# MINUTES OF THE REGULAR MEETING
# OF THE TOWN COUNCIL
# OF THE TOWN OF CHINO VALLEY
# TUESDAY, JUNE 11, 2024
# 6:00 PM
# COUNCIL CHAMBERS | 202 N. STATE ROUTE 89 | CHINO VALLEY, ARIZONA 86323

## 1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Miller called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

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| Present: | Mayor Jack Miller, Vice-Mayor Tom Armstrong, Councilmember Annie Perkins, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer |
| Absent: | |
| Staff Present: | Town Manager Cindy Blackmore; Town Attorney Andrew McGuire; Public Affairs Director Terri Denemy; Development Services Director Laurie Lineberry; Assistant Development Services Director Will Dingee; Senior Planner Jessica Barragan; Finance Director Katie Pehl; Public Works Director/Town Engineer Frank Marbury; Deputy Police Chief Josh McIntire; Community Services Director Cyndi Thomas; Human Resources Director Laura Kyriakakis; Senior Administrative Technician Katy Smith; Audio Visual Technician Lawrence Digges; Deputy Town Clerk Sara Burchill; Town Clerk Erin N. Deskins |

## 2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a. Presentation and recognition of the 2024 Citizens Academy Graduates.

Terri Denemy, Public Affairs Director, presented the following:

- 20 participants attended presentations and tours by the various departments over seven sessions, each of which were hosted by one of the councilmembers.
- All graduates were presented with certificates and pins.

b. Presentation and annual update from the Chino Valley Area Chamber of Commerce.

John Courtis, Chino Valley Chamber of Commerce Interim Director, presented the following:

- There were a lot of developments this year, including a new Board of Directors, monthly columns in the Chino Valley Review, partnering with the Town at National Night Out and other events, a monthly email newsletter, etc.
- A three-year strategic plan was developed, leading to changing their logo and name to include “Visitor Information Center,” and new mission and vision statements.

- Promotion of the Town and Chamber partners continued with visitor guides, tourism magazines, and travel guides at the visitor center.
- Activities over the last year included ribbon cuttings, groundbreakings, lunch & learns, Territorial Days Parade, etc.
- The Chamber sent promotional materials (including relocation packages) to other visitor information centers across the state and some even asked for additional bundles.

c. Presentation and introduction of the recently created Chino Valley Youth Advisory Commission.

Maggie Tidaback, Economic Development Manager, presented the following:

- The purpose of the Youth Advisory Commission was to provide a leadership opportunity and for them to provide feedback to the Town. They would be volunteering in a variety of capacities over the year.
- As this was the first year the members would be creating the whole strategic plan including branding, logos, mission and vision statements, etc.
- Members would get to attend the League of Arizona Cities & Towns Conference to participate in the youth council session.

Leah Boudreau presented the following:

- She was going into her Junior year at Chino Valley High School.
- She was excited to be part of the program for the leadership opportunity and to help build a program for the future of the community.

Council and staff discussed the following:

- Council inquired if the students would be going to the League Conference this year.
    - Staff stated that the first year would be about building the program and they hoped to have them at the conference next year.

**3. CALL TO THE PUBLIC - Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.**

*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 at the discretion of the Council and not required by law. Individuals are limited to speak for three (3) minutes, yielding of time will not be permitted. 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. Disrespectful behavior will not be tolerated; this includes loud outbursts, profanity, and disruptive discussions among our audience.*

**4. 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. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.*

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

Mayor Miller presented the following:

- 4th of July was coming up, and he wanted to remind everyone to be safe. The rodeo parade would be coming up, and he reminded everyone to keep an eye out for dates.

Councilmember Perkins presented the following:

- She wanted to give a shout out to Community Services for the Daddy/Daughter dance as it warmed her heart.

Councilmember McCafferty presented the following:

- He wanted to give a shout out to Cyndi Thomas, Frank Snowney, and other staff for a great grand opening at the pool.
- A week ago the Planning & Zoning Commission meeting saw a lot of robust discussion regarding animal regulations. He stated that everyone seemed to be blaming one citizen for why that discussion was occurring and the citizen was being referred to as "a bad apple." He stated that he had been pushing the issue for 17 months. The timeframe of the citizen's circumstances and when staff and council began to discuss the issue just happened to coincide. He stated that if people were upset they should be upset with him. He wanted code enforcement to have some capability to effectuate positive change.
- Councilmember Schacherer stated he pushed the issue as well.

b. Status report by Town Manager Cindy Blackmore regarding Town accomplishments, and current and upcoming projects.

