 26, 2014.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Pat McKee; Councilmember Lon Turner; Councilmember Don Wojcik

Absent: Councilmember Linda Hatch

Staff Town Manager Robert Smith; General Services Director Cecilia Grittman; Town Attorney Phyllis

Present: Smiley; Officer Gary Bruso; Town Engineer/Public Works Director Ron Grittman; Development Services Director Ruth Mayday; Deputy Town Clerk Liz Hart; Town Clerk Jami Lewis (recorder)

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

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

Vice-Mayor Croft gave the invocation; Mayor Marley led the Pledge of Allegiance.

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

- a)** Town of Chino Valley and the Chino Valley Chamber of Commerce Business Appreciation Program. (Cecilia Grittman, General Services Director)

Tracie Schimikowsky, Chamber CEO, recognized new businesses and long-time business, Chino Heating and Cooling.

- b)** Presentation regarding the Town co-sponsoring a free health care day in the quad-cities in June 2015. (Councilmember Best; Vice Mayor Croft)

Russell Dirkson, Steve Salsberry, and Lou Fitting requested the Town's co-sponsorship of a two-part service project in the quad-cities area, to take place in June 2015, offering free medical and dental care for those in need and local beautification projects.

Mayor Marley stated that Councilmember Best would serve as the Town's liaison on this matter.

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.

Robert McCaullay, resident, spoke about citizens having a right to speak on agenda items.

Mike Sturdy presented a custom-made gavel to Mayor Marley.

Lee Paul, resident, offered some musings about tumbleweeds.

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) The Town's legal authority to build the Road 1 East extension across current easements and proof that such easements had been dedicated.

Mayor Marley reported that the Town's legal authority came from an intergovernmental agreement approved on November 12, 2013 and Council's declaration of right-of-way on June 10, 2014. Also, the Town received a written inquiry about the same topics; as the town attorney was not paid to provide legal advice to third parties, the requestor would need to contact his own attorney.

- b) The reasoning used to propose infrastructure expansion between Road 2 North and Road 3 North instead of other available areas.

Mayor Marley reported that the designated area was recommended by the citizens' bond committee based upon input from various professional entities.

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.

Mayor Marley read his monthly mayor's report, which pertained to water and personal stewardship. He also reported on volunteer hours at the public library and the FFA Corn Dinner on September 6, 2014.

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

Mr. Smith reported on:

- Donated funds for the Community Center amphitheater being placed in a segregated fund;
- The town being awarded the \$275,000 housing rehabilitation grant; and
- WIFA agreeing to finance the proposed GO bond projects and approving a \$1.478 million grant for the same.

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 and 6b.

Vote: 6 - 0 PASSED

- a) Consideration and possible action to approve the May 27, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to approve the June 5, 2014 study session minutes. (Jami Lewis, Town Clerk)

7) **ACTION ITEMS**

- a) Consideration and possible action to approve an Accountability Contract between the Town of Chino Valley and the Chino Valley Chamber of Commerce in the amount of \$45,000. Funding source: \$38,000 to come from Non-Departmental outside agency line and \$7,000 to come from Contingencies. (Robert Smith, Town Manager)

Recommended Action: Approve an Accountability Contract between the Town and the Chino Valley Chamber of Commerce in the amount of \$45,000.

Mr. Smith reported that this item was continued from August 12, 2014, wherein Council reviewed the contract and asked Town Attorney Smiley to make some modifications and bring it back for review and approval.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve an Accountability Contract between the Town and the Chino Valley Chamber of Commerce in the amount of \$45,000.

Vote: 5 - 1 PASSED

NAY: Councilmember Pat McKee

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to move up item 7e.

Vote: 6 - 0 PASSED

- b) (i) Public Hearing regarding application from Richard Bicker Jr., for the Agent Change and Acquisition of Control of an existing Series 9 (Liquor Store) Liquor License for Liquor Barn, located at 315 Business Park Drive #5, Chino Valley.
(ii) Consideration and possible action to either allow or protest the change of ownership of the Series 9 Liquor License for Liquor Barn to the Arizona Department of Liquor Licenses and Control. (Jami Lewis, Town Clerk)

Recommended Action:

- (i) Hold Public Hearing.
(ii) Take no action; OR Protest the acquisition of control of Liquor Barn's Series 9 Liquor License.

(This item was heard after item 7e but is retained here for clarity.)

Mrs. Lewis reported that:

- Richard Bicker, Jr. had applied with the state for an agent change and acquisition of control of the Series 9 (Liquor Store) Liquor License for Liquor Barn.
- A.R.S. § 4-203(F) provided that the Council may protest such acquisition of control within sixty days based on the capability, reliability and qualification of the person acquiring control.
- The Police and Planning Departments reviewed the application and offered no comments. Staff posted the establishment with the necessary notices and received no written arguments in favor of or in opposition to the application.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to open the public hearing.

Vote: 6 - 0 PASSED

No one from the public spoke.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to close the public hearing.

Vote: 6 - 0 PASSED

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve the application from Richard Bicker Jr., for the Agent Change and Acquisition of Control of an existing Series 9 (Liquor Store) Liquor License for Liquor Barn.

Vote: 6 - 0 PASSED

- c) Consideration and possible action to rezone approximately 438 acres located in Section 6, Township 15 North, Range 1 West from Single Family Residential, Two (2) Acre Minimum (SR-2) to Industrial (I). (Ruth Mayday, Development Services Director)

Recommended Action: Approve rezoning the subject property from Single Family Residential, Two Acre Minimum (SR-2) to Industrial (I).

Ms. Mayday reported that in accordance with the Settlement Agreement (“Agreement”) reached between Cortez Enterprises (“Cortez”) and the Town on or about March 6, 2014, Cortez submitted an application for a zoning change from Single Family Residential, 2 Acre Minimum (SR-2) to Industrial (I), and a parallel application for a Conditional Use Permit (CUP) to operate a portable asphalt batch plant on the subject property.

History

- In the early 2000s, the Town annexed approximately 35 sections of land, including approximately 438 acres that was owned by Cortez. Along with the annexation, the Town entered into a Pre-Annexation Development Agreement (PADA) with Cortez, which set forth a number of obligations assigned to both the Town and Cortez, including the acquisition of right-of-way for the eastward extension of Road 4 South, and a commitment to rezone the subject property from Single Family Residential, 2 Acre Minimum (SR-2) to Industrial (I) for the purposes of mining and processing sand and gravel products, a batch plant for the manufacture of concrete, and an asphalt plant, among other uses. Both the PADA and Ordinance 476 (Annexation 2001-01) were approved by Council on September 27, 2001.
- On November 12, 2001, the subject property was rezoned from Yavapai County’s RCU-2A to the Town’s Single Family Residential, 2 Acre minimum (SR-2) upon the adoption of Ordinance No. 482. While the County’s RCU-2A zoning classification allowed mining operations as a use by right, the Town’s SR-2 zoning did not permit mining as a use by right or conditional use permit (CUP), thereby requiring the property owners to rezone the property to a zoning classification that allowed the proposed use as a matter of right.
- At the time of annexation, the appropriate zoning classification for the proposed uses would have been I-1, which at that time, required a CUP for the sand and gravel mining as well as the asphalt and concrete plant uses. That classification was amended in 2002 upon adoption of Resolution 629 and Ordinance 494 to allow hot mix (asphalt) and concrete plants as well as quarries and mines as uses by right in the Industrial zoning district.
- On November 8, 2006, Council approved Resolution 812 and Ordinance 678, replacing the Zoning Code with the current Unified Development Ordinance (UDO), which instituted a single Industrial I zoning district that provided for quarries and mines with associated batch plants, concrete plants, and similar uses as permitted uses, while “hot mix” (asphalt) plants became conditional uses.

Lawsuit

- Difficulties arose regarding acquisition of right-of-way for the Road 4 South extension, and after mutually agreeing to extensions of time to acquire said rights-of-way in 2004, 2005, and 2006, Cortez initiated legal action against the Town in December 2006. The parties had been in litigation until February 28, 2014, when both sides agreed to work towards a resolution.
- The Town and Cortez entered into a Provisional Settlement Agreement on March 6, 2014. Among other things, the Agreement obligated Cortez, on or before April 7, 2014, to apply for I zoning and a CUP for the proposed sand and gravel operation, concrete batch plant, and asphalt plant as originally proposed in the PADA.

Rezone and CUP Proposals

- Rezoning the subject property from SR-2 to I will permit the use set forth in the Industrial

(I) zoning district as first contemplated in the Pre-Annexation Development Agreement and the subsequent Settlement Agreement.

- The mining and concrete plant are permitted uses; the asphalt plant will require issuance of a CUP as a separate action (item 7d).
- Cortez will develop its own access from the subject property to the extension of East Road 4 South through normal administrative processes. Those areas of the site disturbed by the permitted operation will be remediated upon cessation of the mining and related activities by removal or reuse, as appropriate, of all materials, waste, and fines piles. Disturbed areas will be graded to maintain positive drainage. Remediation of the other disturbed area(s) upon which the asphalt batch plant sits will be addressed in the CUP.
- Surrounding parcels to the north, east, and west were within Town boundaries and were zoned SR?2. As the public right?of?way terminated at the northwest corner of Section 6, Township 15 North, Range 1 West, access to the adjacent lands was somewhat limited. Additionally, no utility infrastructure was currently available to support residential development in this area. However, there was an ample supply of other lands more suitable for immediate residential development than that surrounding the subject property. The south boundary of the subject parcel was shared with an unincorporated portion of Yavapai County that carried a RCU?2A (Residential, Conditional Use; 2 Acre minimum) zoning classification. The County employed this classification as a “holding” district for property that was not yet planned for development and generally used as grazing land.
- The proposed uses in the application were supported by the 2003 General Plan, as well as the 2013 General Plan Update draft, adopted by Council on May 13, 2014. The previous plan originally designated the subject property as Industrial Overlay and Low Density Residential; it was amended on March 24, 2005 upon the adoption of Ordinance 598 to designate the subject property as an Industrial Overlay?Amended Area. The 2013 General Plan designated the subject property as a Future Growth Area: Industrial/Agri?business/Contained Planned Community.

Public Process

- Cortez filed the rezone and CUP applications on March 19, 2014.
- Per the UDO's citizen review process, notification letters were mailed on June 18, 2014. The Arizona State Land Department requested a more detailed site map; staff received no other comments or requests by the July 3, 2014 deadline.
- On August 5, 2014, the Planning and Zoning Commission held a public hearing and voted unanimously to forward the application for rezoning the subject parcels to Council with a recommendation for approval.

Reasons for Staff Recommendation

- This site was ideal for a mining operation and concrete batch plant as it was located approximately 1.75 miles from the nearest residentially zoned property; the bottom of the wash at the site was at 4,840 feet elevation, and the boundary of the property was at 4,860 feet, further containing noise and dust generated by said activities. Recent completion of the East 4 South extension provided road access in close proximity to the site.
- The location of the hot mix asphalt plant, approximately 1.75 miles from the nearest residential area, will minimize noise and odors generated by said use. Access to the site off East Road 4 South via a privately owned and maintained road will minimize traffic impacts on Town streets and roads.
- It was in the public's interest to resolve the long-standing suit between the Town and

Cortez; by rezoning the subject property to Industrial and granting the CUP request, the applicant will be able to realize the uses first contemplated in the PADA.

- The location of the hot mix asphalt plant ensured that said activities will have minimal impacts on the surrounding zoning districts, lands that were currently undeveloped and lacked infrastructure necessary to support residential development at this time.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to approve rezoning the subject property from Single Family Residential, 2 Acre Minimum (SR-2) to Industrial (I).

Vote: 6 - 0 PASSED

- d) Consideration and possible action to authorize issuance of a Conditional Use Permit for operating a portable asphalt plant on approximately 438 acres located in Section 6, Township 15 North, Range 1 West. (Ruth Mayday, Development Services Director)

Recommended Action: Approve issuance of a Conditional Use Permit for the operation of a portable asphalt plant on approximately 438 acres located in Section 6, Township 15 North, Range 1 West.

(Item 7c provides the background and overall history of this item.)

Ms. Mayday reported that:

- In accordance with the Settlement Agreement reached between Cortez Enterprises (“Cortez”) and the Town on or about March 6, 2014, Cortez submitted an application for a zoning change from Single Family Residential, 2 Acre Minimum (SR-2) to Industrial (I), and an application for a Conditional Use Permit (CUP) to operate a portable asphalt batch plant on the same approximately 438 acres, located in Section 6, Township 15 North, Range 1 West.
- On August 5, 2014, the Planning and Zoning Commission held a public hearing and voted unanimously to forward the application for a CUP on the subject parcels to Council with a recommendation for approval.
- Staff supported issuance of a CUP, as it was congruent with the previous General Plan adopted by Town Council on June 6, 2003 and the current 2013 General Plan adopted by Town Council on May 13, 2014, which designated the subject property for industrial uses, among other things.
- Conditions of approval were related to: remediation of disturbed areas on the site of the asphalt hot mix plant; completion of a Phase 1 Environmental Impact Assessment; CUP term of 50 years from date of approval; regulatory jurisdiction with regard to reclamation; and required regulatory approval.
- Enforcement of environmental issues was under the purview of ADEQ, but if staff observed anything amiss, they will report it.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve issuance of a Conditional Use Permit for the operation of a portable asphalt plant on approximately 438 acres located in Section 6, Township 15 North, Range 1 West.

