



CAPITAL IMPROVEMENT PROGRAM CITIZEN'S ADVISORY COMMITTEE NOTICE & AGENDA

**SPECIAL MEETING
THURSDAY, NOVEMBER 21, 2024
2:00 PM**

COUNCIL CHAMBERS | 202 N. STATE ROUTE 89 | CHINO VALLEY, ARIZONA 86323

AGENDA

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
 - a. Discussion and possible action to approve the May 16, 2024, regular meeting minutes.
- 4. OLD BUSINESS**
 - a. Update and possible discussion on status of capital projects for FY 2024-25.
- 5. NEW BUSINESS**
 - a. Discussion regarding potential capital project priorities.
 - b. Discussion and possible action regarding future meeting schedule.
- 6. ADJOURNMENT**

Dated this 5th day of November, 2024.

By: *Katie Pehl, Finance Director*

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**MINUTES OF THE REGULAR MEETING OF THE
CAPITAL IMPROVEMENT PROGRAM CITIZEN'S ADVISORY
COMMITTEE OF THE TOWN OF CHINO VALLEY**

THURSDAY, MAY 16, 2024

3:30 PM

**COUNCIL CHAMBERS | 202 N. STATE ROUTE 89 | CHINO VALLEY,
ARIZONA 86323**

1. CALL TO ORDER, ROLL CALL

Katie Pehl, Finance Director, called the meeting to order at 3:33 p.m.

Present: Committee Member Michael Ditta, Committee Member Sherry Klein, Committee Member Paul Taylor, Committee Member Gary Warren, Committee Member Rob Zazueta (arrived at 4:32 p.m.)

Absent:

Staff Present: Town Manager Cindy Blackmore; Finance Director Katie Pehl; Public Works Director/Town Engineer Frank Marbury; Town Clerk Erin N. Deskins

Cindy Blackmore, Town Manager, presented the following:

- Introduced herself and thanked the members for their interest in being part of the committee and being involved in government.
- Stated that the committee was formed as a way to get more citizen input.

2. Consideration and possible action to select a Chair and Vice-Chair

Katie Pehl, Finance Director, presented the following:

- Along with choosing a Chair and Vice Chair it needed to be decided who would be serving a two-year term (three members) and who would be serving a one-year term (two members) so that everyone's terms would not expire at the same time.
 - This could be decided either through discussion and volunteering, or pulling names out of a hat.
- First, the Chair and Vice Chair needed to be decided. Staff asked if anyone wanted to volunteer.
 - Committee Member Warren volunteered as Chair.

MOVED by Committee Member Gary Warren, seconded by Committee Member Michael Ditta to appoint Gary Warren as Chair.

AYE: Committee Member Michael Ditta, Committee Member Sherry Klein, Committee Member Paul Taylor, Committee Member Gary Warren

NAY: None

4 - 0 Passed - Unanimously

- Committee Member Ditta volunteered as Vice Chair.

MOVED by Committee Member Michael Ditta, seconded by Chair Gary Warren to appoint Michael Ditta as Vice Chair.

AYE: Chair Gary Warren, Committee Member Sherry Klein, Committee Member Michael Ditta, Committee Member Paul Taylor

NAY: None

4 - 0 Passed - Unanimously

- Members discussed their personal preferences for term lengths.
- Staff stated that members could always reapply when their terms expired.

MOVED by Chair Gary Warren, seconded by Committee Member Paul Taylor to appoint Paul Taylor and Rob Zazueta to one-year terms.

AYE: Chair Gary Warren, Vice Chair Michael Ditta, Committee Member Sherry Klein, Committee Member Paul Taylor,

NAY: None

4 - 0 - Unanimously

MOVED by Chair Gary Warren, seconded by Vice Chair Michael Ditta to appoint Gary Warren, Michael Ditta, and Sherry Klein to two-year terms.

AYE: Chair Gary Warren, Vice Chair Member Michael Ditta, Committee Member Sherry Klein, Committee Member Paul Taylor,

NAY: None

4 - 0 – Unanimously

3. Discussion of a 5-year Capital Improvement Plan

Katie Pehl, Finance Director, presented the following:

- A Capital Improvement Plan (CIP) was a way for the Town to prioritize major projects (greater than \$50,000). They were often long-term in nature, from three years to ten years. Staff would be focusing on the 5-year plan for now.
- The Town had already been operating in this way, but the process was more formalized now with the addition of the committee and putting a true 5-year plan in the budget book.
- The role of the committee was to help formulate the plan and bring new ideas and different avenues that staff could explore.
- The Town had four different CIP funds.
 - General fund (facilities, recreation amenities, etc.) – 25% of the Town’s sales tax went into this fund.