Cindy Blackmore, Town Manager, presented the following:

- The Mom and Son Pool Party would be held on June 22nd at 5:00 p.m.
- The Daddy/Daughter Dance and Pool Opening were both great events.
- The pool would be available for open swim from noon to 5:00p.m. The schedule could be seen online.
- The library had a lot of programs to keep kids busy during the summer. There were 230 children already signed up for the annual reading program.
- The Town was seeking volunteers to serve on the Board of Adjustment. There were three positions available with three-year terms. Applications were due by this Thursday.

**5. 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*

Councilmember Perkins Pull item 5(f).

MOVED by Vice-Mayor Tom Armstrong, seconded by Councilmember Eric Granillo to approve Consent Agenda items a, b, c, d, e, g, and h.

AYE: Mayor Jack Miller, Vice-Mayor Tom Armstrong, Councilmember Annie Perkins, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

NAY: None

**7 - 0 Passed – Unanimously**

a. Consideration and possible action to approve an Amended and Restated Solar Communities Program Agreement between APS and the Town of Chino Valley.

b. Consideration and possible action to approve a Utility Easement for APS for the solar covered parking installation per the APS Solar Communities Agreement.

c. Consideration and possible action to approve a Cooperative Purchasing Agreement with Empire Machinery for the purchase of a Telescopic Boom Lift in the amount of $108,763.61.

d. Consideration and possible action to approve Resolution No. 2024-1258, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2024/2025.

e. Consideration and possible action to approve Resolution No. 2024-1264, approving the proposed statements and estimates of expenses of the Del Sol Maintenance Improvement District for fiscal year 2024/2025.

f. Consideration and possible action to approve the Council Rules of Procedure and Code of Conduct.

Councilmember Perkins asked for clarification on what “inquiry” from section 3(b) meant.

Andrew McGuire, Town Attorney stated that it was to differentiate between directing line level staff members and simply seeking information via inquiry.

MOVED by Councilmember Annie Perkins, seconded by Vice-Mayor Tom Armstrong to approve Consent Agenda item f.

AYE: Mayor Jack Miller, Vice-Mayor Tom Armstrong, Councilmember Annie Perkins, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

NAY: None

**7 - 0 Passed – Unanimously**

g. Consideration and possible action to acknowledge scrivener's correction on Council minutes dated April 23, 2024, pursuant to Town Code § 10.20 Authority to Correct Scrivener's Errors.

h. Consideration and possible action to approve the May 14, 2024, study session and regular meeting minutes.

## 6. 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. 2024-1254 adopting the PSPRS Pension Funding Policy and authorizing the use of $200,000 out of the Town's General Fund Contingency Account to reduce the Public Safety Personnel Retirement System (PSPRS) unfunded liability amount.

**Recommended Action:** Approve Resolution No. 2024-1254 adopting the PSPRS Pension Funding Policy and authorizing the use of $200,000 out of the Town's General Fund Contingency Account to reduce the Public Safety Personnel Retirement System (PSPRS) unfunded liability amount.

Katie Pehl, Finance Director, presented the following:

- The purpose of this resolution was to accept the liabilities and assets of the Town’s portion of the pension system for the Town’s police.
- The Town’s current unfunded actuarial approved liability was just over $3 million bringing the funded ratio to 76%.
- Staff was recommending maintaining their full payment as recommended by the actuarial, as well as an additional $250,000 from the current fiscal year’s contingency. $1 million was contributed in July which would make the total for the year equal to $1.2 million.
- Staff stated that if they continued to make yearly contributions of $250,000 to $500,000 that the Town should be fully funded in 2036 which was the goal of the policy.

Council and staff discussed the following:

- Council asked staff to explain how the unfunded liability affected the payments.
    - Staff stated that the unfunded liability increased the percentage the Town paid on its officers. As it remained unfunded there was an additional portion to be paid not just to the Town's officer's retirements, but also the unfunded liability. The Town was paying upwards of 30% on officers' salaries to help pay for pension costs.
- Council inquired if the actuarial had determine what the $1 million from July had done?
    - Staff stated it had not. The reports were done at the end of the fiscal year, from June to June.