Vote: 6 - 0 PASSED

- e) Discussion and possible action to address a complaint filed by Vice-Mayor Croft pursuant to Town Code Chapter 35 Code of Ethics Section 35.04 Conduct in Public Office paragraph (D). (Mayor Marley; Vice-Mayor Croft)

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

(This item was heard after item 7a but is retained here for clarity.)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to postpone this item to the next meeting.

Vote: 6 - 0 PASSED

8) EXECUTIVE SESSION

Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to recess the regular meeting and go into executive session that will not be open to the public at 6:52 p.m.

Vote: 6 - 0 PASSED

Mayor Marley reconvened the regular meeting at 7:27 p.m.

- a) Pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding a Settlement and Release Agreement that is the subject of negotiations related to the Construction Manager at Risk Contract between the Town of Chino Valley and Fann Contracting, Inc. dated June 12, 2003 and all amendments thereto. (Robert Smith, Town Manager)

Mayor Marley reported that Council took no action.

- b) Pursuant to A.R.S. § 38-431.03(A)(1) for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of the Town Attorney. (Councilmember Hatch; Councilmember McKee; Councilmember Wojcik)

Mayor Marley reported that Council took no action.

9) ACTION ITEMS RESUMED

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

10) ADJOURNMENT

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to adjourn the meeting at 7:27 p.m.

Vote: 6 - 0 PASSED

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 26th day of August, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28th day of October, 2014.

Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. c.**

Meeting Date: 10/28/2014

Contact Person: Jami Lewis, Town Clerk

Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to accept the September 9, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the September 9, 2014 regular meeting minutes.

Attachments

September 9, 2014 minutes

DRAFT

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

**TUESDAY, SEPTEMBER 9, 2014
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, September 9, 2014.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Lon Turner; Councilmember Don Wojcik

Absent: Councilmember Linda Hatch; Councilmember Pat McKee

Staff: Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Phyllis

Present: Smiley; Finance Director Joe Duffy; Police Chief Chuck Wynn; Lieutenant Vince Schaan; Officer Deana Winn; Town Engineer/Public Works Director Ron Gritman; Planner Ruth Mayday; Town Clerk Assistant Liz Hart; Town Clerk Jami Lewis (recorder)

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

Mayor Marley called the meeting to order at 6:00 p.m.

Mayor Marley gave the invocation and led the Pledge of Allegiance.

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

- a) Proclamation declaring September 22-26, 2014 as National Employer Support of the Guard and Reserve Week, sponsored by the Arizona Office for Employer Support of the Guard and Reserve. (Mayor Marley)

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

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

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

3) **CALL TO THE PUBLIC**

Call to the Public is an opportunity for the public to address the Council concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

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

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

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

4) **RESPONSE TO THE PUBLIC**

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

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

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

5) **CURRENT EVENT SUMMARIES AND REPORTS**

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

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

Mr. Smith reported on:

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

6) **CONSENT AGENDA**

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

Staff requested that item 6b be postponed indefinitely.

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

Vote: 5 - 0 PASSED

- a) Consideration and possible action to approve the June 10, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to approve changes to Personnel Policy No. 605, "Overtime: Non-Exempt Employees," to the Town of Chino Valley's Personnel Manual, dated September 12, 2002. (Cecilia Gritman, General Services Director)
- c) Consideration and possible action to authorize the Town Manager to sign two Governor's Office of Highway Safety (GOHS) grant contracts, in an amount not-to-exceed \$10,000 for high visibility impaired driver/DUI enforcement, and an amount not-to-exceed \$6,139 for accident and crime scene software and training; and accept and authorize expenditure of said funds. (Chuck Wynn, Police Chief)

7) ACTION ITEMS

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

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

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

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

Vote: 5 - 0 PASSED

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

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

Ms. Mayday reported that:

- The purpose of the Rural Economic Development Grant (REDG) program was to provide funding to rural communities for economic development purposes. Qualifying projects must demonstrate that the expenditure of grant dollars will lead to job growth in small towns.
- The western end of Old Home Manor (OHM) was well situated for commercial and industrial development purposes; however, a lack of utility infrastructure had stymied development in the area. Staff was directed to pursue funding opportunities to extend the infrastructure necessary for such development on approximately 200 acres at OHM.
- Staff had been working with the Arizona Commerce Authority (ACA) and the Economic Development Administration (EDA) to design a project that will provide infrastructure to the area, as well as an additional ingress/egress via East Road 4 North.
- In February 2014, staff submitted an application with ACA for funding, which narrowly missed approval. Staff then revised the application per suggestions by the EDA. If successful, staff recommended leveraging the dollars awarded as match for the proposed EDA Economic Development Assistance Program application in October.

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

Vote: 5 - 0 PASSED

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

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

Ms. Mayday reported that:

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

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

Vote: 5 - 0 PASSED

- d) Consideration and possible action to approve the Leasing Services Proposal from NB: AZ Public Financial Services, a Division of Zions First National Bank and Affiliate of National Bank of Arizona and Lease Purchase Agreement; and approve Resolution No. 14-1042 authorizing the Mayor to execute the Agreement and all related documents necessary to the consummation of the transactions contemplated by the Agreement. (Joe Duffy, Finance Director)

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

Mr. Duffy reported that:

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

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

Vote: 5 - 0 PASSED

- e) Consideration and possible action to approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed \$115,473.60 (\$28,868.40 each,) two Ford 550 from Berge Ford in an amount not to exceed \$111,512.50 (\$55,756.25 each,) one John Deere 544K front end loader from RDO Equipment Company in an amount not to exceed \$166,503.38, and one 410K backhoe from RDO Equipment in an amount not to exceed \$107,898.66 and one 10-Wheel Dump Truck from Empire Machinery in an amount not to exceed \$180,000 for a combined total of \$681,388.14, all financed through a lease/purchase agreement with Zions First National Bank. (Ron Grittmann, Public Works Director/Town Engineer)

Recommended Action: Approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed \$115,473.60 (\$28,868.40 each,) two Ford 550 from Berge Ford in an amount not to exceed \$111,512.50 (\$55,756.25 each,) one John Deere 544K front end loader from RDO Equipment Company in an amount not to exceed \$166,503.38, and one 410K backhoe from RDO Equipment in an amount not to exceed \$107,898.66 and one 10-Wheel Dump Truck from Empire Machinery in an amount not to exceed \$180,000 for a combined total of \$681,388.14, all financed through a lease/purchase agreement with Zions First National Bank.

Mr. Grittmann reported that:

- As several town vehicles and pieces of equipment were far beyond the recommended service life or were completely inoperable, the finance department had developed a financing package to acquire replacement vehicles and equipment.
- The four police vehicles—one to be used as an administrative vehicle, one 550 truck, front end loader, back hoe, and the 10-wheel dump truck were needed immediately. Public Works was requesting an additional 550 truck to be used as a heavy duty truck for roadway patch materials in addition to what Council had already approved through the budget process.

- While this package was funded in the current fiscal year budget, the vehicles and equipment were reserved in the previous fiscal year to allow the supplier to hold them from existing stockpiles at 2014 prices.
- Administration's goal, through the development of a capital improvement program that spanned multiple years, endeavored to provide as much lead and planning time possible for the organization to maintain and replace such assets.

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

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

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed \$115,473.60 (\$28,868.40 each,) two Ford 550 from Berge Ford in an amount not to exceed \$111,512.50 (\$55,756.25 each,) one John Deere 544K front end loader from RDO Equipment Company in an amount not to exceed \$166,503.38, and one 410K backhoe from RDO Equipment in an amount not to exceed \$107,898.66 and one 10-Wheel Dump Truck from Empire Machinery in an amount not to exceed \$180,000 for a combined total of \$681,388.14, all financed through a lease/purchase agreement with Zions First National Bank, with amendment for vanguard trucking to replace empire machinery.

Vote: 5 - 0 PASSED

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

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

Mr. Gritman reported that:

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

detention pond on the east of the Peavine Trail parallel to Railroad Avenue.

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

Vote: 5 - 0 PASSED

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

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

Mr. Grittman reported that:

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

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

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

Vote: 5 - 0 PASSED

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

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

Mr. Grittman reported that:

- The spring 2015 roadway resurfacing program was created in accordance with the prioritization policy proposed under item 7g.
- As a means of trying to bridge the financial gap between budget constraints and the transportation system needs, Public Works purchased a chip spreading machine last year and developed an on call oil contract. The intent of these actions was to perform the chip seal program in-house at a reduced cost in order to surface more roadways.
- Staff recently resurfaced Granada Estates and portions of Road 3 South with the proposed double chip seal covered with a fog seal, which had proven to be good product.
- The proposed roadways to be resurfaced were significantly in excess of the funds available and will be addressed in their designated order listed until the road materials funds were exhausted. Staff recently added surfacing Center Street at the Santa Cruz Wash to the list, which will be brought to Council as an inhouse project in December.

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

Vote: 5 - 0 PASSED

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

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

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

Mr. Grittman reported that:

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

Town Attorney Smiley added that in this case, the town was acquiring fee title for ROW as

parcels to be owned by the town and used as public ROW, rather than as easements. The attorneys recommended a resolution, so that title companies would be aware of the town's authority to purchase the land and why.

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

Vote: 5 - 0 PASSED

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

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

Mr. Grittmann reported that:

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

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

Vote: 5 - 0 PASSED

8) EXECUTIVE SESSION

Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to recess into executive session at 7:46 p.m.

Vote: 5 - 0 PASSED

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

- a) Pursuant to A.R.S. § 38-431.03(A)(1) for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of the Town Attorney. (Councilmember Hatch; Councilmember McKee; Councilmember Wojcik)
- b) Pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding a Settlement and Release Agreement that is the subject of negotiations related to the Construction Manager at Risk Contract between the Town of Chino Valley and Fann Contracting, Inc. dated June 12, 2003 and all amendments thereto. (Robert Smith, Town Manager)
- c) Pursuant to A.R.S. § 38-431.03(A)(1) for discussion or consideration of employment, assignment, appointment, demotion, dismissal, disciplining or resignation of Planning and Zoning Commissioners Michael Edmonds and Robert McCaullay. (Mayor Marley)

9) ACTION ITEMS RESUMED

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

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

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

Vote: 5 - 0 PASSED

10) ADJOURNMENT

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

Vote: 5 - 0 PASSED

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 9th day of September, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28th day of October, 2014.

Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. d.**

Meeting Date: 10/28/2014

Contact Person: Jami Lewis, Town Clerk

Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to accept the September 18, 2014 study session minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the September 18, 2014 study session minutes.

Attachments

September 18, 2014 minutes

DRAFT

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

**THURSDAY, SEPTEMBER 18, 2014
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Thursday, September 18, 2014.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Don Wojcik

Absent: Councilmember Linda Hatch; Councilmember Pat McKee; Councilmember Lon Turner

Staff Town Manager Robert Smith; Town Attorney Phyllis Smiley; Planner Ruth Mayday; Deputy Present: Town Clerk Liz Hart (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Marley called the meeting to order at 6:04 p.m.

Town Attorney Smiley participated via conference phone.

2) Status report regarding the impact fee update process. (Robert Smith, Town Manager)

Mr. Smith reported that:

- New legislation adopted in 2012: (i) required Arizona municipalities to have a different basis for establishing impact fees; (ii) created new restrictions on spending such fees and locating the improvements constructed with them; and (iii) required development of a capital improvement plan and impact fees improvement plan (IIP).
- The IIP was an inventory of the kinds of facilities to be created and their location. Under the new law, any facility constructed with impact fees must be near the neighborhood from where the fees came and provide direct benefits to those payers. Thus, it would be difficult under the new rules to use impact fees to construct a police or fire substation that was not in close proximity to the associated subdivision.
- In late 2012, the Town contracted with Pat Walker for analysis work on the impact fees update. At her last meeting with Council in early 2013, Council elected to put the project on hold, as there was still lack of clarity in portions of the legislation, the League of Arizona Cities and Towns was considering asking the legislature for further clarification, and the town had other priorities and issues to address.
- As the Town had two new councilmembers since Ms. Walker's last presentation, and there had been further activity regarding the legislation, staff had asked Ms. Walker to

provide an update to Council on September 23.

- The overriding question for Council was to determine if they wanted impact fees, if it was worthwhile to go through the exercise, or if the town should wait and see if there were any changes with the legislation.
- While impact fees could still be used for infrastructure, it might be easier to deal with such matters through a development agreement.

Council comments:

- Prescott Valley had taken no action, deeming that the legislation was so restrictive that the analysis was not worth it.
- Instituting impact fees in the town may drive developers to the next town.

3) Discussion regarding reviewing options for Council agenda packet materials. (Jami Lewis, Town Clerk)

Mayor Marley reviewed the staff report:

- As a part of the Council's strategic planning process, facilitator Lance Decker provided staff with some guidelines for "completed staff work," to assist staff with providing adequate information and materials to Council for its deliberations. This resulted in staff creating a more detailed outline for the Situation & Analysis portion of the agenda item staff report. This seemed to provide a satisfactory balance between not enough and too much information.
- However, in recent weeks, there had been several instances in which the Council postponed items or were hesitant to vote due to a lack of desired documentation. This resulted in some confusion on staff's part as to how best to present agenda items and information to Council.
- Staff desired a discussion to re-clarify guidelines for staff as to the types and disposition of materials Council desired to have available for their review.