- A lot of these funds would get transferred out to streets as the streets fund did not have any dedicated revenue source. Highway User Revenue Fund (HURF) dollars (gas tax) were used on regular maintenance.
 - Streets fund – this was for arterial roads maintenance and improvements.
 - HURF dollars were also declining as it was a state-shared revenue based on population. As other communities grow larger, Chino Valley’s share becomes smaller as the Town does not grow as quickly as other municipalities.
 - The gas tax had also not been increased since 1991, so the money would not go as far as inflation and prices increased.
 - Water fund – this was for water system maintenance and improvements.
 - Wastewater fund – this was for wastewater system maintenance and improvements.
 - Water and wastewater also had no dedicated revenue source. It only came from user fees or other financing sources. The Town had a very small customer base.
- The Town had more projects and needs than available funding. Streets needed approximately \$90 million in repairs and maintenance to bring them up to design standards.
- The Town had aging infrastructure that sometimes required emergency work such as the recent sinking of the aquatics center.
- The Town was working on an recreational amenities study and compiling a water and wastewater master plan to help guide plans for the future.
 - These studies were recommended by the General Plan.
- Reviewed specific potential projects within the General Fund including:
 - Pickleball courts (staff would be recommending not to move forward unless a grant or contributions were received).
 - Land purchase at Del Rio Springs (this was additional land next to the State Park land with historical buildings which could eventually have a tourist draw, however, the option to purchase would expire in December; the appraisal was more than double what the Town could purchase it for). Staff did have the funds for this now, but it would be drawing on the beginning fund balance for the next fiscal year.
 - Pool deck resurfacing – this would replace some of the slippery concrete with decking that is safer for the public.
 - New Town Hall – staff had looked at this for a long time and the Mayor had interest in it as well. Decentralized locations made work inefficient. It may not be feasible for five years, but staff and the Mayor wanted it to be a discussion.
- Reviewed ongoing Town expenses.
- Reviewed the Streets Fund and options with a bond or no bond.
 - A bond would allow several roads to be fully rebuilt.
 - No bond would mean the roads would be repaired enough to make them safe and passable.
 - Not having a bond would give the Town flexibility to address more pressing needs as they arise and no debt would be incurred. However, this would restrict the amount of projects that could be done in the short-term.
 - A bond would allow more projects to be completed in the short-term, but the Town would pay about \$8,000,000 in interest and the roads would have to be repaired again by the time the bond was paid off. Also, \$15 million was only a fraction of the amount of road work the Town needed.
- Reviewed the next projects on the priority list which included:
 - Outler Loop Rd preservation treatment from Highway 89 to South Road 1 West

- (Outer Loop was designated a regionally significant road which increased its need for regular maintenance).
- North Reed Road between West Road 1 North and West Road 2 North. Staff was lobbying to get Reed Road classified as a regionally significant road.
 - Staff mentioned that the Town owned all of Reed Road even though it was the boundary for Town/County limits.
 - Road repairs in Fiscal Year 25/26 and beyond would depend on whether or not a bond was utilized.
 - However, future years were not set in stone. Instead, staff was looking for some general guidance from the committee.

Committee Members and staff discussed the following:

- Members inquired how much input the committee had on the CIP.
 - Staff stated their input was very valuable to the CIP. It was the whole point of the committee.
 - Staff stated some decisions needed to be made for streets including whether or not to move forward with a bond, and if the committee felt the current priorities were appropriate, or had other recommendations to make.
- Members inquired if a bond would be voter approved.
 - Staff stated that revenue bonds did not have to go to the voters if it was backed with sales tax revenues. It could simply be approved by Council.
- Members discussed their individual preferences regarding a bond for street work.
- Members inquired who asked for the formation of the committee.
 - Staff stated that the committee was developed by the Town Manager to involve citizens in this part of the planning and budgeting process as it was the largest amount of money the Town spent.
 - Staff stated that the Roads & Streets Committee (two councilmembers and five citizens) and the Water & Utilities Subcommittee (three councilmembers) were, in a way, consolidated to form this committee to be more citizen-driven to give recommendations to Council.
 - Staff stated the reason the meeting was organized and scheduled so quickly after appointments were made was because the Town Manager, staff, and Council wanted their input for this upcoming budget.
- Members inquired if there was a five-year vision of what Council would like the Town to be.
 - Staff stated that the General Plan was just passed and the Council updated their mission, vision, and values and that could be supplied to the Committee.
- Members questioned if the recreational amenities study was of importance if the roads were so bad you couldn't get to them.
 - Staff stated it was a requirement of the General Plan.
- Members discussed putting off the pool deck resurfacing if it wasn't a liability issue.
- Members inquired if Chino Valley would own the Del Rio Springs land that had not been purchased yet and who would pay for improvements.
 - Staff stated that it would belong to the Town and the Town would have to pay for any improvements, and there were a lot that it would need.
 - Members asked if the Town would be able to charge usage fees or make some other kind of profit off of it.
 - Staff stated that would be a long-term goal and might not happen right away.

