

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

**TUESDAY, DECEMBER 13, 2016
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, December 13, 2016.

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

Staff Present: Interim Town Manager Cecilia Grittmann; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Human Resources Director Laura Kyriakakis; Police Chief Chuck Wynn; Police Lieutenant Vince Schaan; Public Works Director/Town Engineer Michael Lopez; Development Services Director Ruth Mayday; GIS/CAD/Web Technician Jan Mazy (videographer); Town Clerk Assistant Amy Pyeatt-Lansa; Town Clerk Jami Lewis (recorder)

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

Mayor Marley called the meeting to order at 6:04 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Presentation of Anti-Aggressive Driving & Speeding Commercial.

Craig Brown, Chair, Central Yavapai Metropolitan Planning Organization (CYMPO) and County Supervisor, spoke about a partnership with county law enforcement agencies, ADOT, CYMPO, and CableOne to create video vignettes regarding distracted and aggressive driving.

Vinnie Gallegos, CYMPO Transportation Planner, spoke about the campaign and showed one of the commercials.

b) Presentation of Life Saver Commendation to Lt. Vince Schaan.

Chief Wynn described the incident in which Lt. Schaan performed life-saving measures after an accident, and Mayor Marley read and presented the commendation to Lt. Schaan.

****Council may consider and take action to change the order of the agenda.**

Recommended Action: Move items 8a) executive session; 7a) Recognition of Mayor Marley, 7b) Oaths of Office; and 7c) Selection of Vice-Mayor, in that order, prior to item 3) Call to the Public.

MOVED by Vice-Mayor/Mayor Darryl Croft, seconded by Councilmember Jack Miller to move items 8a) executive session; 7a) Recognition of Mayor Marley, 7b) Oaths of Office; and 7c) Selection of Vice-Mayor, in that order, prior to item 3) Call to the Public.

Vote: 7 - 0 PASSED - Unanimously

After Council held executive session item 8a, Mayor Marley reconvened the regular meeting at 6:31 p.m. and proceeded to items 7a, 7b and 7c.

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council 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.

(Item 3 was heard after item 7c but is retained here for clarity.)

Ron Larson spoke favorably of the Christmas lighting event at Memory Park, and also requested that the Town provide space for public meetings in lieu of the former Library conference room as soon as practicable.

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)** Comments regarding factual information on the proposed racetrack.

Interim Town Manager Gritman reported that Yavapai Community College should be voting on this matter on January 10. If they voted in support, the item will be on Council's January 24th agenda for Council direction.

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 Croft acknowledged those who prepared and participated in the Christmas event at Memory Park, as well as the Council reception prior to this meeting.

Councilmember Cuka reported on topics being addressed by the Economic Development subcommittee: Old Home Manor master plan; sign code; branding; and connector roads.

Councilmember Turner reported on the filter replacement project at the sewer treatment plant.

- b) Status report by Interim Town Manager Cecilia Grittmann and/or Town staff members regarding Town accomplishments, and current or upcoming projects.

Staff had nothing to report.

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/Vice-Mayor Mike Best, seconded by Councilmember Lon Turner to approve Consent Agenda items (a) through (g).

Vote: 7 - 0 PASSED - Unanimously

- a) Consideration and possible action to approve the Intergovernmental Agreement (IGA) between the State of Arizona through its Department of Public Safety (DPS) and the Town of Chino Valley through its Police Department regarding Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) State Gang Task Force, effective July 1, 2016. (Chuck Wynn, Police Chief)
- b) Consideration and possible action to adopt Resolution No. 16-1096, accepting the dedication of right-of-way of certain real property located approximately north of the intersection of Road 1 East and Adams Drive, identified in the 2007 Record of Survey for Assessor's Parcel Number (APN) 306-20-001K. (Michael Lopez, Public Works Director/Town Engineer)
- c) Consideration and possible action to accept the Comprehensive Annual Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2016, as prepared by Henry & Horne, LLP, Certified Public Accountants. (Joe Duffy, Finance Director)
- d) Consideration and possible action to adopt Resolution No. 16-1095, prescribing standards of financial disclosure for local public officers. (Jami Lewis, Town Clerk)
- e) Consideration and possible action to accept the October 25, 2016 regular meeting minutes. (Jami Lewis, Town Clerk)
- f) Consideration and possible action to accept the November 8, 2016 regular meeting minutes. (Jami Lewis, Town Clerk)
- g) Consideration and possible action to accept the November 15, 2016 study session minutes. (Jami Lewis, Town Clerk)

7) **ACTION ITEMS**

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

- a) Recognition of Chris Marley for 5-1/2 years of service as Mayor of Chino Valley. (Jami Lewis, Town Clerk)

(This item was heard after item 8a but is retained here for clarity.)