Town Manager Smith related that per the town's procurement code, staff had the authority to expend budgeted items under \$25,000; anything over than came to Council. The town attorney could help winnow out boilerplate contracts and call attention to items that were significant for Council.

Town Attorney Smiley added that the attorney was required to approve all contracts as to form. They read everything, but did not necessarily provide input unless something was out of line and might be of interest to Council before approval. Standard contracts could be placed on consent. Items not included in the packet should be available for review either electronically or in the clerk's office.

Council discussed the options and preferred the following:

- Contracts: Do not include boilerplate portions in the packet, but do include applicable sections with an overview of the contract and inform Council of any irregularities in the boilerplate.
- Rights-of-Way: Include an overall map of the immediate area showing the applicable right-of-way and its location in relation to its surroundings and whatever the attorney deems important.
- Equipment Purchases: Include a list of the items with a general description; if an item was used, provide the age, hours, and mileage.
- The distributed electronic and printed packet versions should be the same.

- Council needed to stay out of the details, but should have access to all applicable information either in the packet or online.

4) Final review of the 2014 Strategic Plan, including possible revisions based upon League training information. (Ruth Mayday, Development Services Director)

Ms. Mayday, Council, and staff reviewed the final draft of the Strategic Plan, as follows:

Mission and Vision Statements

- Revised some language.
- Deleted all 2003 mission and vision statements and the Council's vision statement.

Key Result Area #1 – Strong Fiscal Health

- Revised language in general.
- Added two actions to Objective E related to the UDO update.
- Discussed going out to bid to bring in a consultant to address all the UDO issues after the General Plan election.
- Amended the timeframe for Goal #3 Objective D related to the Bright Star development agreement and water rights.

Key Result Area #2 – Sustainable Economic and Community Development

- Revised language in general.
- Replaced drawing.
- Discussed the Industrial Development Authority's role for the proposed OHM industrial park.
- Discussed the current status of Goal #1 Objective C related to the Business Support Center.
- Discussed Goal #1 Objective D as it relates to FEMA remapping.
- Discussed Goal #2 related to study feasibility of injection wells for effluent recharge.

Key Result Area #3 – Community Engagement and Communication

- Revised language in general.
- Revised Goal #2 related to annual surveys.
- Discussed Goal #2 related to tracking system for compliments and complaints.
- Discussed water treatment for mosquitos and weed abatement.

Overall

- Recommended adding a legend for colors, symbols, and abbreviations.

5) ADJOURNMENT

MOVED by Councilmember Don Wojcik, seconded by Councilmember Mike Best to adjourn the meeting at 7:26 p.m.

Vote: 4 - 0 PASSED

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 18th day of September, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28th day of October, 2014.

Jami C. Lewis, Town Clerk

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. e.**

Meeting Date: 10/28/2014

Contact Person: Jami Lewis, Town Clerk

Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to accept the September 23, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the September 23, 2014 regular meeting minutes.

Attachments

September 23, 2014 minutes

DRAFT

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

**TUESDAY, SEPTEMBER 23, 2014
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, September 23, 2014.

Present: Mayor Chris Marley; Councilmember Mike Best; Councilmember Pat McKee; Councilmember Lon Turner; Councilmember Don Wojcik

Absent: Vice-Mayor Darryl Croft; Councilmember Linda Hatch

Staff Town Manager Robert Smith; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Police

Present: Chief Chuck Wynn; Lieutenant Vince Schaan; Civil Engineer Richard Straub; Officer Deana Winn; Planner Ruth Mayday; Deputy Town Clerk Liz Hart; Town Clerk Jami Lewis (recorder)

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

Mayor Marley called the meeting to order at 6:00 p.m.

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

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

- a) Status update by Russell Duerksen on the "Arizona Sunshine-Prescott 2015" health expo and fair. (Councilmember Best; Mayor Marley)

Mr. Duerksen reported on the status of the event, to be held at Prescott High School on June 17-18, 2015, and spoke about the statistical support needed from the town.

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.

Robert McCaullay, resident, spoke about his removal from the Planning and Zoning Commission and asked about: (i) not receiving notification per the Unified Development Ordinance and state statute; (ii) the nature of the allegations; (iii) being granted a public hearing; and (iv) receiving a copy of non-redacted executive-session minutes. Mayor Marley stated that once the police investigation was complete, Council will respond to these questions.

Cheri Romley, resident, spoke about roads maintenance issues in Appaloosa Meadows; the Town's lack of response to questions residents posed last year; and the residents' offer to assist the town with funding repairs in the subdivision.

Al Gibbons spoke about noise pollution with regard to Prescott's air traffic and airport expansion plans, and placing an item on the agenda for Council issue an opinion. Mayor Marley related that Councilmember Best was working on this issue.

Dan Carlson, resident, asked for an opportunity to speak on item 7a before it was postponed.

4) **RESPONSE TO THE PUBLIC**

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

Mayor Marley had nothing to report.

5) **CURRENT EVENT SUMMARIES AND REPORTS**

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

Mayor Marley reported on the topics discussed during the September 18 study session.

- a) Presentation by Finance Director Joe Duffy regarding past donations to the proposed Community Center amphitheater.

Mr. Duffy gave an accounting of donations received from Prescott Newspapers, Inc. and Yavapai-Prescott Indian Tribe for the amphitheater. The funds had been accounted for in the Capital Improvements fund and he recommend moving them to the grants fund and designating them for the project.

Councilmember Turner clarified that the donation from the Tribe was for a raised gazebo.

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

Mr. Smith reported on:

- The September 18 study session and Strategic Plan; and
- The EDA grant status.

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 Councilmember Mike Best, seconded by Councilmember Pat McKee to accept the Consent Agenda items as read.

Vote: 5 - 0 PASSED

- a) Consideration and possible action to approve the June 19, 2014 study session minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to approve disbanding the Town of Chino Valley General Plan Committee, originally established January 24, 2012. (Liz Hart, Deputy Town Clerk)
- c) Consideration and possible action to approve Financial Report for the month ended July 31, 2014. (Joe Duffy, Finance Director)

7) **ACTION ITEMS**

- a) *Continued from September 9, 2014:* Discussion and possible action to address a complaint filed by Vice-Mayor Croft pursuant to Town Code Chapter 35 Code of Ethics Section 35.04 Conduct in Public Office paragraph (D). (Mayor Marley; Vice-Mayor Croft)

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

Mayor Marley reported that as this item had been continued two times already, he was requesting that it be postponed indefinitely until the sponsor elected to bring it back.

Dan Carlson, resident, supported Councilmember Hatch for asking the tough questions, especially when money was concerned.

MOVED by Councilmember Don Wojcik, seconded by Councilmember Mike Best to table the item indefinitely.

Vote: 5 - 0 PASSED

- b) Presentation by Pat Walker, Walker Consulting, and discussion regarding the proposed Development Impact Fee Study.

Town Manager Smith reported that Ms. Walker was unable to attend and staff will bring the item back another time.

- c) Consideration and possible action to approve change order number 1 to contract with Civil Tec, Inc. for Road 4 South construction staking in an amount not to exceed \$3,175.00. Funds to come from Road Impact Fees. (Ron Grittmann, Public Works Director/Town Engineer)

Recommended Action: Approve change order number 1 to contract with Civil Tec, Inc. for Road 4 South construction staking in an amount not to exceed \$3,175.00.

Senior Engineering Project Manager Straub reported that:

- On November 12, 2013, the Town entered into a professional services contract with Civil Tec for construction staking of the Road 4 South Project right-of-way.
- Later, Deep Well Ranches asked the town to help them establish and stake a fence line along their portion of Road 4 South, as they did not know where to put their fence.
- The additional staking was not included in Civil Tec's scope of work, thus requiring a change order.

Councilmember Turner, Town Manager Smith, and Councilmember Best added that:

- Initially, during negotiations with Deep Well, the town contemplated installing said fence, but asked Deep Well to do it so they would be sure to get what they needed. Deep Well agreed, but asked the town to show them where to put the fence, so staff reconfigured the right-of-way to create that line.
- As the town and Deep Well did not discuss staking in their negotiations, staff believed this was a reasonable request.
- The work was done around March 2014, and it was found during a recent audit that the change order had not been taken to Council.

Council comments:

- Some questioned the reason for the town doing the work, necessitating a change order, and not bringing it to Council immediately.
- As change orders went, \$3,000 was a low amount.

MOVED by Councilmember Mike Best, seconded by Councilmember Lon Turner to approve change order number 1 to contract with Civil Tec, Inc. for Road 4 South construction staking in an amount not to exceed \$3,175.00. 3-2 with cmw and cmm voting no.

Vote: 3 - 2 PASSED

NAY: Councilmember Pat McKee
Councilmember Don Wojcik

- d) Consideration and possible action to approve change order number 1 to contract with Civil Tec, Inc. in an amount not to exceed \$9,464.00 for additional engineering services on the Center Street and Road 4 South projects. Funds to come from Road Impact Fees. (Ron Grittmann, Public Works Director)

Recommended Action: Approve change order number 1 to contract with Civil Tec, Inc. in an amount not to exceed \$9,464.00 for additional services on the Center Street and Road 4 South projects.

Senior Engineering Project Manager Straub reported that:

- On December 11, 2012, the town contracted with Civil Tec Engineering for development of partial construction plans for Road 4 South, Center Street, and Peavine Trail Road.
- It was later determined that a Stormwater Pollution Prevention Plan (SWPPP) was needed for the Road 4 South due to the terrain, which had not been included in Civil Tec's original scope of work.
- Secondly, in an effort to keep the Center Street project within acceptable budget limits and to address neighborhood issues with the new road, staff shifted the road and decided to include a small median east of Road 1 East on Center Street, rather than relocate APS electric power poles.
- Thirdly, staff had tried to save money on Center Street by not including geotech review, as they expected to blast through rock. However, only soft dirt was found, rendering the original plan in violation. This required a change, as well.

MOVED by Councilmember Mike Best, seconded by Councilmember Lon Turner to approve change order number 1 to contract with Civil Tec, Inc. in an amount not to exceed \$9,464.00 for additional services on the Center Street and Road 4 South projects.

Vote: 3 - 2 PASSED

NAY: Councilmember Pat McKee
Councilmember Don Wojcik

- e) Consideration and possible action to award the bid to and approve the construction contract with Capital Improvements, LLC, in an amount not to exceed \$352,720.00 for the base bid and \$90,540.00 for the alternative bid for a project total of \$443,260.00 for construction of the box culvert at Center Street and the Santa Cruz Wash. Funds to come from Capital Improvements Funds. (Ron Gritman, Public Works Director/Town Engineer)

Recommended Action: Award the bid to and approve the construction contract with Capital Improvements, LLC, in an amount not to exceed \$352,720.00 for the base bid and \$90,540.00 for the alternative bid for a project total of \$443,260.00 for construction of the box culvert at Center Street and the Santa Cruz Wash.

Senior Engineering Project Manager Straub reported that:

- As part of the strategy to avoid litigation associated with Cortez Enterprises, the town committed to Deep Well Ranches that three roads would be constructed: Road 4 South extension to the east, Center Street from Road 1 East to Railroad Avenue, and Peavine Trail Road from Center Street to Road 4 South. The subject box culvert was the first construction project needed to extend Center Street east to Railroad Avenue.
- On December 11, 2012, the Town awarded the design contract to Civil Tec Engineering to allow these projects to be constructed under the "in-house" designation. As the box culvert construction did not lend itself to being constructed with existing town staff, Civil Tec developed a full construction document that allowed the town to bid the project.
- Staff reviewed the bids received on September 4, 2014 and determined Capital Improvements, LLC, as the lowest responsible bidder. The bid for rip-rap was done as an alternative because staff did not know if there would be enough funds for it.
- Due to the price of concrete, this project was \$50,000 under estimates. Town forces will do the excavation.

MOVED by Councilmember Don Wojcik; seconded by Councilmember Pat McKee to slash the alternate and apply those funds to chip sealing roads.

Town Attorney Smiley advised that as repaving roads was not on the agenda, Council could only vote on slashing the alternate.

Mr. Straub added that as the Corps of Engineers approved all such work, removing it from the bid would require the Corps' approval. If the rip-rap was not done now, it would result in increased stormwater velocity and erosion and require that it be done later by town forces, which were already overburdened.

MOVED by Councilmember Don Wojcik, seconded by Councilmember Pat McKee to amend his motion to just slash the \$90,000.

Vote: 2 - 3 FAILED

NAY: Mayor Chris Marley
Councilmember Mike Best
Councilmember Lon Turner

MOVED by Councilmember Mike Best, seconded by Councilmember Lon Turner to award the bid to and approve the construction contract with Capital Improvements, LLC, in an amount not to exceed \$352,720.00 for the base bid and \$90,540.00 for the alternative bid for a project total of \$443,260.00 for construction of the box culvert at Center Street and the Santa Cruz Wash.

Vote: 5 - 0 PASSED

- f) Consideration and possible action regarding review, feedback, and possible revision of the 2014 Strategic Plan. (Ruth Mayday, Development Services Director)

Recommended Action: Review, receive feedback, and possibly revise the draft Strategic Plan and forward it to the October 14, 2014 agenda for adoption.

Ms. Mayday reported that:

- Council met with facilitator Lance Decker on December 11 and December 27, 2013 to develop a Strategic Plan that would create a single unified document representing the broad policies of the Council, and prioritize those policies so they could be implemented in a manner that best served the community.
- Staff reviewed notes with the facilitator, compiled a draft document and on several occasions, presented it to Council for review and consideration. Council's most recent review was on September 18, 2014. Staff was now submitting the final draft for comment prior to proposed adoption on October 14, 2014.