MOVED by Vice-Mayor Tom Armstrong, seconded by Councilmember John McCafferty to approve Resolution No. 2024-1254 adopting the PSPRS pension funding policy and authorizing the use of $200,000 out of the Town's General Fund Contingency account to reduce the PSPRS unfunded liability amount.

AYE: Mayor Jack Miller, Vice-Mayor Tom Armstrong, Councilmember Annie Perkins, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

NAY: None

**7 - 0 Passed – Unanimously**

b. Consideration and possible action to approve Resolution No. 2024-1260, approving IGA #24-0009646-I with the Arizona Department of Transportation for the administration of the Transportation Alternatives Grant for the Peavine Trail Extension.

**Recommended Action:** Approve Resolution No. 2024-1260, approving IGA #24-0009646-I with the Arizona Department of Transportation for $109,643, of which the Town is obligated to pay $6,250, in addition to any cost overruns.

Frank Marbury, Public Works Director, presented the following:

- Staff had applied for a grant for a portion of the Peavine Trail going south from the trailhead at Road 4 South. There was a two mile section to complete to get to the Town limits. This IGA would allow preliminary engineering to get to that point. The grant was for $103,000 total with a 5.7% match from local funds.
- ADOT would administer the project through one of their on-call consultants for the design and get a cost estimate.
- Staff would apply for another grant to work on the final design and construction.

Council and staff discussed the following:

- Council clarified that this grant was just for a study to connect Chino Valley to Prescott.
    - Staff stated it would not get them completely connected, but would get them to about 30% of plan design toward that goal. It was mostly to provide a cost

    - estimate for a boardwalk crossing across Granite Creek and fencing along both sides.
- Council inquired if any money was set aside for the project.
    - Staff stated there was money set aside for fencing. This grant was in lieu of the fencing. Staff hoped to include fencing in the next grant proposal.
- Council inquired about using the existing Peavine trail versus the route the trail would now be taking.
    - Staff stated that some land ownership issues had to be avoided and the airport encroached on the original Peavine alignment.

MOVED by Vice-Mayor Tom Armstrong, seconded by Councilmember John McCafferty to approve Resolution No. 2024-1260, approving the IGA with Arizona Department of Transportation for $109,643 of which the Town is obligated to pay $6,250 in addition to any cost overruns.

AYE: Mayor Jack Miller, Vice-Mayor Tom Armstrong, Councilmember Annie Perkins, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

NAY: None

**7 - 0 Passed – Unanimously**

c. Consideration and possible action to award a construction contract to B's Contractors, LLC for the Senior Center Improvements project for $645,450.

**Recommended Action:** Award a construction contract to B's Contractors, LLC for the Senior Center Improvements project for $645,450.

Frank Marbury, Public Works Director, presented the following:

- Staff applied for Community Development Block Grant (CDBG) funds to do improvements at the Senior Center. The majority of the work would be kitchen improvements along with fire suppression, new paint, cooler replacement, etc.
- The grant funds would be about $400,000.
- Staff advertised the project on April 16th, and four bids were received and opened on May 8th. The lowest bid was from B’s Contractors for $645,450. The Town would need to make up the difference.

Council and staff discussed the following:

- Council inquired if the contractor would have all the equipment and materials before the remodel began.
    - Staff stated that they had not gone over the schedule yet. Once awarded, staff would begin meetings to go over procedures to help with planning. Staff stated that they could not expect the contractor to spend money on materials and developing schedules until the contract was awarded.
    - Council was concerned about delays in the process waiting for appliances.
    - Staff stated that they would be working to limit the Senior Center’s time out of commission.

- Council inquired if there would be a temporary kitchen.
    - Staff stated that they had alternatives in place, but there was no temporary kitchen. Timing would be a critical part of the conversation during the pre-construction conference.
- Council inquired about the dollar amounts in the rollover charts regarding this project.
    - Staff stated that it included some architectural payments that had not yet been made. The rollover included construction and those additional costs for plans. Staff expected them to be completed by the end of June, but they had to be stated in the next budget just in case anything else needed to be adjusted.
- Council stated that they had approved the funding of over $500,000 a couple years ago. Council wanted to clarify that this $645,000 is the previously approved amount plus $110,000 to fully fund the project.
    - Staff stated that was correct.