Vice-Mayor Croft read a proclamation declaring December 13, 2016 as Mayor Marley Appreciation Day and presented it, as well as other gifts, to Mayor Marley.

- b) Administer Oaths of Office to Mayor-Elect Darryl Croft and Councilmembers-Elect Mike Best, Susan Cuka, Annie Lane, Corey Mendoza, Jack Miller, and Lon Turner. (Jami Lewis, Town Clerk)

Ms. Lewis administered the Oath of Office to the new mayor and council, who assumed their respective offices immediately.

- c) Consideration and possible action to nominate and elect a Councilmember to serve as Vice-Mayor. (Jami Lewis, Town Clerk)

Recommended Action: The new Mayor shall nominate, and the new Council shall select, a Councilmember to serve as Vice-Mayor.

Mayor Croft nominated Councilmember Best to serve as vice-mayor for 2017 and Councilmember Turner to serve as vice-mayor for 2018.

MOVED by Councilmember/Vice-Mayor Mike Best, seconded by Councilmember Jack Miller to retain Mike Best and Lon Turner as vice-mayor for 2017 and 2018, respectively.

Vote: 7 - 0 PASSED - Unanimously

Mayor Croft recessed the meeting at 6:43 p.m. and reconvened it at 6:51 p.m.

- d) Hold a Public Hearing for consideration and possible action to approve Ordinance No. 16-826, decreasing the Town's sales tax (transaction privilege tax) rate for manufactured buildings in the Town of Chino Valley. (Joe Duffy, Finance Director)

Recommended Action: Approve Ordinance No. 16-826, decreasing the sales tax rate for manufactured buildings to ____%.

(This item was heard after item 6 but is retained here for clarity.)

Mr. Duffy presented on this item:

- Clayton Homes owner, David Roe, originally approached the Town to ask for relief on the sales tax rate, as he was unable to remain competitive due to the Town's higher sales tax rate.
- Mr. Duffy reviewed the data discussed at a previous study session on this item, including: issues with taxes collected at the point of sale for certain products; manufactured home tax rates of competing communities; financial impacts of reducing the rate; and the process and timeline for reducing the tax, if approved by Council.
- As the Model City Tax Code had a separate tax rate for manufactured homes, Council

could address it separately; and any reduction in sales tax would hopefully be offset by an increase in sales. Such reduction would apply only to new units.

Development Services Director Mayday and Mr. Duffy added that business retention and expansion was the most overlooked piece of economic development, and as this business employed a lot of trades, the best argument to support it was for the economic incentive.

MOVED by Vice-Mayor Mike Best, seconded by Councilmember Jack Miller to open the public hearing on Ordinance 16-826, decreasing the Town's sales tax on manufactured homes.

Vote: 7 - 0 PASSED - Unanimously

Dave Roe, Clayton Homes owner, spoke about his business supporting local contractors and absorbing the costs of the additional sales taxes to try to stay competitive.

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

Vote: 7 - 0 PASSED - Unanimously

Council questioned and staff provided further details on the following topics:

- *Possible overall tax reduction:* Mr. Duffy stated that the Town did not currently have the capacity for a reduction of even one percent (1%).
- *Effects of reduction:* If Council approved a two percent (2%) tax reduction, 10 additional home sales would make up the difference in revenue.
- *Manufactured home sales:* There used to be several manufactured home sales companies in Town; Clayton Homes was the only one currently. Manufactured home sales made up two percent (2%) of the Town's overall sales tax revenues.

Council comments:

- Several other products, such as propane, were also taxed at the point of sale, and should be addressed by the legislature.
- Council could give it a trial run at two percent (2%) for about two years and then re-evaluate.