Council recommended no changes.

- g) Consideration and possible action to authorize the Mayor to sign all documents related to the submittal of the Economic Development Administration Public Works Grant Program (EDAP). (Ruth Mayday, Development Services Director)

Recommended Action: Authorize the Mayor to sign all documents related to the submittal of the EDAP grant application.

Ms. Mayday reported that:

- This funding will be used to install infrastructure at Old Home Manor (OHM) to provide local economic and employment opportunities. By providing construction-ready sites, the Town will be in a better position to attract new employers to the area and provide additional land for expansion of existing businesses.
- Once submitted, the EDA will review the economic conditions analysis to determine the required match amount. The Town's previous application qualified for a 50% match, but EDA staff recommended that the Town base its submittal on the high level of underemployment in the region, which may raise the town's eligibility for more assistance. If the required match exceeded the town's available funding, the town would not be obligated to accept the funds.
- The total grant amount from the federal side was \$1,535,868. The town was requesting a 25% match-- The minimum match was 20%, of which \$85,000 would come from the town, \$250,000 from an Arizona Rural Economic Development grant and another \$177,000 from Arizona Department of Housing state special projects.
- Once the EDA set the match amount, staff will bring that and the contract to Council for acceptance or denial.

MOVED by Councilmember Mike Best, seconded by Councilmember Lon Turner to authorize the Mayor to sign all documents related to the submittal of the EDAP grant application.

Vote: 5 - 0 PASSED

8) EXECUTIVE SESSION

Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.

Mayor Marley recessed the regular meeting at 7:03 p.m.

- a) Pursuant to A.R.S. Section 38-431.03(A)(3) for discussion or consultation for legal advice with the Town Attorney regarding waiving the attorney-client privilege on the following documents: 1. Memorandum from Town Attorney to Planning & Zoning Commissioners re: Conflicts of Interest on Zoning Matters, dated August 15, 2014; 2. Email from Phyllis Smiley to Planning Commissioners re: Planning Commissioners and Arizona Conflict of Interest Laws, dated June 18, 2013; 3. Email from Dava Hoffman to Mary Brasher forwarding previous email; 4. Email from Michael Edmonds to Phyllis Smiley dated June 18, 2013; and 5. Email from Phyllis Smiley to Robert Smith and Dava Hoffman re: P & Z Conflict of Interest, dated June 18, 2013. (Phyllis Smiley, Town Attorney)
- b) Pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding a Settlement and Release Agreement that is the subject of negotiations related to the Construction Manager at Risk Contract between the Town of Chino Valley and Fann Contracting, Inc. dated June 12, 2003 and all amendments thereto. (Robert Smith, Town Manager)
- c) *Continued from September 9, 2014:* Pursuant to A.R.S. § 38-431.03(A)(1) for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of the Town Attorney. (Councilmember Hatch; Councilmember McKee; Councilmember Wojcik)

9) ACTION ITEMS RESUMED

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

Mayor Marley reconvened the regular meeting at 8:10 p.m.

- a) Consideration and possible action to waive the attorney-client privilege on the following documents: 1. Memorandum from Town Attorney to Planning & Zoning Commissioners re: Conflicts of Interest on Zoning Matters, dated August 15, 2014; 2. Email from Phyllis Smiley to Planning Commissioners re: Planning Commissioners and Arizona Conflict of Interest Laws, dated June 18, 2013; 3. Email from Dava Hoffman to Mary Brasher forwarding previous; 4. Email from Michael Edmonds to Phyllis Smiley dated June 18, 2013; and 4. Email from Phyllis Smiley to Robert Smith and Dava Hoffman re: P & Z Conflict of Interest dated June 18, 2013. (Phyllis Smiley, Town Attorney)

Recommended Action: Waive the attorney-client privilege on the following documents: 1. Memorandum from Town Attorney to Planning & Zoning Commissioners re: Conflicts of Interest on Zoning Matters, dated August 15, 2014; 2. Email from Phyllis Smiley to Planning Commissioners re: Planning Commissioners and Arizona Conflict of Interest Laws, dated June 18, 2013; 3. Email from Dava Hoffman to Mary Brasher forwarding previous; 4. Email from Michael Edmonds to Phyllis Smiley dated June 18, 2013; and 4. Email from Phyllis Smiley to Robert Smith and Dava Hoffman re: P & Z Conflict of Interest dated June 18, 2013.

Ms. Smiley reported that:

- The Council, as the town attorney's client, held the attorney-client privilege on certain memoranda and email communications between the town attorney and staff. The subject documents had been requested by the Chino Valley Police Department, who was conducting an investigation into alleged conflict of interest violations by certain Council appointees.
- Arizona Rules of Professional Conduct of Attorneys, Rule 1.6 prohibited an attorney from revealing information, including communications between attorney and client, unless the client gave informed consent (with certain exceptions, none of which apply in this case) and waived the privilege.

Council discussed enabling transparency, cooperating with the Police Department, and the subject documents not appearing to contain information that might need to be restricted.

MOVED by Councilmember Mike Best, seconded by Councilmember Lon Turner to waive the attorney-client privilege on the following documents: 1. Memorandum from Town Attorney to Planning & Zoning Commissioners re: Conflicts of Interest on Zoning Matters, dated August 15, 2014; 2. Email from Phyllis Smiley to Planning Commissioners re: Planning Commissioners and Arizona Conflict of Interest Laws, dated June 18, 2013; 3. Email from Dava Hoffman to Mary Brasher forwarding previous; 4. Email from Michael Edmonds to Phyllis Smiley dated June 18, 2013; and 5. Email from Phyllis Smiley to Robert Smith and Dava Hoffman re: P & Z Conflict of Interest dated June 18, 2013.

Vote: 5 - 0 PASSED

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

Council requested that:

- Fann provide complete maintenance records for the wastewater treatment plant for the entirety of its service;
- such records be certified as complete and accurate;
- the records to be provided in sufficient time for Council's review; and
- interested councilmembers be permitted to tour the plant.

MOVED by Councilmember Lon Turner, seconded by Councilmember Mike Best to approve the Settlement and Release Agreement that is the subject of negotiations related to the Construction Manager at Risk Contract between the Town of Chino Valley and Fann Contracting, Inc. dated June 12, 2003 and all amendments thereto with the addition of a 9.1.3 that the town is to receive complete maintenance records from the inception of the plant until now, for review previous to signing the contact with sufficient time to review, and these will be given with a certification from the operator that has been in charge that they are all true and correct.

Vote: 5 - 0 PASSED

10) ADJOURNMENT

MOVED by Councilmember Pat McKee, seconded by Councilmember Mike Best to adjourn the meeting at 8:20 p.m.

Vote: 5 - 0 PASSED

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 23rd day of September, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28th day of October, 2014.

Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. f.**

Meeting Date: 10/28/2014
Contact Person: Ron Grittmann, Town Engineer
 Phone: 928-636-2646 x-1223
Department: Public Works
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: Road 1 East south of Road 4 South

AGENDA ITEM TITLE:

Consideration and possible action to authorize the Mayor to sign the right-of-way dedication agreement from Tony Karcic for the dedication of Road 1 East south of Road 4 South.

RECOMMENDED ACTION:

Move to authorize the Mayor to sign the right-of-way dedication agreement from Tony Karcic for the dedication of Road 1 East south of Road 4 South.

SITUATION AND ANALYSIS:

Issue Statement

The Town has been pursuing the necessary right-of-way for the construction of Road 1 East. This roadway construction is part of the Town's commitment to ADOT to construct a roadway that will provide access to the new roundabout currently being constructed at the intersection of Kalinich and Highway 89.

The agreement between the Town and Mr. Karcic outlines the obligations that are on both parties. Mr. Karcic has agreed to convey the property to the Town at no monetary costs. Rather, Mr. Karcic has asked that the Town agree to extend water across the frontage of both parcels that he owns along Road 4 South. Since the dedication for Road 1 East is occurring across the eastern most property owned by Mr. Karcic, it is somewhat academic that the water line extension will be applied to both properties owned by him.

The agreement to extend water across properties that front on Road 4 South is consistent with other agreements. The initial annexation agreement for this entire region called for the Town to extend water across the properties that front on Highway 89.

Applicable "Policy"

N/A

Satisfaction of "Policy"

N/A

Summary of Issues and Staff Rationale

Over the past several months, staff has been pursuing the dedication of ROW's for the Road 1 East project. This dedication represents the last of the necessary ROW's needed to construct Road 1 East south of Road 4 South. The roadway is currently scheduled to be constructed the winter of 2016.

Findings of Fact

This ROW dedication completes the necessary property acquisition for the construction of the Road 1 East extension from Road 4 South to Kalinich Avenue. The cost of this property to the Town is the commitment to extend water pipes along Road 4 South between Highway 89 and Road 1 East. The Town currently has a similar obligation to extend water for those properties fronting along Highway 89 south of Road 4 South. The time line to construct this water line is not specified, rather the agreement calls for the Town to construct the Road 4 South water line at the same time when the water line along Highway 89 is constructed.

Fiscal Impact

Fiscal Impact?: None

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Agreement

Karcic Legal

REAL ESTATE DEDICATION AGREEMENT

(Right-of-Way)

The parties to this Real Estate Dedication Agreement (the "Agreement") are Anthony M. Karcic, Trustee of the Anthony M. Karcic Trust (hereinafter "Karcic") and the Town of Chino Valley, Arizona, a municipal corporation organized under the laws of the State of Arizona (hereinafter "Town").

RECITALS

A. The Town of Chino Valley, pursuant to an intergovernmental agreement with Arizona Department of Transportation for the construction of a round-a-bout at the intersection of Kalinich Road and Highway 89, committed to construct certain local roadways, including Road 1 East from Road 4 South to Kalinich Road.

B. Karcic owns real property that is required by the Town to complete construction of the roadway.

C. Karcic is willing to dedicate and the Town is willing to accept the real property dedicated by Karcic subject to the conditions and agreements set forth herein.

NOW THEREFORE in consideration of the mutual promises and agreements made herein, the Parties agree as follows:

1. PROPERTY TO BE DEDICATED BY KARCIC AND ACCEPTED BY TOWN

1.1 Karcic agrees to dedicate certain real property (the "Property") and the Town agrees to accept under the terms and conditions set forth herein.

1.2 The Property to be conveyed by Karcic to Town under this Agreement is legally described in Exhibit A, attached hereto and made a part hereof.

1.3 The Property is to be conveyed to Town at no cost, except as set forth herein.

2. DEDICATION BY DEED

2.1 Karcic shall execute the attached warranty deed conveying the Property to Town.

2.2 Town shall accept the conveyance and, at the close of escrow, the deed shall be recorded and a title policy issued to Town.

2.3 Escrow Agent for the transaction shall be Yavapai Title Agency, Inc., 123 North Montezuma, Prescott, Arizona 86301, Syndi Buntin, Escrow Officer.

3. ADDITIONAL AGREEMENTS OF THE PARTIES. The agreements set forth in this Section 3 are not conditions to be satisfied prior to close of escrow and will not occur prior to the conveyance. They are, nevertheless, binding upon the Parties.

3.1 Town shall extend a water line across the 2 parcels owned by Karcic on Road 4 South between Highway 89 and Road 1 East or at another location as agreed to in writing by the Parties to provide service to the Karcic property. The water line will be constructed as funds are available from the Town. Karcic agrees to provide any and all necessary easements at no cost to the Town if needed for the installation of the water line.

3.2 Upon presentation to Town, Town agrees to execute documentation evidencing the dedication by Karcic. The Town has not appraised the property and is relying on Karcic as to the valuation amount claimed as a deduction or credit. The Town does not guarantee or warranty that the value of the property dedicated is tax deductible and Karcic agrees to seek his own tax advice.

4. RISK OF LOSS

Except as otherwise provided in this Agreement, all risk of loss related to ownership and possession of the Property, including liability to third persons, shall be the responsibility of Karcic until the title and possession of the Property passes to Town at Close of Escrow.

5. CLOSING COSTS AND PRORATIONS

5.1 Town will pay all escrow fees related to the sale of the Property. Escrow Agent shall issue or cause to be issued a standard owner's policy of title insurance naming Town as the insured. Town shall bear the cost of such title policy. Karcic shall be responsible for all property taxes and assessments levied and due against the Property prior to closing. Town shall be responsible for all taxes and assessments levied against the Property after the closing date.

5.2 All of the above-referenced costs that are the responsibility of Town shall be paid into escrow on or before the Close of Escrow in addition to the purchase price.

6. TITLE WARRANTY

N/A

7. INVESTIGATIONS

Town shall have until ten days prior to Close of Escrow to make such investigations of the Property as Town deems necessary to assure Town that the Property is suitable for Town's intended purposes and that no hazardous wastes or substances are located on or under the Property.

8. Reserved

9. CLOSE OF ESCROW

Close of Escrow shall occur on or before 30 days from opening of Escrow. Close of Escrow will be at the offices of the Escrow Agent set forth in Paragraph 2 herein. At the Close of Escrow, both the title to and possession of the Property shall be transferred from Karcic to Town.

10. RIGHT TO ENCUMBER

The Property is to be free and clear of all liens and encumbrances not acceptable to Town at the time of transfer of title from Karcic to Town. Karcic shall not voluntarily encumber the Property after execution of this Agreement. Karcic will grant a temporary easement to a third party for flying model air planes. This easement will cease when the Town starts construction for Road 1 East.

11. ENVIRONMENTAL LIABILITY

N/A

12. ASSIGNABILITY

Neither Karcic nor Town may assign any of its rights or obligations under this Agreement without the other party's advance written consent. This Agreement shall be binding upon Karcic and Town and their respective successors and assigns.

13. DEFAULT

N/A

14. SUPERSEDING AGREEMENT

This Agreement constitutes the entire Agreement of the parties relating to the Property and the parties agree that the terms of this Agreement shall supersede all previous oral and written Agreements between them.

15. MODIFICATION

The terms of this Agreement may only be modified upon written approval of all parties to this Agreement.

16. ARIZONA LAW

Karcic and Town both acknowledge that this Agreement is executed in Yavapai County, Arizona, and relates to property located in Yavapai County, Arizona. Should legal action be necessary to enforce the terms of this Agreement, all parties agree that the laws of the State of Arizona shall apply. All parties agree that the proper venue for any lawsuit shall be Yavapai County, Arizona.

17. AMBIGUITY

N/A

18. CONFLICT OF INTEREST

N/A

19. AUTHORITY TO EXECUTE

Karcic and Town both acknowledge that the persons whose signatures appear below have appropriate authority to execute this Agreement on behalf of Karcic and Town. This Agreement may be executed in several counterparts, which together shall constitute an original.

20. NOTICES

Notices required or permitted by this Agreement shall be given in writing and personally delivered or sent by first class mail, postage prepaid to:

Karcic:

Anthony M. Karcic
600 Prescott Heights Drive
Prescott, AZ 86301

Town:

Town Manager
Town of Chino Valley
202 North State Route 89
Chino Valley, Arizona 86323

With a copy to:

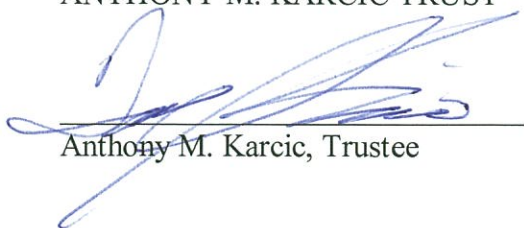
Town Attorney
Town of Chino Valley
Curtis, Goodwin, Sullivan, Udall & Schwab, PLC
501 East Thomas Road
Phoenix, Arizona 85012

ACCEPTED BY:

DATE: _____, 20__

ANTHONY M. KARCIC TRUST

TOWN OF CHINO VALLEY, ARIZONA
a municipal corporation


Anthony M. Karcic, Trustee

Chris Marley, Mayor

ATTEST:

Jamie Lewis, Town Clerk

APPROVED AS TO FORM:

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

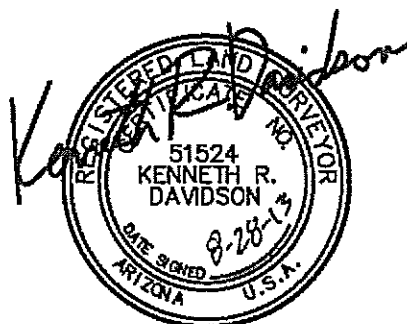
EXHIBIT A
LAND DESCRIPTION
AUGUST 28, 2013

THE EASTERLY 50.00 FEET OF THE LAND DESCRIBED IN DEED TO ANTHONY M. KARCIC, TRUSTEE OF THE ANTHONY M. KARCIC TRUST RECORDED IN BOOK 4141, PAGE 701 OF OFFICIAL RECORDS LOCATED IN SECTION 3, TOWNSHIP 15 NORTH, RANGE 2 WEST IN THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, STATE OF ARIZONA, GILA AND SALT RIVER BASE AND MERIDIAN.

EXCEPTING THEREFROM:

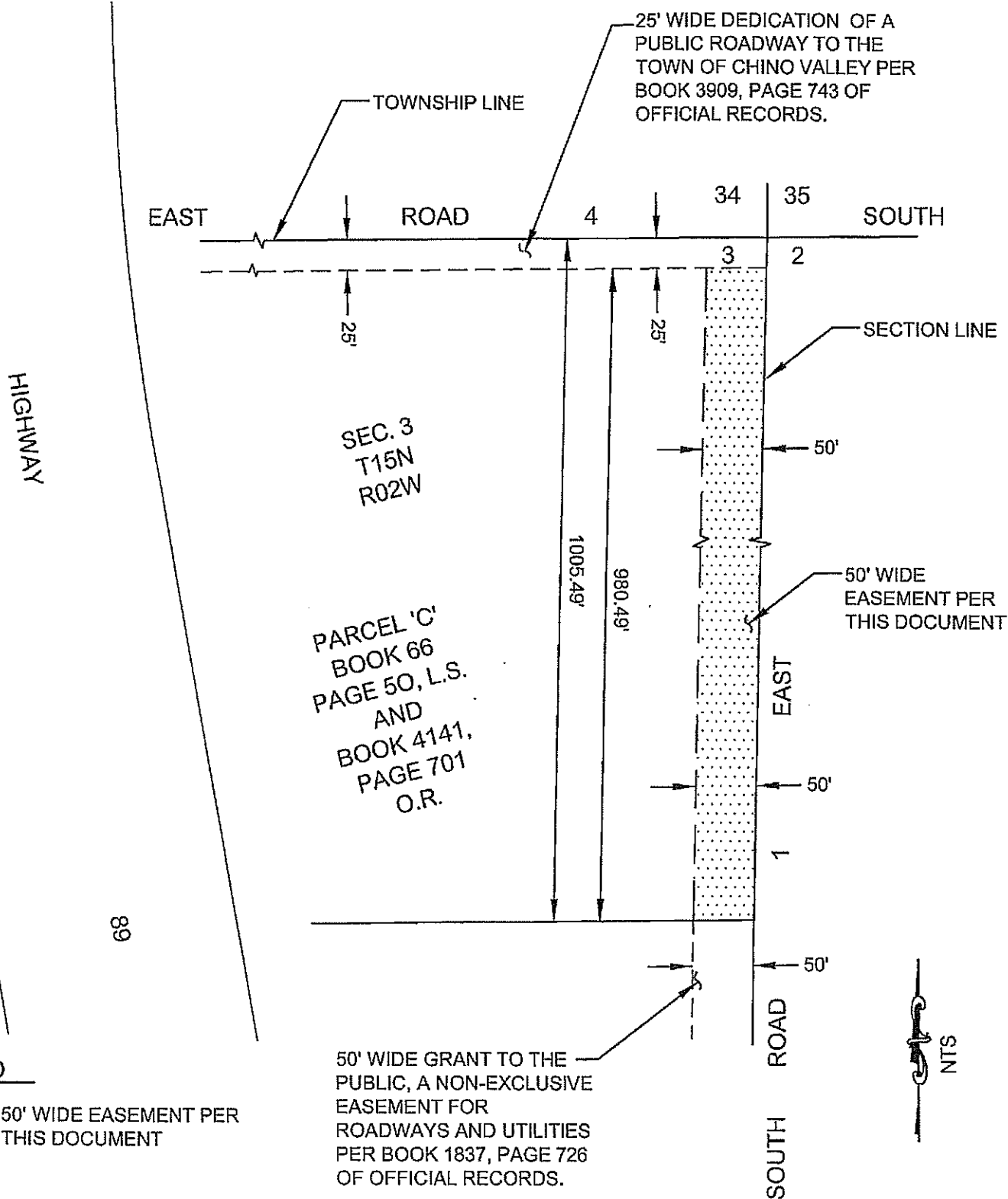
THE NORTHERLY 25.00 FEET OF THE DESCRIBED IN SAID DEED AND ALSO BEING DESCRIBED IN DEDICATION OF A PUBLIC ROADWAY TO THE TOWN OF CHINO VALLEY RECORDED IN BOOK 3909, PAGE 743 OF OFFICIAL RECORDS OF SAID COUNTY.

CONTAINING 49,025 SQUARE FEET, OR 1.125 ACRES, MORE OR LESS.

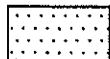


EXPIRES 09/30/2013

EXHIBIT B



LEGEND



50' WIDE EASEMENT PER
THIS DOCUMENT

50' WIDE GRANT TO THE
PUBLIC, A NON-EXCLUSIVE
EASEMENT FOR
ROADWAYS AND UTILITIES
PER BOOK 1837, PAGE 726
OF OFFICIAL RECORDS.

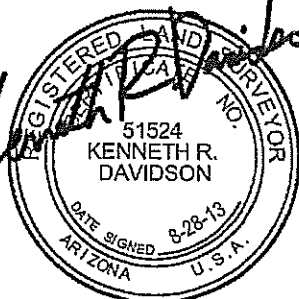
CHINO VALLEY, ARIZONA

EXHIBIT B
KARCIC EXHIBIT
ROAD 1 EAST

DE: KRD CH: RHS DR: KRD JOB # 2013722

P: X:\2013\2013722 - Karcic Legal Description - Chino Valley\DWG
D: Karcic Exhibit.dwg DA: Aug 28, 2013

SHEET 1 OF 1



EXPIRES 09/30/2013



2050 N. Willow Ck. Rd
Prescott, AZ 86301
Phone: 928.771.2376
Fax: 928.771.2377
Web: www.civiltec.com

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. g.**

Meeting Date: 10/28/2014
Contact Person: Joe Duffy, Finance Director
 Phone: 928-636-2646 x-1211
Department: Finance
Item Type: Action-Presentation
Estimated length of staff presentation: 10 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve Financial Report for the month ended September 30, 2014.

RECOMMENDED ACTION:

Approve Financial Report for the three months ending September 30, 2014.

SITUATION AND ANALYSIS:

The Finance Department per Town Code is preparing Monthly 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 2014

Town of Chino Valley

Arizona

Financial Report



To The Town Council

For the three Months Ending September 30, 2014 25% of the Fiscal Year

Town of Chino Valley						
Revenue and Expense Summary						
For the three Months Ending September 30, 2014 25% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2013-14	Actual Year to Date FY 2014-15	Amount	% FY 2014-15/ FY 2013-14	Annual Budget FY 2014-15	% of Budget YTD
GENERAL FUND						
General Fund Revenues by Category						
Franchise Taxes	\$ 4,357	\$ 9,892 *	\$ 5,535		\$ 142,000	7%
Tax Revenues	\$ 926,870	\$ 950,100	\$ 23,230	3%	\$ 3,755,363	25%
Licenses & Permits	\$ 59,753	\$ 33,272	\$ (26,481)	-44%	\$ 217,000	15%
Intergovernmental	\$ 681,784	\$ 735,243	\$ 53,459	8%	\$ 3,063,000	24%
Charges for Services	\$ 22,452	\$ 21,802	\$ (650)	-3%	\$ 98,200	22%
Fines and Forfeitures	\$ 10,414	\$ 17,958	\$ 7,544	72%	\$ 118,000	15%
Other Revenues	\$ 759	\$ 347	\$ (412)	-54%	\$ 2,300	15%
Contributions and Donations	\$ 898	\$ 674	\$ (224)	-25%	\$ 7,800	9%
Investment Earnings	\$ 88	\$ 72	\$ (16)	-18%	\$ 550	13%
Transfers In	\$ 13,869	\$ 25,000	\$ 11,131	80%	\$ 560,087	4%
Total Revenues	\$ 1,721,244	\$ 1,794,360	\$ 73,116	4%	\$ 7,964,300	23%
* Estimated final quarter accruals.						
Total Revenues for the General Fund are up \$73,116 over the previous fiscal year. Licenses and Permits are down due to a reduction in Building Permits this fiscal year. Intergovernmental Revenues are up 8% primarily due to an increase in State Shared Income Tax and State Shared Sales Tax. Transfers In were increased in the current years budget over the prior year. The total General Fund Revenues are up 4% compared to the last fiscal year.						

Town of Chino Valley						
Revenue and Expense Summary						
For the three Months Ending September 30, 2014 25% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2013-14	Actual Year to Date FY 2014-15	Amount	% FY 2014-15/ FY 2013-14	Annual Budget FY 2014-15	% of Budget YTD
General Fund Expenditures by Department						
Prosecutor	\$ 29,753	\$ 26,298	\$ (3,455)	-12%	\$ 122,800	21%
Town Clerk	\$ 43,398	\$ 42,942	\$ (456)	-1%	\$ 244,100	18%
Town Manager	\$ 89,396	\$ 99,629	\$ 10,233	11%	\$ 406,600	25%
Human Recourses	\$ 11,543	\$ 13,754	\$ 2,211	19%	\$ 69,850	20%
Municipal Court	\$ 65,943	\$ 72,932	\$ 6,989	11%	\$ 312,550	23%
Finance	\$ 83,671	\$ 71,072	\$ (12,599)	-15%	\$ 304,450	23%
Management Information System	\$ 45,230	\$ 52,249	\$ 7,019	16%	\$ 245,650	21%
Mayor and Council	\$ 6,487	\$ 7,265	\$ 778	12%	\$ 31,750	23%
Planning	\$ 44,857	\$ 44,625	\$ (232)	-1%	\$ 170,850	26%
Building Inspection	\$ 44,256	\$ 62,195	\$ 17,939	41%	\$ 273,500	23%
Police	\$ 700,304	\$ 652,839	\$ (47,465)	-7%	\$ 2,613,000	25%
Animal Control	\$ 22,989	\$ 30,620	\$ 7,631	33%	\$ 143,850	21%
Recreation	\$ 5,168	\$ 5,150	\$ (18)	0%	\$ 69,400	7%
Library	\$ 66,182	\$ 69,146	\$ 2,964	4%	\$ 287,700	24%
Senior Center	\$ 47,019	\$ 51,676	\$ 4,657	10%	\$ 230,750	22%
Parks Maintenance	\$ 111,898	\$ 109,526	\$ (2,372)	-2%	\$ 396,500	28%
Aquatic Center	\$ 67,276	\$ 65,640	\$ (1,636)	-2%	\$ 249,750	26%
Facilities Maintenance	\$ 84,847	\$ 81,840	\$ (3,007)	-4%	\$ 346,650	24%
Fleet Maintenance	\$ 83,319	\$ 70,865	\$ (12,454)	-15%	\$ 336,600	21%
Engineering	\$ 15,336	\$ 15,974	\$ 638	4%	\$ 74,750	21%
Non Departmental	\$ 276,359	\$ 126,756	\$ (149,603)	-54%	\$ 923,250	14%
Total Expenditures	\$ 1,945,231	\$ 1,772,990	\$ (172,241)	-9%	\$ 7,854,300	23%
Total Revenue Over (Under)						
Total Expenditures	\$ (223,987)	\$ 21,370	\$ 245,357		\$ 110,000	
GENERAL FUND (Continued)						
Total General Fund Expenditures are down \$245.357 or 9% compared to last fiscal year. Through September each department should be less than 25%.						

