

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

**TUESDAY, NOVEMBER 10, 2015
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, November 10, 2015.

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

Staff Present: Town Manager Robert Smith; Assistant Town Manager Cecilia Grittman; Town Attorney Susan Goodwin; Finance Director Joe Duffy; Police Officer Jody Villalobos; Town Engineer/Public Works Director Ron Grittman; Development Services Director Ruth Mayday; Associate Planner James Gardner; 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.

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

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a)** Presentation regarding Yavapai College by Dr. Clint Ewell, Vice President for Finance and Administrative Services. (Jami Lewis, Town Clerk)

Mr. Ewell spoke about the College Board goals for education, students, lifelong learning, economic development, and community; its mission, vision, five-year strategic plan, and values; and cost of education comparisons.

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.

Nancy Best, resident, spoke about Hometown Chino Christmas on December 4-5.

Pat McKee, resident, spoke about councilmembers' responsibility to obtain facts before making decisions.

Robert McCaullay, resident, spoke about Council setting a precedent if they approved the pending La Vacara Trust rezone.

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.

None.

5) CURRENT EVENT SUMMARIES AND REPORTS

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

a) Status reports by Mayor and Council regarding current events.

Mayor Marley honored Veterans and recognized the Chino Valley High School varsity boys soccer team and coach for winning the Division 5 state championship.

Vice-Mayor Croft recognized graduates of the recent Citizen's Academy: Andrea Byers, Susan Cuka, Kathy Farber, Russell Hull, Roxanne Hull, Susan Keller, Pam Kidd, Dennis Knittle, Frank Livey, Shelley Leon, Chris MacDonald, Lynn Metcalf, Nancy Mitchell, Lillian Morales, Danielle Rigor, Edie Spain, and Julie Van Wuffen.

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

Mr. Smith presented a report on building permit statistics.

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.

None.

7) ACTION ITEMS

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

- a) Consideration and possible action to approve Resolution No. 15-1067 approving the form and authorizing the execution and delivery of a loan agreement (Loan Number 970167-16) with the Water Infrastructure Finance Authority of Arizona (WIFA) from its Clean Water State Revolving Fund Program (CWSRF). Fiscal Impact will be discussed during the presentation. (Joe Duffy, Finance Director)

Recommended Action: Approve Resolution No. 15-1067.

Mr. Duffy and Financial Advisor Mark Reader reported that:

- The Town desired to refinance the existing USDA-RD loans used to construct the sewer distribution system, and install sewer line from State Route 89 to the Mollie Rae Estates subdivision.
- On July 28, 2015, Council approved Resolution 15-1065 to authorize the application for a loan from WIFA.
- WIFA determined that the Town was a disadvantaged community, which will allow the Town to receive an interest rate discount of 20% off the final interest rate to be determined at loan closing. The current bonds had a 4.125% interest rate; the refinance interest rate will be around 2.4%. The Town also qualified to have \$250,000 of the principal forgiven. Until the utility funds improved, WIFA was requiring the Town's federal excise tax as collateral.
- Resolution 15-1067 will authorize the execution and delivery of the loan agreement. The proposed loan closing date was December 1, 2015.

Councilmember Mendoza requested an executive session for legal advice.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to go into executive session at 6:41 p.m.

Vote: 7 - 0 PASSED - Unanimously

Mayor Marley reconvened the regular meeting at 6:47 p.m.

Council asked if mandatory sewer hookups for the properties along Center Street were a condition of the loan documents. Mr. Reader stated it was not.

Town Manager Smith and Mayor Marley added that the Town had up to two years before starting construction and had that time to amend the residential connection fees policy.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to approve Resolution No. 15-1067.

Vote: 7 - 0 PASSED - Unanimously

- b) Consideration and possible action to approve Resolution No. 15-1068 approving the form and authorizing the execution and delivery of a loan agreement (Loan Number 970168-16) with the Water Infrastructure Finance Authority of Arizona (WIFA) from its Clean Water State Revolving Fund Program (CWSRF). Fiscal Impact will be discussed during the presentation. (Joe Duffy, Finance Director)

Recommended Action: Approve Resolution No. 15-1068.