MOVED by Councilmember/Vice-Mayor Mike Best, seconded by Councilmember Susie Cuka to approve Ordinance No. 16-826, decreasing the sales tax rate for manufactured buildings by 2%.

Vote: 6 - 1 PASSED

NAY: Councilmember Jack Miller

- e) Consideration and possible action to rezone approximately 2.49 acres of real property, located approximately 448 feet north of Road 4 1/2 North and approximately 1000 feet west of State Route 89, and also known as Yavapai County Assessor's Parcel No. 306-05-095M, from SR-1.6 (Single Family Residential, 1.6-acre minimum) to SR-1 (Single Family Residential, 1-acre minimum) zoning district. Applicant: Jose Granillo. (Ruth Mayday, Development Services Director)

Recommended Action: Adopt Ordinance No. 16-824, rezoning APN 306-05-095M from SR-1.6

(Single Family Residential, 1.6 acre minimum) to SR-1 (Single Family Residential, 1 acre minimum).

Ms. Mayday presented on this item:

- *Purpose:* To divide the property and construct a home on each parcel.
- *Conformance:* The requested zoning was compatible with surrounding properties and the area's General Plan land use designation.
- *Public comment:* The public raised no objections at the neighborhood meeting or public hearing.
- *Commission recommendation:* Forward to Council with a recommendation for approval.

Council asked when staff addressed drainage. Ms. Mayday stated it was done when siting the home.

MOVED by Councilmember/Vice-Mayor Mike Best, seconded by Councilmember Lon Turner to adopt Ordinance No. 16-824, rezoning APN 306-05-095M from SR-1.6 (Single Family Residential, 1.6 acre minimum) to SR-1 (Single Family Residential, 1 acre minimum).

Vote: 7 - 0 PASSED - Unanimously

- f) Consideration and possible action to approve the rezoning of approximately 61 acres of real property generally located on Tree Farm Lane between Granite Creek Lane and Colorado Way, and also known as Assessor's Parcel Numbers 306-03-002P and 306-03-002Q, from CL (Commercial Light) to I (Industrial) zoning district. Applicant: Curt Wells. (Ruth Mayday, Development Services Director)

Recommended Action: Approve Ordinance No. 16-827, to rezone approximately 61 acres generally located on Tree Farm Lane between Granite Creek Lane and Colorado Way, from CL (Commercial Light) to I (Industrial) Zoning District.

Ms. Mayday presented on this item:

- *Purpose:* The subject property had been zoned CL for a long time; however, surrounding area uses would not be compatible with a CL use.
- *Conformance:* The requested rezone would be consistent with area uses and the adjacent Old Home Manor industrial park.
- *Public comment:* The public raised no objections in response to notice letters or at the public hearing.
- *Commission recommendation:* The Commission expressed some concern about the property possibly being used for medical marijuana cultivation, a permitted use in the Industrial zone, but ultimately voted with a 5 - 1 recommendation for approval.
- *Medical marijuana uses:* While the subject property was remote now, over time it will be surrounded by other Industrial uses, which made it ideal for medical marijuana uses.

Council comments:

- The requested rezone was mainly to increase the property value for sale.
- The Town could not keep medical marijuana out; Council had done its best to provide for it in areas that would suit the community, and this property met all the industrial requirements.

MOVED by Councilmember/Vice-Mayor Mike Best, seconded by Councilmember Jack Miller to approve Ordinance No. 16-827, to rezone approximately 61 acres generally located on Tree Farm Lane between Granite Creek Lane and Colorado Way, from CL (Commercial Light) to I (Industrial) Zoning District.

Vote: 7 - 0 PASSED - Unanimously

- g) Consideration and possible action to approve a Conditional Use Permit (CUP) for approximately 1.4 acres of real property located at 3445 South State Route 89 (Assessor's Parcel Number 306-29-030C) to allow retail propane sales in the CL (Commercial Light) zoning district. Applicant: Olsen/Sischka Investments. (Ruth Mayday, Development Services Director)

Recommended Action: Approve CUP 16-002 allowing for liquefied petroleum gas sales in a CL (Commercial Light) zoning district at Olsen's Feed Store located at 3445 S. State Route 89.