Town of Chino Valley
Revenue and Expense Summary
For the three Months Ending September 30, 2014 25% of the Fiscal Year

			Actual vs Prior Year			
	Actual Year to Date FY 2013-14	Actual Year to Date FY 2014-15	Amount	% FY 2014-15/ FY 2013-14	Annual Budget FY 2014-15	% of Budget YTD
HIGHWAY USER REVENUE FUND						
Total Revenues	\$ 177,974	\$ 201,144	\$ 23,170	13%	\$ 1,235,350	16%
Expenditures						
Road Maintenance	\$ 256,905	\$ 176,368	\$ (80,537)	-31%	\$ 1,200,350	15%
Total Revenue Over (Under)						
Total Expenditures	\$ (78,931)	\$ 24,776	\$ 103,707		\$ 35,000	
Total Fund Revenues are up 13% over the prior fiscal year due to the budgeted increase in HURF fund distributions. Expenditures are down so far even with last fiscal year.						
WATER ENTERPRISE FUND						
Water Revenues	\$ 167,029	\$ 111,145	\$ (55,884)		\$ 433,000	
Transfers In	\$ 55,000	\$ 70,175	\$ 15,175		\$ 280,700	
Total Revenues	\$ 222,029	\$ 181,320	\$ (40,709)	-18%	\$ 713,700	25%
Expenditures						
Water Utility Operations	\$ 155,348	\$ 126,849	\$ (28,499)		\$ 611,800	
Debt Service/Reserve	\$ -	\$ -	\$ -		\$ 101,900	
Total Expenditures	\$ 155,348	\$ 126,849	\$ (28,499)	-18%	\$ 713,700	18%
Total Revenue Over (Under)						
Total Expenditures	\$ 66,681	\$ 54,471	\$ (12,210)		\$ -	
Total Water Enterprise Fund Revenues are down due to no Water Buy In fees so far this fiscal year and a 14% reduction in Water Service Fees. Expenditures are down due to a large repair last fiscal year.						
SEWER ENTERPRISE FUND						
Total Revenue	\$ 458,043	\$ 385,873	\$ (72,171)	-16%	\$ 1,753,914	22%
Expenditures						
Sewer	\$ 209,700	\$ 194,546	\$ (15,154)		\$ 982,100	
Debt Service/Reserve	\$ 42,219	\$ 41,184	\$ (1,035)		\$ 771,814	
Total Expenditures	\$ 251,919	\$ 235,730	\$ (16,189)	-6%	\$ 1,753,914	13%
Total Revenue Over (Under)						
Total Expenditures	\$ 206,124	\$ 150,142	\$ (55,982)		\$ -	
Total Sewer Enterprise Fund Revenues are down 16% over last fiscal year due to no Sewer Buy In Fees this fiscal year.. Sewer Service Fees are up 11% and department expenditures are down 6%.						

Town of Chino Valley						
Revenue and Expense Summary						
For the three Months Ending September 30, 2014 25% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2013-14	Actual Year to Date FY 2014-15	Amount	% FY 2014-15/ FY 2013-14	Annual Budget FY 2014-15	% of Budget YTD
CAPITAL IMPROVEMENT FUND * (excludes bond projects)						
Total Revenues	\$ 308,959	\$ 316,701	\$ 7,742	3%	\$ 5,010,132	6%
Lease Purchase Proceeds		\$ 715,346				
Transfers In Road Impact Fees		\$ -	\$ -		\$ 886,000	
Capital Improvements	\$ 155,939	\$ 489,588	\$ 333,649		\$ 4,776,000	
Transfers	\$ 214,525	\$ 345,032	\$ 130,507		\$ 1,120,132	
Total Expenditures	\$ 370,464	\$ 834,620	\$ 464,156	125%	\$ 5,896,132	14%
Total Revenue Over (Under)						
Total Expenditures	\$ (61,505)	\$ 197,427	\$ (456,414)		\$ -	
Capital Improvement Fund Revenues are up slightly by 3% over the prior fiscal year. Transfers are up due to the increased amount budgeted this fiscal year.						
Detailed Capital Improvement Fund Projects Funded by Road Impact Fees		Actual Year to Date FY 2014-15	Annual Budget FY 2014-15			
Center Street Box Culvert		\$ 502	\$ 500,000			
Road 1 East & Road 3 South		\$ 518	\$ 200,000			
Center Street Rd1 E and Rail		\$ -	\$ 150,000			
Design on Peavine Trail		\$ -	\$ 36,000			
		\$ 1,020	\$ 886,000			

Town of Chino Valley						
Revenue and Expense Summary						
For the three Months Ending September 30, 2014 25% of the Fiscal Year						
			Actual vs Prior Year			
	Actual Year to Date FY 2013-14	Actual Year to Date FY 2014-15	Amount	% FY 2014-15/ FY 2013-14	Annual Budget FY 2014-15	% of Budget YTD
OTHER MINOR FUNDS						
Other Minor Funds -Revenues						
CDBG Grant	\$ -	\$ -	\$ -		\$ 264,000	
Grants Fund	\$ 7,794	\$ 117,340	\$ 109,546		\$ 3,470,000	
Special Revenue Fund Court	\$ 759	\$ 908	\$ 149		\$ 15,600	
Capital Asset Replacement	\$ 48	\$ 9	\$ (39)		\$ 500	
Police Impact Fee Funds	\$ 3,375	\$ 387	\$ (2,988)		\$ 111	
Library Impact Fee Funds	\$ 1,138	\$ -	\$ (1,138)		\$ -	
Parks/Rec Impact Fee Funds	\$ 3,699	\$ 2	\$ (3,697)		\$ -	
Roads Impact Fee Funds	\$ 33,053	\$ 2,399	\$ (30,654)		\$ 1,000	
Special Revenue Fund PD	\$ 12,105	\$ 3,005	\$ (9,100)		\$ 40,000	
CVSLID Districts	\$ (13)	\$ 753	\$ 766		\$ 4,000	
Total Revenues	\$ 61,958	\$ 124,803	\$ 62,846	101%	\$ 3,795,211	3%
CDBG Grant	\$ -	\$ -	\$ -		\$ 264,000	
Grants Funds	\$ 104,900	\$ 27,234	\$ (77,665)		\$ 3,470,000	
Special Revenue Fund - Court	\$ 160	\$ -	\$ (160)		\$ 35,000	
Capital Replacement Fund	\$ -	\$ -	\$ -		\$ 10,000	
Police Impact Fee Funds	\$ 559	\$ 444	\$ (115)		\$ 79,014	
Library Impact Fee Funds	\$ 83,874	\$ 11,652	\$ (72,222)		\$ 7,000	
Parks/Rec Impact Fee Funds	\$ (8,811)	\$ 13,420	\$ 22,231		\$ 24,564	
Roads Impact Fee Funds	\$ 9,402	\$ -	\$ (9,402)		\$ 886,000	
Special Revenue Fund PD	\$ 4,059	\$ 3,750	\$ (309)		\$ 40,000	
CVSLID Districts	\$ 949	\$ 995	\$ 46		\$ 4,000	
Total Expenditures	\$ 195,092	\$ 57,495	\$ (137,596)	-71%	\$ 4,819,578	1%
Total Revenue Over (Under)						
Total Expenditures	\$ (133,134)	\$ 67,308	\$ 200,442		\$ (1,024,367)	
TOTAL ALL FUNDS						
Total Revenue All Funds	\$ 2,950,207	\$ 3,004,200	\$ 53,994	2%	\$ 20,472,607	15%
Total Expenditures All Funds	\$ 3,174,959	\$ 3,204,053	\$ 29,094	1%	\$ 22,237,974	14%
Total Revenue Over (Under)						
Total Expenditures All Funds	\$ (224,752)	\$ (199,852)	\$ 24,900		\$ (1,765,367)	
(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, 2014 25% of the Fiscal Year

					Actual vs Prior Year	
	Actual Year to Date FY 2013-14	Annual Budget FY 2014-15	Actual Year to Date FY 2014-15*	% of Budget YTD	Amount	%
Town Sales Tax Retail	\$ 878,798	\$ 3,500,000	\$ 860,806	25%	\$ (17,992)	-2%
Vehicle License Tax	\$ 152,109	\$ 597,000	\$ 158,713	27%	\$ 6,604	4%
State Shared Sales Tax	\$ 222,635	\$ 977,000	\$ 232,165	24%	\$ 9,530	4%
State Shared Income Tax	\$ 301,700	\$ 1,309,000	\$ 327,366	25%	\$ 25,666	9%
Highway User Revenue	\$ 186,076	\$ 805,000	\$ 198,949	25%	\$ 12,873	7%
Water Service Fees	\$ 122,351	\$ 363,000	\$ 105,098	29%	\$ (17,253)	-14%
Capital Improvement	\$ 291,813	\$ 1,160,760	\$ 285,981	25%	\$ (5,832)	-2%
Sewer Service Fees	\$ 286,308	\$ 1,301,423	\$ 317,607	24%	\$ 31,299	11%
Major Revenues Y.T.D.	\$ 2,441,790	\$ 10,013,183	\$ 2,486,685	25%	\$ 44,895	2%
Total Revenue All Funds	\$ 2,950,207	\$ 20,472,607	\$ 3,004,200	15%	\$ 53,994	2%

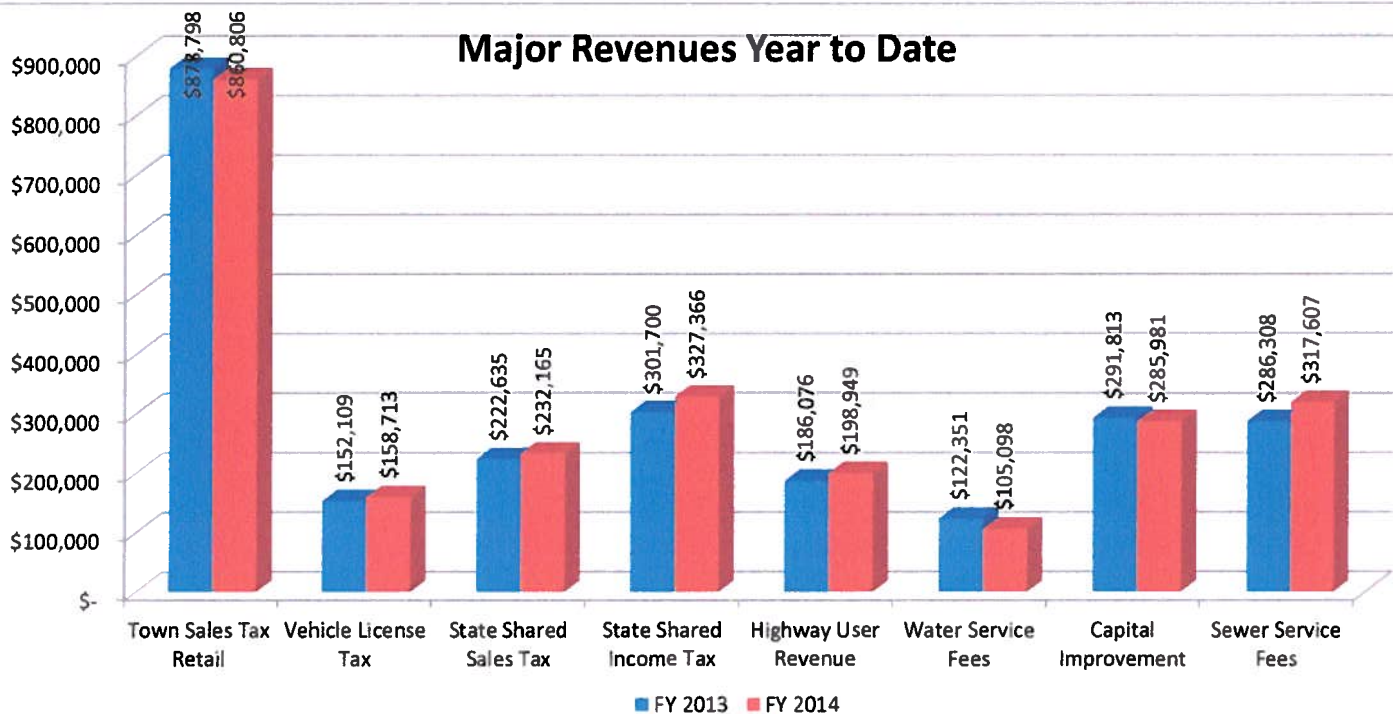
83%

49%

83%

The Major Revenues are up slightly by \$44,895 or 2% over the prior fiscal year. Town Sales Tax Retail is down due to the Town no longer collecting for the Pipeline Transportation Tax as a sales tax, however construction sales tax is up 102% so far this fiscal year. Water Service Fees are down due to decreased usage.