Mr. Duffy reported that this item was the second piece of the loan package addressed under the previous item, relating to \$50,354 for the Mollie Rae project engineering. The Town might not need to draw down these funds and could deobligate them at no cost.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Jack Miller to approve Resolution No. 15-1068.

Vote: 7 - 0 PASSED - Unanimously

- c) (i) Public Hearing regarding application from Guima LLC for the Agent Change and Acquisition of Control of an existing Series 10 (Beer and Wine Store) Liquor License for Casa Chica, located at 316 W. Perkinsville Road, Chino Valley.
(ii) Consideration and possible action to take no action or protest the change of ownership of the Series 10 Liquor License for Casa Chica 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 change of ownership of Casa Chica's Series 10 Liquor License.

Per Ms. Lewis' staff report, the Police and Planning Departments reviewed the application and offered no comments. Staff posted the establishment with the necessary notices to meet the required 20-day period. As of the date of this report, staff had not received any 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: 7 - 0 PASSED - Unanimously

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

Vote: 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to take no action.

Vote: 7 - 0 PASSED - Unanimously

- d) (i) Public Hearing regarding application from Aldaco LLC for the Agent Change and Acquisition of Control of an existing Series 12 (Restaurant) Liquor License for Casa Grande, located at 443 W. Butterfield Road, Chino Valley.
(ii) Consideration and possible action to either take no action or protest the change of ownership of the Series 12 Liquor License for Casa Grande 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 Casa Grande's Series 12 Liquor License.

Per Ms. Lewis' staff report, the Police and Planning Departments reviewed the application and offered no comments. Staff posted the establishment with the necessary notices to meet the required 20-day period. As of the date of this report, staff had not received any written arguments in favor of or in opposition to the application.

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

Vote: 7 - 0 PASSED - Unanimously

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

Vote: 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Corey Mendoza to take no action.

Vote: 7 - 0 PASSED - Unanimously

- e)
 - (i) Public Hearing regarding application from Lucys Place LLC for an Interim Permit and Person Transfer of a Series 6 (Bar) Liquor License for Lucys Place, located at 3020 N. Highway 89, Chino Valley.
 - (ii) Consideration and possible action to recommend approval for an interim permit and person transfer of a Series 6 Liquor License application for Lucys Place. (Jami Lewis, Town Clerk)

Recommended Action:

- (i) Hold Public Hearing.
- (ii) Recommend approval for interim permit and person transfer of Lucys Place's Series 6 Liquor License.

Per Ms. Lewis' staff report, the Police and Planning Departments reviewed the application and offered no comments. Staff posted the establishment with the necessary notices to meet the required 20-day period. As of the date of this report, staff had not received any written arguments in favor of or in opposition to the application.

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

Vote: 7 - 0 PASSED - Unanimously

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

Vote: 7 - 0 PASSED - Unanimously

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to recommend approval for interim permit and person transfer of Lucys Place's Series 6 Liquor License.

Vote: 7 - 0 PASSED - Unanimously

- f) Consideration and possible action to adopt Ordinance No. 15-804 rezoning parcel 306-17-001H, consisting of approximately 2.5 acres, located in Section 11, Township 16 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, located at approximately 2879 Arizona Trail, from Industrial (I) to Commercial Light (CL). Applicant: Gary Denny. (James Gardner, Planner)

Recommended Action: Adopt Ordinance No. 15-804 allowing the rezoning of the property generally located at 2879 Arizona Trail from Industrial (I) to Commercial Light (CL).

Mr. Gardner reported that:

- *Request:* Rezone subject parcel to add a 400-square foot expansion to the existing restaurant building.
- *Surrounding uses:* Residential (SR-1) to the west, and Industrial (I) to the south, east and north.
- *Analysis:* The property's current zoning classification was incompatible with surrounding residential uses. The proposed rezoning will bring the zoning in line with the actual use of the property and will serve as a buffer from the more intensive industrial uses, which are currently allowed by-right on the property.
- *Public outreach:* There was some concern about past noise issues; the applicant stated that he wanted a family restaurant, not a bar. All neighborhood attendees supported the project.
- *Compliance:* The rezoning request will be in general conformance with the 2014 General Plan. The future land-use map identified this area as commercial/floodplain/greenway corridors/aggregate areas. The request conformed with the commercial portion of that land use designation, and met the Land Use Goal relating to avoiding proximity of incompatible land uses. The request was not in general conformance with the zoning classifications in the immediate area; however, it may be a more appropriate zoning classification than the existing Industrial (I) zoning, due to the lack of a zoning buffer between the residential neighborhood to the west and the existing industrial zone. The zone change will also bring the existing restaurant use into conformance, as it was currently a legal non-conforming use; allow continued operation of a Chino Valley landmark; and reactivate a vacant building.
- *Commission recommendation:* The Commission recommended approval.