Ms. Mayday presented on this item:

- *Purpose:* To sell propane as an accessory use. The owner originally wanted the propane for his own use, but later found there was demand for it from the public. Propane sales was a conditional use in the CL zone.
- *Public comment:* The public raised no objections in response to notice letters or at the public hearing.
- *Commission recommendation:* Forward with a unanimous recommendation for approval.

MOVED by Councilmember/Vice-Mayor Mike Best, seconded by Councilmember Lon Turner to approve CUP 16-002 allowing for liquefied petroleum gas sales in a CL (Commercial Light) zoning district at Olsen's Feed Store located at 3445 S. State Route 89.

Vote: 7 - 0 PASSED - Unanimously

- h) Consideration and possible action to approve a Conditional Use Permit (CUP) for approximately five (5) acres of real property located at 1151 E. Road 4 North (Assessor's Parcel No. 306-17-003Q) to permit storage of up to six (6) pieces of heavy equipment (tractors, backhoes, etc.) in the AR-5 (Agricultural/Residential - 5 Acre Minimum) zoning district. Applicant: Gregg and Susie Cuka. (Ruth Mayday, Development Services Director)

Recommended Action: Approve CUP 16-001 to allow for the storage of up to six (6) pieces of heavy equipment at 1151 E. Road 4 North as indicated on the site plan attached to the CUP thereto and made a part herewith.

As this item concerned her own business, Councilmember Cuka recused herself and left the dais.

Ms. Mayday presented on this item:

- *Purpose:* To allow for storage of heavy equipment for a home-based excavating business. The owners purchased the property in 2010 and had parked their equipment therein. When it was brought to their attention that they needed a CUP, they immediately started the process to apply. They were agreeing to a limit of six pieces of equipment.
- *Public comment:* The public raised no objections at the neighborhood meeting or public hearing.
- *Commission recommendation:* Forward to Council with a unanimous recommendation for approval.

MOVED by Councilmember/Vice-Mayor Mike Best, seconded by Councilmember Corey Mendoza to approve CUP 16-001 to allow for the storage of up to six (6) pieces of heavy equipment at 1151 E. Road 4 North as indicated on the site plan attached to the CUP thereto and made a part herewith.

Vote: 7 - 0 PASSED - Unanimously

Councilmember Cuka returned to the dais.

- i) Consideration and possible action to award the bid and construction contract to Earth Resources Corporation in an amount not to exceed \$1,853,639.00 for construction of sewer and water mains, and roadway improvements to Jerome Junction and Road 4 North including new drainage structures across the Santa Cruz wash and adjacent tributary, and the removal and replacement of existing culverts, roadway and other incidental work. (Michael Lopez, Public Works Director/Town Engineer)

Recommended Action: Award the bid and construction contract to Earth Resources Corporation in the amount not to exceed \$1,853,639.00 for construction of sewer and water mains, and roadway improvements to Jerome Junction and Road 4 North.

Mr. Lopez presented on this item:

- The Town let this bid with a total base bid and deductive alternatives. The low bid was low enough to award the whole base bid, including Road 4 North and all water and sewer.
- In analyzing the bids, he found that the hard costs were the same for all four bidders. The low bidder shaved his numbers on mobilization, traffic control—due to the location of the project, excavation, and dirt work.
- Per the contractor's qualifications, staff recommended awarding the contract to Earth Resources for the whole project. While the contractor might need some additional monitoring, staff had the capacity to do so.
- The original contract was for 120 days, but the federal representative for the associated grant recommended a longer period, so the contract was now for 200 days to accommodate the whole project. The ACA matching funds for the EDA grant required the Town to complete the project in July 2017. As the 200 days was after July, he and Ms. Mayday will contact ACA tomorrow to negotiate an extension, although he still hoped to complete the project in 120-150 days.

One councilmember expressed concern about change orders with the low bid. Mr. Lopez stated that it was the Town's responsibility to monitor the work and mitigate issues. In the past, he had been successful in negotiating issues with this contractor without change orders.

MOVED by Councilmember/Vice-Mayor Mike Best, seconded by Councilmember Jack Miller to award the bid and construction contract to Earth Resources Corporation in the amount not to exceed \$1,853,639.00 for construction of sewer and water mains, and roadway improvements to Jerome Junction and Road 4 North.