Major Revenues Year to Date



Impact Fee Fund Recaps					
For the three Months Ending September 30, 2014 25% of the Fiscal Year					
	Police Impact Fees	Library Impact Fees	Parks/Rec Impact Fees	Roads Impact Fees	
Beginning Fund Balance @ 6/30/14	\$ 82,789	\$ -	\$ 40,614	\$ 1,352,095	
Impact Fees Revenue to Date	\$ 387	\$ -	\$ 2	\$ 2,399	
Impact Fees Expenditures to Date	\$ 444	\$ -	\$ 13,420	\$ -	
Ending Fund Balance to Date	\$ 82,732	\$ -	\$ 27,196	\$ 1,354,494	
Budgeted Expenditures FY 14/15	\$ 790,014	\$ -	\$ 24,564	\$ 886,000	
Contingency Funds Budget					
For the three Months Ending September 30, 2014 25% of the Fiscal Year					
	Actual Year to Date FY 2014-15	Annual Budget FY 2014-15			
General Fund Budget		\$ 367,000			
General Fund Balance		\$ 367,000			
HURF Fund Budget		\$ 42,000			
Water Fund Budget		\$ 31,000			
Sewer Fund Budget		\$ 49,000			
Balance of Contingency Budget	\$ -	\$ 489,000			
Annual Debt Service Summary By Fund					
Fiscal Year Ended June 30, 2015					
Debt Issue	Date Issued	Original Amount	Outstanding Amount as of June 30, 2014	FY 2015 Principal	FY 2015 Interest
General Government					
GADA Loan 2007A	7/1/2011	\$ 3,825,000	\$ 3,620,000	\$ 235,000	\$ 172,794
US Bank Series 2010	12/15/2010	\$ 7,280,000	\$ 7,280,000		\$ 331,638
		\$ 11,105,000	\$ 10,900,000	\$ 235,000	\$ 504,432
Water Enterprise Fund					
US Bank Series 2010	12/15/2010	\$ 745,000	\$ 610,000	\$ 45,000	\$ 25,882
Sewer Enterprise Fund					
WIFA	1/10/2007	\$ 1,580,000	\$ 1,090,290	\$ 77,886	\$ 30,070
WIFA	1/11/2008	\$ 4,853,000	\$ 3,738,165	\$ 242,138	\$ 105,192
USDA	2/16/2007	\$ 1,595,000	\$ 1,413,024	\$ 38,702	\$ 57,574
USDA	4/10/2008	\$ 1,505,000	\$ 1,372,832	\$ 34,877	\$ 55,975
USDA	4/16/2008	\$ 1,332,000	\$ 1,215,957	\$ 30,820	\$ 49,580
		\$ 10,865,000	\$ 8,830,268	\$ 424,423	\$ 298,391
Total Town of Chino Valley Debt		\$ 22,715,000	\$ 20,340,268	\$ 704,423	\$ 828,705



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 7. a.

Meeting Date: 10/28/2014
Contact Person: Ruth Mayday, Development Services Director
 Phone: 928-636-4427 x-1217
Department: Development Services
Item Type: Action-Presentation
Estimated length of staff presentation: 10 minutes
Physical location of item: 849 East Road 1 South

AGENDA ITEM TITLE:

Consideration and possible action to authorize issuance of a Conditional Use Permit for operating a private airport/landing strip on approximately nine (9) acres generally located at 849 East Road 1 South in the northeast quarter of the southeast quarter of Section 27, Township 15 North, Range 1 West.

RECOMMENDED ACTION:

The Robin Airport (59AZ) has been in existence for at least 45 years. In that time, few complaints have been received by the town and it has operated as a private airport without incident since the town was incorporated. Its presence predates the platting of an adjoining subdivision to the south, as well as development of the residential areas east of South Road 1 East. Issuance of a Conditional Use Permit will bring the property into compliance with current zoning, enable the owner to add modern conveniences such as electricity and indoor plumbing, improve the runway with a dust-free surface to reduce dust during landing and take-off, and construct a hangar that is appropriately permitted and inspected to ensure that it is built to current code and does not represent a health/safety hazard for the surrounding properties. Failure to issue a Conditional Use Permit will not allow the reconstruction of the hangar or hard surfacing of the airstrip, but will not terminate the applicant's rights to continued use of the airstrip for take-off and landing.

Therefore, staff supports the application for a conditional use permit for continuing operation of the Robin Airport (59AZ).

MOTION: Motion to issue Conditional Use Permit 14-003 for the operation of the airstrip owned by Chino Valley Airpark LLC, as a conditional use rather than a legal nonconforming use.

SITUATION AND ANALYSIS:

History

The Robin Airport has lawfully been in existence and active use as a private airport prior to the Town's incorporation in 1970. It is comprised of a 1,500 foot gravel/dirt runway, an older structure used as a hangar, which was destroyed in a windstorm earlier this year. The hangar had no plumbing or electricity, and did not meet currently adopted building code.

Before the adoption of the Unified Development Ordinance (UDO) on November 9, 2006, the Town's Zoning Code allowed airports as a permitted use in the Industrial (I) zoning district. That was amended on August 22, 2002 upon the adoption of Ordinance No. 521, which changed the use from a permitted use to a conditional use, rendering the subject property a legal non-conforming use.

The applicant acquired the property in September of 2012 and has continued to use the airport, reinforcing its legal non-conforming status. On July 31st of this year, the existing hangar structure was destroyed in a windstorm.

UDO Section 4.20 Non-Conforming Uses and Structures regulates the use, maintenance, replacement, and alteration of uses that, while in conformance with existing zoning prior to the adoption of the UDO, are no longer in conformance with the current regulations governing manner and placement of a given use. While the UDO references a six (6) month period of inactivity invalidating a non-conforming use, case law in Arizona has recognized that these uses are only terminated or made invalid if there is a "demonstrated intent" on behalf of the owner. The continued use of this property for take-off, landing, and storage of an airplane indicates that there has been no demonstrated intent to terminate or invalidate the existing non-conforming use.

This section of the UDO also governs the reconstruction of non-conforming structures and uses; Section 4.20.3 Reconstruction sets forth the parameters under which a non-conforming use or structure can and cannot be rebuilt. Specifically, if the structure or use is destroyed to the extent that it loses 50% of its value, it is then subject to the UDO. Because the non-conforming structure on the subject parcel was destroyed and as a result lost 50% of its value, the owner cannot rebuild the hangar unless the use comes into conformance with the UDO.

The subject parcel is currently zoned CH/I, availing it to all permitted uses and conditional uses in both the Commercial Heavy (CH) and Industrial (I) zoning districts. Prior to the adoption of the UDO, the subject parcel was zoned Light Manufacturing. As previously stated, airports are only allowed as a conditional use in an Industrial zoning district. Therefore, in order to reconstruct a hangar, the applicant must obtain a Conditional Use Permit.

Rationale

The UDO defines "airport" in Section 2 Definitions, subsection 2.1 Meanings of Words and Terms:

"Any area which is used or intended to be used primarily for the taking off and landing of aircraft, and any appurtenant areas which are used or intended to be used for airport buildings or facilities including open spaces, taxiways and tie-down areas, hangars, transition and clear zones, and other accessory buildings."

Arizona Revised Statutes (ARS) defines "airport" in §28-8461.3:

"...means an area of land or water that is designed and set aside for the landing and taking off of aircraft and that is utilized or to be utilized in the interest of the public for those purposes."

The inclusion of public interest in this definition would exclude the subject property, as it is a private facility not open to the public. Additional definitions found in ARS §28-8461 related to the subject property are as follows:

6. "Airstrip" means a strip of ground that is artificially or naturally surfaced and that is designed and used at an airport or landing field for the landing and takeoff of aircraft.

15. "Runway" means an artificially surfaced strip of ground that is designed and used at an airport for the landing and takeoff of aircraft.

The subject property does not meet the state regulatory agency's definition of airport as the addition of "landing field" in the description of airstrip (ARS §28-8461.6) differentiates between a public airport and a non-public airstrip, and defines the land area set aside for landing and take-off of airplanes as an airstrip rather than an artificially surfaced runway.

Issuance of a Conditional Use Permit (CUP) is predicated on two findings of fact, as set forth in UDO Section 1.9.3 Conditional Use Permits. In approving said permit, the Planning and Zoning Commission and Town Council must find that the proposed use:

1.9.3 (A) 1: 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; and

1.9.3 (A) 2: That the proposed use is reasonably compatible with uses permitted in the surrounding area. The burden of proof satisfying these requirements rests with the applicant.

In terms of the existing non-conforming use, the landing field has been used by Mr. Coury and previous owners without incident for at least 45 years. Use of the private airport is inherently restricted by the lack of available land to extend the length of the existing airstrip, thereby limiting the size of plane that can use the landing field. While the use of the airport may create occasional dust and noise, the inconveniences do not rise to the level of material detriment.

Because the use was in existence prior to the surrounding residential development, those constructing or purchasing homes in the neighborhood were aware (or should have been aware) that the airport was present. Therefore, staff finds that the use is reasonably compatible with the surrounding area.

There are many instances where a small, private airport similar to that found on the subject property have existed in close proximity to residential neighborhoods; frequently, the airstrip predates the surrounding development. In fact, the Robin Airport was in existence prior to the platting of Bee Mountain Estates to the south (1988); the majority of the parcels within the 300' notification area have residential structures constructed well after 1970. The parcels immediately east and west of the subject property are also zoned CH/I; residentially zoned parcels (Single Family Residential, 1 acre minimum and Agricultural/Residential, 5 acre minimum) can be found on the north and south side of the subject parcel.

Both the General Plan 03 and the General Plan 2013-14 designate the subject property as Commercial rather than Industrial. The GP 03 defines these as follows:

Commercial: The commercial designation is intended to guide the expansion of commercial uses through out (sic) the town as the community grows. Commercial uses are directly connected to transportation modes and major intersections. Currently, the Highway 89 corridor is the designated commercial sector for the community. As other roadways are improved and their use expanded, both residential and commercial development will be extended to these areas. Examples are the corridors along Perkinsville Road and the Glassford Hill extension.

Industrial: Industrial uses in the town are limited. Examples of industrial uses designated in the town's

Zoning Code include hot mix and concrete plants, quarries, mines, and heavy manufacturing along with automobile wrecking yards and airports as conditional uses. The Town currently has one automobile wrecking yard and three gravel quarries.

Given the small size of the subject landing field, its private status, the state regulating authority defining it as not an airport, and the inability of the owner to significantly increase the length of the landing strip itself, staff finds that the landing strip is compatible with the current commercial land use designation.

The General Plan 2013/14 differentiates between Commercial and Employment Park rather than Commercial and Industrial. As stated above, the limited use of the airport makes it compatible with a commercial land use designation, rather than an industrial land use designation that would be appropriate for a public airport and allow much heavier industrial uses such as gravel excavation.

Should the CUP not be issued, Mr. Coury will be entitled to continued use of the landing field for the purposes of take-off and landing as that aspect of the legal non-conforming use has not been extinguished.

On October 7, 2014, a public meeting was held during the regular meeting of the Town of Chino Valley Planning and Zoning Commission, after proper notice in compliance with ARS 9-462.04 and the UDO. After a presentation by staff and Andrew Federhar, representative for the applicant, Chair Rowitsch opened the public hearing for comment. As there were no comments by staff, Chair Rowitsch closed the public hearing. The commission then voted unanimously to forward the application to Town Council with a recommendation for approval.

Findings of Fact

Staff finds that issuance of a Conditional Use Permit (CUP) for the purpose of operating a private airport on approximately nine (9) acres located at the southwest corner of the intersection of East Road 1 South and South Road 1 East meets the two findings of fact, as set forth in UDO Section 1.9.3 Conditional Use Permits, and that the proposed CUP:

1.9.3 (A) 1: 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; and

1.9.3 (A) 2: That the proposed use is reasonably compatible with uses permitted in the surrounding area. The burden of proof satisfying these requirements rests with the applicant.

Conditions of Approval

Staff recommends conditioning the Conditional Use Permit as follows:

1. The property owner agrees that the approval of this action confers no additional entitlements or rights to the owner or applicant other than those that are specifically vested herein.
2. Improvements to the landing field and structures shall be in compliance with the Unified Development Ordinance and all adopted building and engineering codes of the Town of Chino Valley.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

CUP and attachments

Legal Description

[Date]

Timothy J. Coury
Chino Valley Airpark LLC
PO Box 4115
Prescott, AZ 86302

RE: Use Permit No.: 13-003
Coury/Robin Airport

On October 28, 2014, the Chino Valley Town Council approved a Conditional Use Permit in the above-referenced case for approximately 9 acres of property located at 849 East Road 1 South, Chino Valley, AZ, as shown on the legal description, Exhibit 1, and the map, Exhibit 2, both of which are attached hereto and incorporated herein. The minutes from the Town Council meeting are available from the Town Clerk or online at chinoaz.net.