MOVED by Councilmember Jack Miller, seconded by Vice-Mayor Darryl Croft to adopt Ordinance No. 15-804 allowing the rezoning of the property generally located at 2879 Arizona Trail from Industrial (I) to Commercial Light (CL).

Vote: 7 - 0 PASSED - Unanimously

- g) Consideration and possible action to postpone, modify, or confirm the adopted Utility Rate Increases scheduled to go into effect in January 2016. Fiscal Impact will depend on action taken. (Joe Duffy, Finance Director)

Recommended Action: Confirm, postpone, or modify the Utility Rate Increases scheduled to go into effect in January 2016.

Mr. Duffy reported that:

- On February 12, 2103, the Council adopted Resolution No. 13-1005 adopting water and sewer rate increases for five fiscal years through January 2017. The fourth rate increase was scheduled for January 16, 2016. Staff had been discussing the options for instituting, modifying, or postponing these rate increases.
- Staff prepared a detailed analysis on the financial impact of postponing or modifying the rate increases, including other funding alternatives to offset the impact.
- As the Town's water rates were below the regional average, had lost \$122,000 last year, did not meet the debt coverage ratio, and owed \$1,057,000 to the General Fund, he recommended proceeding with that rate increase.
- As the Town's sewer rates were the highest in the region and state, had a better debt service coverage ratio, and was projected to break even this year, he recommended deferring this rate increase six months, reviewing the matter in May 2016, and covering the loss of \$67,000 by subsizing from the capital improvements fund per Resolution 04-711. As this fund was projected to have \$148,000 this year, the deferral will not have a significant impact.

Council discussion:

- They desired to give the sewer ratepayers a break, while not compromising the Town's financial stability.
- They preferred that capital improvement funds not be transferred until the review in May 2016.
- They supported postponing the sewer rate increase and allowing the water rate increase.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to postpone the January 1, 2016 sewer increase.

Vote: 7 - 0 PASSED - Unanimously

8) EXECUTIVE SESSION

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

None.

9) ACTION ITEMS RESUMED

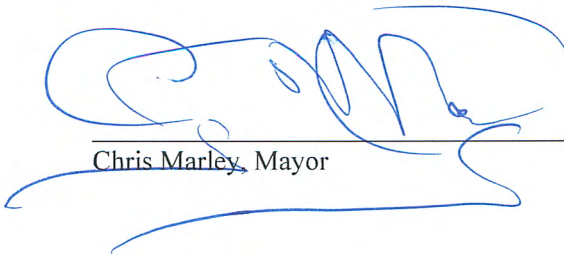
After the Executive Session, Council will reconvene the Regular Meeting.

None.

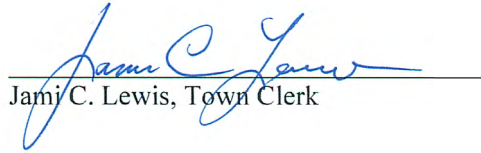
10) ADJOURNMENT

MOVED by Councilmember Jack Miller, seconded by Councilmember Mike Best to adjourn the meeting at 7:30 p.m.

Vote: 7 - 0 PASSED - Unanimously


Chris Marley, Mayor

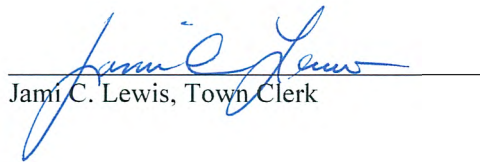
ATTEST:


Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 10th day of November, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of December, 2015.


Jami C. Lewis, Town Clerk