MOVED by Vice-Mayor Tom Armstrong, seconded by Mayor Jack Miller to award a construction contract to B's Contractors, LLC for the Senior Center Improvements project in the amount of $645,450.

AYE: Mayor Jack Miller, Vice-Mayor Tom Armstrong, Councilmember Annie Perkins, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

NAY: None

**7 - 0 Passed – Unanimously**

d. Public hearing, consideration, and possible action to approve Ordinance No. 2024-944 to rezone approximately six acres of land from Industrial (I) to Commercial Light (CL) at 2745 Arizona Trail, Chino Valley, Arizona (APN 306-17-001C).

**Recommended Action:**
i) Hold a Public Hearing on the Rezone and Conditional Use Permit
ii) Approve Ordinance No. 2024-944

Items 6(d) and 6(e) were presented concurrently.

Will Dingee, Assistant Development Services Director, presented the following:

- This was a request for C&M Landscaping and the applicants were available for any questions.
- The business was currently located in Yavapai County and they wanted to relocate to 2745 Arizona Trail. The lot was currently zoned industrial, and they were seeking to rezone it to Commercial Light. They would also need a Conditional Use Permit (CUP) to retain the single family residence (SFR) on the proposed lot.
- The proposal consisted of two phases; Phase 1 - a contractors yard with the existing SFR, Phase 2 – to construct a commercial greenhouse for consumers and plant stock for job sites.
- The 2040 General Plan designated the area as Horizontal Multi-use or Old Home Manor (OHM) Center which allowed for zoning districts from public land, business parks, commercial districts, multi-family, single family, and open space.

- Approval of the rezoning would rectify a planning taboo as it is never advisable to have industrial zoning directly adjacent to residential as the risk for health safety could be heavy. Industrial zoning would allow a quarry or mine, feed lots, outdoor commercial kennels, etc.
- The CUP would allow for the SFR to remain on site and be utilized. The lot had a hill that crests at the phasing line of the property. All operations would be conducted on the back side of the hill and would not be visible from the road. The applicant proposed heavy vegetation screening along the south end where the property abuts to another SFR.
- The Planning & Zoning Commission forwarded a recommendation of approval with a 7/0 vote for both items.
- The Commission stipulated a 5-year status update to the commission to report how things are going.

Council and staff discussed the following:

- Council inquired how long the CUP would be good for.
  - Staff stated that there was no proposed time limit due to the benefit of getting rid of the Industrial zoning.
- Council inquired about allowing two shipping containers for storage.
  - Staff stated those would be allowed with the CUP.
  - Council stated that there were currently issues within the Town regarding storage containers.
  - Staff stated that if an individual wanted to obtain a CUP for a shipping container that was the only avenue the Town could currently use.
  - The councilmember felt that would open up a can of worms allowing anyone to come and obtain a CUP for shipping containers.
- Council inquired about business hours.
  - Staff stated they would be closed on Sundays with limited hours on Saturdays.
- Council inquired about marijuana being allowed with the proposal.
  - Staff stated there would be no marijuana allowed with the presented proposal.
- Council inquired about a time limit on Phase 2.
  - Staff stated there was no time limit as it would be a permitted use if the CUP was approved.

Mayor Miller opened the Public Hearing.

There were no requests to speak.

Mayor Miller closed the Public Hearing.

MOVED by Vice-Mayor Tom Armstrong, seconded by Councilmember Sherri Phillips to approve Ordinance No. 2024-944 rezoning approximately six acres of land from Industrial to Commercial Light at 2745 Arizona Trail.

AYE: Mayor Jack Miller, Vice-Mayor Tom Armstrong, Councilmember Annie Perkins, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

NAY: None

**7 - 0 Passed – Unanimously**

e. Public hearing, consideration, and possible action to approve Resolution No. 2024-1261, approving conditional use permit CUP-2024-01 to allow for a contractor's yard, an existing single-family residence, and two greenhouses at 2745 Arizona Trail, Chino Valley, Arizona (APN 306-17-001C).

**Recommended Action:**
i) Hold a Public Hearing on the Rezone and Conditional Use Permit
ii) Approve Resolution No. 2024-1261

MOVED by Vice-Mayor Tom Armstrong, seconded by Councilmember Eric Granillo to approve Resolution No. 2024-1261, approving CUP 2024-01 allowing for a contractor's yard and existing single family residence, and two greenhouses at 2745 Arizona Trail.