The Use Permit permits an airport use in the Commercial Heavy/Industrial (CH/I) zoning district. The use and operation permitted by the Use Permit shall substantially conform to the Site Plan, attached hereto and incorporated herein as Exhibit 3.

This Use Permit is subject to the following conditions:

1. Improvements to the landing field and structures shall be in compliance with the Unified Development Ordinance and all adopted building and engineering codes of the Town of Chino Valley.

This Use Permit is subject to all limitations set forth in the Chino Valley Unified Development Ordinance and in this Use Permit, including termination and/or revocation. If either commencement of the use or commencement of construction, pursuant to a valid building permit, has not occurred within 2 years of the effective date of this Use Permit, this Use Permit will automatically expire. The effective date is the 11th day after approval.

Please ensure that all public hearing notice signs installed on the site, if any, are removed immediately.

If you have any questions regarding this Use Permit, please contact Ruth Mayday at 928-636-4427 or by email at rmayday@chinoaz.net.

Sincerely,

Ruth Mayday
Development Services Director

Enclosure (Exhibits): 1. Legal Description
2. Map
3. Project Narrative/Site Plan

Exhibit "A"

All that portion of the Northeast Quarter of the Southeast Quarter of Section 27, Township 16 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona more particularly described as follows:

BEGINNING at the East One-quarter corner of said Section 27;

Thence, South, 150.12 feet to a point on the East line of said Section 27;

Thence, West, 95.53 feet;

Thence, South 33°43'58" West, 1401.29 feet to a point on the South line of that certain parcel described in Book 4414 of Official Records, Page 857, records of Yavapai County, Arizona;

Thence, North 89°41'01" West, 202.33 feet to the Southwest corner of said parcel;

Thence, North 04°42'00" East, 64.12 feet to a point on the West line of said parcel;

Thence, North 33°43'58" East, 811.65 feet;

Thence North 38° 59' 14" West, 166.14 feet;

Thence North 51°04' 28" East, 166.86 feet;

Thence South 89°28' 30" East, 125.50 feet;

Thence North 00° 21'40" East, 345.59 feet to a point on the North line of said parcel;

Thence, South 89° 38' 20" East, 467.09 feet to the POINT OF BEGINNING;

TOGETHER WITH an easement for ingress and egress, 27.0 feet in width, lying 13.5 feet on each side of the following described centerline:

COMMENCING at the East One-quarter corner of said Section 27;

Thence, North 89° 38' 20" West, 818.08 feet to a point on the East-West mid-section line of said Section 27, being a point on the North line of that certain parcel described in Book 4414 of Official Records, Page 857, records of Yavapai County, Arizona, being the POINT OF BEGINNING of this centerline;

Thence, South 33° 55' 19" East, 417.87 feet to the END of this centerline, the sidelines to commence on the said East-West mid-section line and terminate on lines running South 89° 28' 30" East and South 51°04' 28" West, from the END of the described centerline.

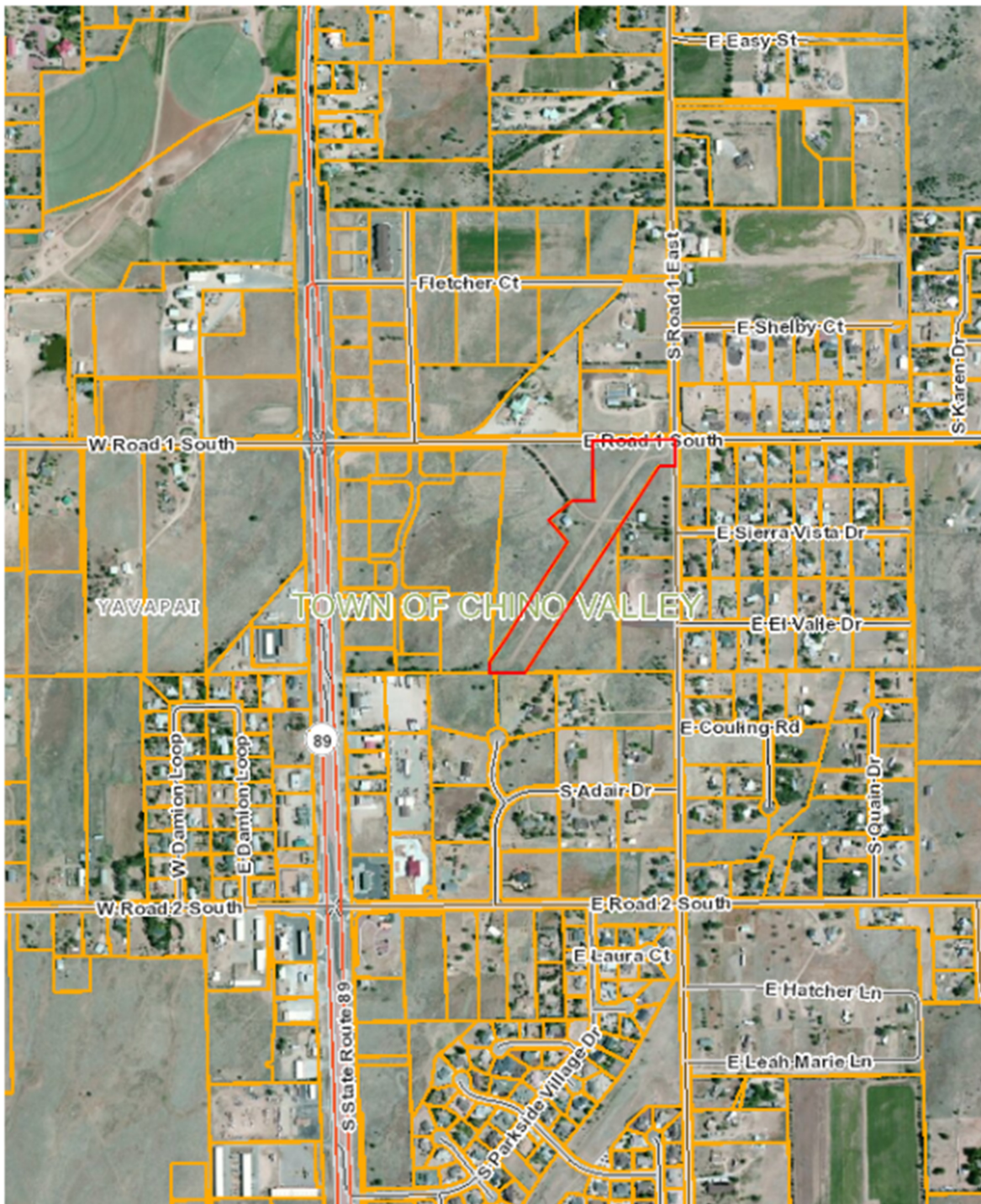
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EXCEPTING THEREFROM an undivided 114 interest in all minerals and mineral rights, including oil, gas and other hydrocarbonate substances in and under, and that may be produced from the land, together with the right of ingress and egress for the exploration, operation and development of said mineral interest as reserved in the Book 250 of Official Records, page 234.

DRAFT

Exhibit B – Map



Disclaimer: Map and parcel information is believed to be accurate but accuracy is not guaranteed. No portion of the information should be considered to be, or used as, a legal document. The information is provided subject to the express condition that the user knowingly waives any and all claims for damages against Yavapai County that may arise from the use of this data.

Map printed on: 10.1.2014

Exhibit C – Site Plan

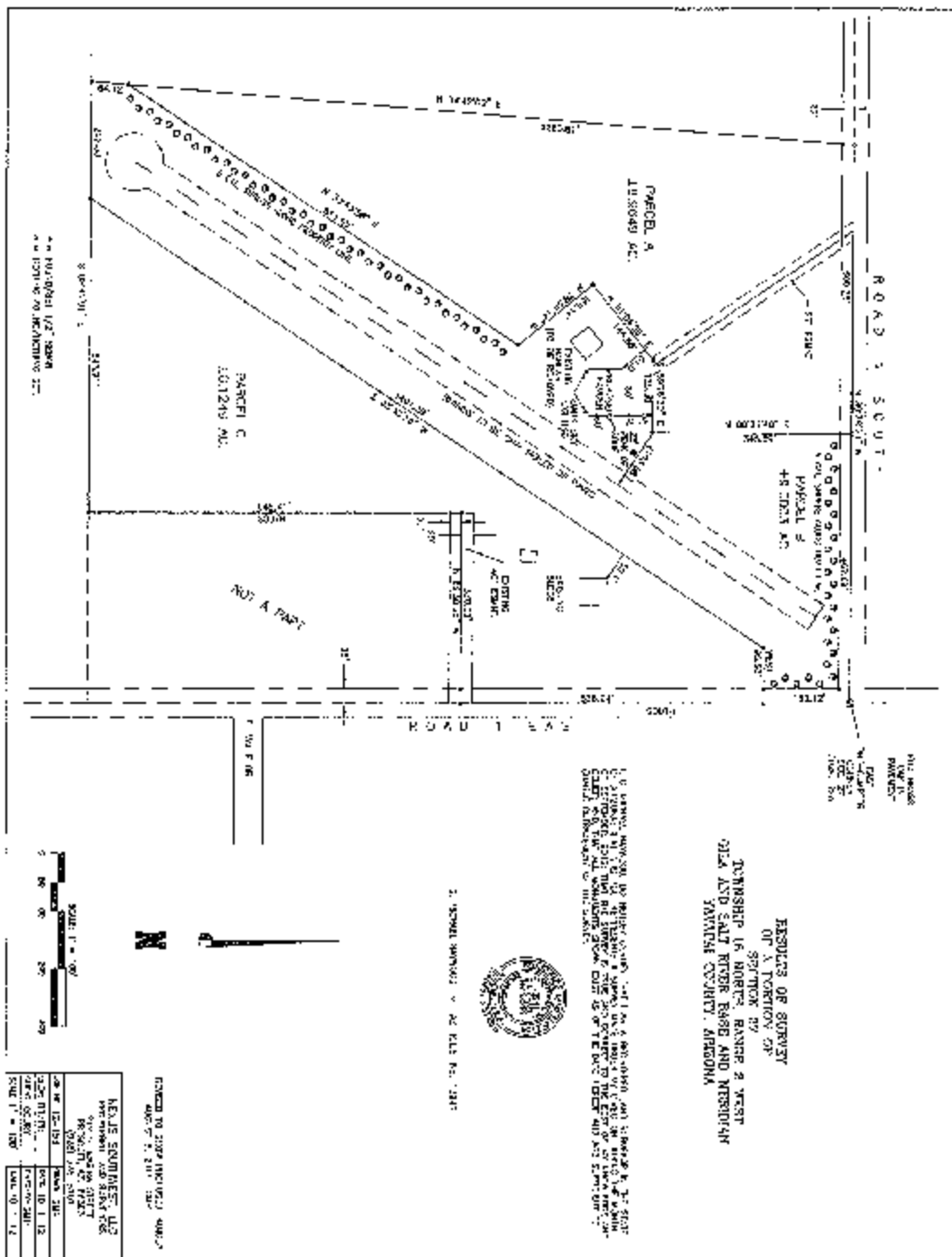


Exhibit "A"

All that portion of the Northeast Quarter of the Southeast Quarter of Section 27, Township 16 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona more particularly described as follows:

BEGINNING at the East One-quarter corner of said Section 27;

Thence, South, 150.12 feet to a point on the East line of said Section 27;

Thence, West, 95.53 feet;

Thence, South 33°43'58" West, 1401.29 feet to a point on the South line of that certain parcel described in Book 4414 of Official Records, Page 857, records of Yavapai County, Arizona;

Thence, North 89°41'01" West, 202.33 feet to the Southwest corner of said parcel;

Thence, North 04°42'00" East, 64.12 feet to a point on the West line of said parcel;

Thence, North 33°43'58" East, 811.65 feet;

Thence North 38° 59' 14" West, 166.14 feet;

Thence North 51° 04' 28" East, 166.86 feet;

Thence South 89° 28' 30" East, 125.50 feet;

Thence North 00° 21' 40" East, 345.59 feet to a point on the North line of said parcel;

Thence, South 89° 38' 20" East, 467.09 feet to the POINT OF BEGINNING;

TOGETHER WITH an easement for ingress and egress, 27.0 feet in width, lying 13.5 feet on each side of the following described centerline:

COMMENCING at the East One-quarter corner of said Section 27;

Thence, North 89° 38' 20" West, 818.08 feet to a point on the East-West mid-section line of said Section 27, being a point on the North line of that certain parcel described in Book 4414 of Official Records, Page 857, records of Yavapai County, Arizona, being the POINT OF BEGINNING of this centerline;

Thence, South 33° 55' 19" East, 417.87 feet to the END of this centerline, the sidelines to commence on the said East-West mid-section line and terminate on lines running South 89° 28' 30" East and South 51° 04' 28" West, from the END of the described centerline.

EXCEPTING THEREFROM an undivided 1/4 interest in all minerals and mineral rights, including oil, gas and other hydrocarbonate substances in and under, and that may be produced from the land, together with the right of ingress and egress for the exploration, operation and development of said mineral interest as reserved in the Book 250 of Official Records, page 234.