Vote: 7 - 0 PASSED - Unanimously

- j) Consideration and possible action to approve the intergovernmental agreement (IGA) between the Town of Chino Valley, ADOT, and Yavapai County, authorizing payment of \$75,000.00 to ADOT for design of the Road 1 North and State Route 89 Traffic Signal. (Michael Lopez, Public Works Director/Town Engineer)

Recommended Action: Approve the IGA between the Town of Chino Valley, ADOT, and Yavapai County, authorizing payment of \$75,000.00 to ADOT for design of the Road 1 North and State Route 89 Traffic Signal.

Mr. Lopez presented on this item:

- The State had started this project and the funding ran out. Supervisor Brown, Yavapai County Public Works, and CYMPO reached out to the Town to get it back in front of ADOT.
- The proposed IGA allowed ADOT to proceed with the design with contributions from the Town and Yavapai County. The Town's total contribution would be \$150,000—\$75,000 for design and \$75,000 for right-of-way and mitigation. The County's total contribution would be \$200,000.
- The parties involved will go before the State Board as often as possible until the project was built.
- If Council approved this item, Yavapai County will consider it in January.

Supervisor Brown told Council that he fought hard to get the project back on track and hoped that it could be done by 2019.

MOVED by Councilmember/Vice-Mayor Mike Best, seconded by Councilmember Lon Turner to approve the IGA between the Town of Chino Valley, ADOT, and Yavapai County, authorizing payment of \$75,000.00 to ADOT for design of the Road 1 North and State Route 89 Traffic Signal.

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.

- 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 contract with Prescott Sportsmen's Club related to management of the Chino Valley Shooting Range Facility that is the subject of negotiations. (Mayor Marley)

(Item 8a was heard after item 2b but is retained here for clarity.)

Per the motion made after item 2b, Mayor Marley read item 8a and recessed the Regular Meeting to go into executive session at 6:16 p.m.

Mayor Marley reconvened the Regular Meeting at 6:30 p.m.

- b) 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 contract in pending litigation or in settlement discussions conducted in order to resolve litigation in the matter of Town v. The Glenarm Land Company, Inc., et al. (Phyllis Smiley, Town Attorney)

MOVED by Councilmember/Vice-Mayor Mike Best, seconded by Councilmember Corey Mendoza to go into executive session at 8:14 p.m.

Vote: 7 - 0 PASSED - Unanimously

- c) * An executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the Town Attorney regarding the arbitration process in the matter of former employee Dan Trout's appeal of termination. (Councilmember Corey Mendoza; Councilmember Lon Turner)

9) ACTION ITEMS RESUMED

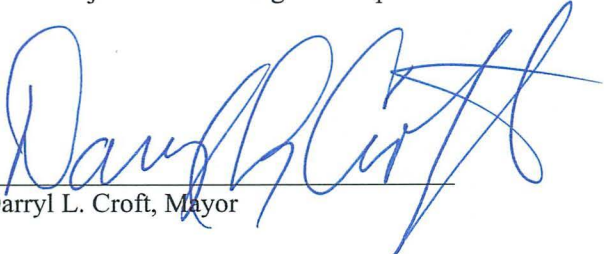
After the Executive Session, Council will reconvene the Regular Meeting.

Mayor Croft reconvened the Regular Meeting at 9:41 p.m. and reported that Council had received advice from its attorney.

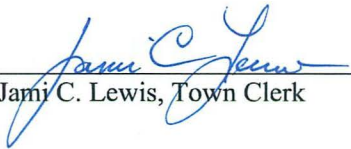
10) ADJOURNMENT

MOVED by Councilmember/Vice-Mayor Mike Best, seconded by Councilmember-Elect/Councilmember Annie Lane to adjourn the meeting at 9:41 p.m.

Vote: 7 - 0 PASSED - Unanimously


Darryl L. Croft, Mayor

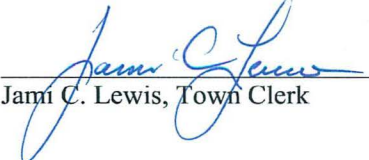
ATTEST:


Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 13th day of December, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 10th day of January, 2017.


Jami C. Lewis, Town Clerk