AYE: Mayor Jack Miller, Vice-Mayor Tom Armstrong, Councilmember Annie Perkins, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

NAY: None

**7 - 0 Passed – Unanimously**

f. Consideration and possible action to approve Resolution No. 2024-1256, approving a Tentative Budget for the fiscal year 2024-2025 and proposed expenditure limitation for the same year, in the amount of $52,457,308 and setting a public hearing date of June 25, 2024, on the tentative budget and adoption of the final budget.

**Recommended Action:** Approve Resolution No. 2024-1256 approving a Tentative Budget for the fiscal year 2024-2025 and proposed expenditure limitation for the same year, in the amount of $52,457,308 and setting a public hearing date of June 25, 2024, on the tentative budget and adoption of the final budget.

Katie Pehl, Finance Director, presented the following:

- Council and staff went over the estimated budget numbers at the last study session. The only changes that could be made since was adding rollovers for projects in progress or goods and services expected to be completed at the end of this fiscal year. Those rollovers changed the budget by $7.8 million. Should any projects, goods, or services be completed by the end of June the funds would not be spent again. This would not change the bottom line fund balances.

Council and staff discussed the following:

- Council inquired what was included in "other generated revenues" besides grants, taxes, and HURF, to fund things such as the $5 million for the wastewater equalization basin.
    - Staff stated the EQ basin would be financed with a WIFA loan unless grants could be found because the fund did not have enough cash on hand to pay for

those improvements.
    - One councilmember stated that the Town's current debt service was $18.5 million. Adding another $5 million loan would make it $23 million or 85% of the Town's generated revenue budget. The councilmember felt that approving the budget would be following the federal government in regards to a debt/revenue ratio and asked when the council would say that enough debt was too much.
- Another councilmember asked staff to explain the benefit of debt for the Town.
    - Staff stated that it was a balance on the larger scale capital improvement projects. The loan would allow the expansion to potentially happen this next year and the system was at a point where expansion needed to happen to a certain degree. There was always concern to taking on additional debt. Approving the budget did not authorize staff to go get a WIFA loan, it would have to be brought back to Council before that could happen.
- One councilmember stated that $15 million or 60% of the Town's revenue was being spent on salaries and benefits and that the Town could not sustain the amount of growth it had experienced in the last few years. The councilmember stated the Town's population had not expanded by 16% in three years, but the Town government had.
- Council inquired about the Total Revenue versus Total Expenditure numbers listed in pages 9 and 10 of the Budget Overview.
    - Staff stated those differences in numbers often happened because of rollovers where fund balances accumulate in certain funds.
- One councilmember inquired about budgeting for $3 million in grants when the previous year only received $302,000 in grants.
    - Staff stated they put in $3.5 million in grants in the budget so that if they are able to secure any opportunities that they are not aware of at the beginning of the year, it gives staff the budget capacity to apply for and spend the dollars. It was a net zero change on the budget because they budget $3.5 million on the revenue and expenditure side.

MOVED by Vice-Mayor Tom Armstrong, seconded by Councilmember Annie Perkins to approve approving a tentative budget for the fiscal year 2024-2025 and proposed expenditure limitation for the same year, in the amount of $52,457,308 and setting a public hearing date of June 25, 2024, on the tentative budget and adoption of the final budget.

AYE: Mayor Jack Miller, Vice-Mayor Tom Armstrong, Councilmember Annie Perkins, Councilmember Eric Granillo, Councilmember Sherri Phillips

NAY: Councilmember John McCafferty, Councilmember Robert Schacherer

**5 - 2 Passed**

**7. ADJOURNMENT**

MOVED by Councilmember Sherri Phillips, seconded by Vice-Mayor Tom Armstrong to adjourn the meeting at 7:08 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Tom Armstrong, Councilmember Annie Perkins, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

NAY: None

**7 - 0 Passed - Unanimously**

________________________________
Jack W. Miller, Mayor

ATTEST: SEAL TOWN OF CHINO VALLEY, ARIZONA

Erin N. Deskins
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Erin N. Deskins, 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 11th day of June, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 13th day of August, 2024.

Erin N. Deskins
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Erin N. Deskins, Town Clerk