- Members discussed options to bring more businesses to the Town to bring in more sales tax dollars.
- Members inquired if the legislature was talking about increasing the gas tax.
 - Staff stated they were not, but they were exploring different avenues because of electric vehicles.
- One member stated that a bond would be great if there was a plan for where commercial would be in the Town.
- Members discussed various ways to reduce traffic on the roads, such as a Town waste management program.

MOVED by Committee Member Michael Ditta, seconded by Committee Member Sherry Klein to recommend no bond for street repairs.

AYE: Chair Gary Warren, Vice Chair Michael Ditta, Committee Member Sherry Klein, Committee Member Paul Taylor, Committee Member Rob Zazueta

NAY: None

5 - 0 Passed - Unanimously

- Reviewed the water fund CIP.
 - Various water projects were being funded via congressionally directed spending (with a 20% match) and bonds.
- PFAS remediation would require \$2.4 million to fund the design and bring on a new well and storage tank to the system (a second source was needed to make the system more resilient and possibly provide treated water to the private companies in town). \$10.5 million would be needed to complete the treatment facility.
 - Staff was looking into other funding options for these projects including grants and WIFA loans.
 - The scenario provided to the committee were ideal situations. They may not happen and if that was the case the projects would have to be moved out.
 - Brightstar's well would have a \$5 million treatment installed by ADEQ and they would design and construct that project with state funds.
 - The Town would be responsible for maintaining the facility once it was complete and that would be built into user rates.
- The only utility line extension being planned was Road 1 East to the Roadrunner trailer park dependent on whether or not a subdivision went in on Juniper Road.
- Reviewed the wastewater fund CIP.
 - Plant improvements were required as the plant reached certain capacities.
 - The original plan was to expand the plant, but staff was able to come up with some other options to extend the capacity of the plant to give the Town more time to see where development leads and if expansion or relocation would be the best option.
 - Council had already approved the project and design had begun. Staff hoped to begin construction next fiscal year to be completed in fiscal year 25/26.
 - Staff was hoping that a utility extension at Old Home Manor and water and sewer running under Highway 89 would be largely funded through congressionally directed spending with a 20% match by the Town.

Committee and staff discussed the following:

- Members inquired if the utility line extension to the Roadrunner trailer park would go all the way to the highway.
 - Staff stated that it would probably stop just short of the highway as it would cost \$1 million just to get from one side of the highway to the other.
- Members discussed what their individual priorities were for Town projects.

MOVED by Vice Chair Michael Ditta, seconded by Committee Member Sherry Klein to recommend prioritizing the purchase of Del Rio Springs land by December 2024.

AYE: Vice Chair Michael Ditta, Committee Member Sherry Klein, Committee Member Paul Taylor

NAY: Chair Gary Warren, Committee Member Rob Zazueta

3 - 2 Passed

Committee and staff discussed the following:

- Meetings would be held quarterly to keep the committee updated on projects and the status thereof. Recommendations would be made to Council during budget season.
- Members and staff introduced themselves and gave their backgrounds.

4. ADJOURNMENT

MOVED by Vice Chair Michael Ditta, seconded by Chair Gary Warren to adjourn the meeting at 5:20 p.m.

AYE: Chair Gary Warren, Vice Chair Michael Ditta, Committee Member Sherry Klein, Committee Member Paul Taylor, Committee Member Rob Zazueta

NAY: None

5 - 0 Passed - Unanimously

Submitted: May 30, 2024

By: *Sara Burchill, Deputy Town Clerk*

Approved: