

DRAFT

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

TUESDAY, MAY 12, 2020
6:00 P.M.

The Town Council of the Town of Chino Valley met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, May 12, 2020.

Present: Mayor Darryl Croft; Vice-Mayor Jack Miller (remotely); Councilmember Mike Best; Councilmember Cloyce Kelly; Councilmember Corey Mendoza; Councilmember Annie Perkins; Councilmember Lon Turner

Staff Present: Town Manager Cecilia Gritman; Town Attorney Andrew McGuire (remotely); Finance Director Joe Duffy; Public Works Director/Town Engineer Frank Marbury; Officer Bill Burns (Sergeant-at-Arms); IT Manager Spencer Guest (videographer); Deputy Town Clerk Erin Deskins (recorder)

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

Mayor Croft called the meeting to order at 6:01 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a) Presentation by Ron and Cheri Romley regarding funding for Yavapai Regional Transit. (Joe Duffy, Finance Director)

Mr. Duffy introduced Ron Romley to the Council, who desired to discuss a funding proposal for the current budget year.

Mr. Romely, founder and Chairman of the Yavapai Regional Transit (YRT) system, presented the following:

- YRT had become a big factor in the economics of the Town. Over the last 10 years, it had grown from ridership of 165 passengers to over 10,000, with 7,000 being from Town. Since the pandemic, ridership had dropped by 20%. Their fleet had grown from two nine-passenger buses to the current fleet of five 14-passenger buses.
- ADOT grants had grown from \$150,000 to \$1.4 million. YRT receives about \$0.70 to the dollar of grant money and must match 30%. The current match was \$200,000.
- As a non-profit, YRT relied on donations, tax credits, sponsorships, grants, volunteer hours and assistance from the county to meet the match. The previous year they received only three grants from the 75 submitted. They did not have sustainable funding to count on. YRT tried to keep as much of the spending dollars within the Town to help support local partners, having spent \$315,000 the previous year.
- A plan to establish a regional transit system would have devastated the local transit system routes and decreased money that would have been invested back into the Town. YRT

rejected the plan and pulled out, which released the Town's consideration of the funding obligation of \$39,000.

- YRT was requesting a commitment of an annual consideration of \$35,000 per year from the Town's budget to help with the ADOT grant match. This would allow the routes to remain the same and possibly be expanded.

Town Manager Gritman related that this would be on the next agenda for Council consideration. The Town had never obligated themselves to the \$39,000 because Council had not considered it or committed to it.

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.

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) Request from B Organic Farm for a 150-day waiver from the prohibition of living in a travel trailer for farming purposes.

Mayor Croft reported that although Mr. Bonacquista references the vehicle as travel trailer, the ADOT title lists it as a park trailer. The Council has no authority through the Town Code or the UDO to grant such a waiver, nor does staff. As Mr. Bonicquista has an active case with the Code Enforcement division regarding this park trailer, he could not comment further on it at this time.

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. 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 Croft reported on COVID-19:

- Yavapai Community Health Services reported that there were 221 active cases in the County, 20 recoveries, and four related deaths. There were eight active cases in the Town.
- The stay at home directive would expire on May 15.
- Non-essential retail businesses, barbershops and salons, dine in restaurants, and gyms could begin reopening but had to comply with the Governors and local health officials' guidelines which could include face masks, physical distancing, curbside delivery, and

hand sanitation, depending on the business.

- The Town was asking citizens and visitors to continue practicing physical distancing and wear protective clothing in public places to protect themselves and their neighbors.

Councilmember Perkins reported that she was proud of the community, and she was glad there was closure on the pandemic, and they could go back to living in a free society.

- b)** Status report by Town Manager Cecilia Gritman regarding Town accomplishments, and current or upcoming projects.

Town Manager Gritman reported on:

- Departments starting to reopen; the Town being totally open by June 1; the Town's pool opening by June 12 per Council direction.
- A letter from Larry Holt regarding the 9/11 Memorial at the Shooting Range; 16 brick pavers sold; approximately \$4,000 in donations raised; a workday on May 16; getting bids for storyboards; and plans to hold a sunrise service on 9/11.
- The local Police and Sheriff's Department working on a possible double homicide.
- Phishing emails being sent to staff and Councilmembers and how to recognize one.

- c)** Report by Finance Director Joe Duffy regarding current status of capital projects.

Finance Director Duffy reported on the [Finance] Subcommittee's review of current projects to see which could be stopped or delayed.

- The Memory Park Restrooms and the Wastewater Building projects already had signed contracts and progress on the projects made it too difficult to stall the projects. The fleet service truck had already been delivered. As the HURF water truck had been scheduled for manufacturing and was set to be delivered to the dealer, the Town should honor the contract. The Town's signage project had been started and most signs had been installed.
- The Town could wait on the 30% Police Building Design RFQ, which could be brought back to the Council in July. The Town had approximately \$4.3 million budgeted for the upcoming fiscal year projects and had put \$2.8 million on hold.

- d)** Report by Public Works Director/Town Engineer regarding the status of the Memory Park bathrooms project.

Public Works Director Marbury reported on the following:

- The Contractor was scheduled to start on June 1 and the Town had to have the site ready. Substantial completion was set for September 15 but the contractor would do what they could to have completion by September 1 to accommodate the 50 Anniversary celebrations. Delivery schedules and weather might affect their ability to make the September 1 date. The Utility Building had the same start date.
- The official completion date for the bathrooms including punch list was October 1 and the Utility Building was mid-December. The final completion date for the bathrooms was changed due to delays in the contract completion.
- Both foundations would be completed together for cost savings. He reviewed site prep work and utilities in more detail. An outside testing firm would provide foundation testing to the contractor.

Council comments:

- There was concern about doing the subgrade inhouse because that would release the contractor from any liability with the foundation. Mr. Marbury stated that they could ask the contractor for a change order with regard to surface compaction.
- They were disappointed with the completion date.
- Staff should consider adding deadlines and liquidated damages to future contracts.

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 Annie Perkins, seconded by Councilmember Mike Best to approve consent agenda items (a) (b) and (c).

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

- a) Consideration and possible action to approve the Financial Report for the nine months ending March 31, 2020. (Joe Duffy, Finance Director)
- b) Consideration and possible action to approve the March 24, 2020, regular meeting minutes. (Jami Lewis, Town Clerk)
- c) Consideration and possible action to approve the April 28, 2020, regular meeting 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) Public Hearing and consideration and possible action to recommend approval of an application from Agent Paula Teer Wopolesey for a new Series 12 (Restaurant) Liquor License for Essence Kitchen, located at 1021 N Highway 89 #104, Chino Valley. (JoAnn Brookins, Customer Services Manager)

Recommended Action:

- (i) Hold Public Hearing.
- (ii) Recommend approval for a new Series 12 Liquor License for Essence Kitchen.

MOVED by Councilmember Cloyce Kelly, seconded by Councilmember Mike Best to open the public hearing.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

No one from the public spoke.

MOVED by Councilmember Mike Best, seconded by Councilmember Cloyce Kelly to close the public hearing.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

MOVED by Councilmember Mike Best, seconded by Councilmember Cloyce Kelly to recommend approval for a new Series 12 Liquor License for Essence Kitchen.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

- b) Public Hearing and consideration and possible action to recommend approval of an application from Annada Mysliwicz for a new Series 12 (Restaurant) Liquor License for The HitchinPost BBQ located at 1120 South State Route 89, Ste A, Chino Valley. (JoAnn Brookins, Customer Services Manager)

Recommended Action:

- (i) Hold Public Hearing.
- (ii) Recommend approval for a new Series 12 Liquor License for HitchinPost BBQ.

MOVED by Councilmember Cloyce Kelly, seconded by Councilmember Annie Perkins to open the public hearing.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

No one from the public spoke.

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

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

MOVED by Councilmember Annie Perkins, seconded by Councilmember Mike Best to recommend approval for a new Series 12 Liquor License for The Hitchin Post BBQ.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

- c) Presentation and discussion regarding the Preliminary Budget for the Fiscal Year Ending June 30, 2021. (Joe Duffy, Finance Director)

Finance Director Duffy presented the Preliminary Budget. Key points were:

- *Overview:* The budget packet included a full expenditure summary that compared fiscal years 2019/2020 and 2020/2021. The total General Fund budget was down 12% but that did not include the \$2 million transfer, which brought the total budget up. Some positions had been moved around, but no new full-time positions were added. Capital projects had been reduced by each department and other items put on hold.
- *Overall:* The previous year's budget was \$27,976,000. This year's \$24,407,900 reduced budget did not include a \$2 million transfer to the capital improvement fund.
- *Fund Balance:* Last year's fund balance was about \$350,000 better than projected. Due to the recent halt on spending, cash spent had been reduced significantly, and the current fiscal year would end better than expected.
- *HURF:* He recommended transferring \$500,000 to the HURF fund. Not knowing the reduction to the HURF revenues, he projected \$1 million for road construction. As most road work would not begin until the spring of 2021, the Town would know then how much funding would be available.
- *Capital Improvement Fund:* He removed the \$2 million transfer in from the general fund for next FY. Of the \$2 million transferred in to FY 19/20, half million had been spent and half million was allocated, leaving a \$457,000 balance.
- *Enterprise Funds:* The water fund was still in the black. The Sewer fund projected a planned loss of \$297,000, which was due to capital improvements and next year he projected a \$475,700 loss for sewer extensions that may or may not happen. Current capital projects would be funded partially from WIFA reserve funds, and the rest from available Town funds.
- *Budget Steps:* He reviewed the meeting schedule to review and pass the budget.

Council and Mr. Duffy discussed the following:

- *Projected revenues:* Several projects in the budget were on hold, rather than eliminated. If revenues came in higher than projected, the Town would have the capacity to complete those projects.
- *Previous discussion about reducing overall budget to fund \$1.6 million road maintenance plan:* There was not a lot of discretionary money in the general fund. 69% was payroll; \$500,000 capital; and the rest was service and supplies. If they cut payroll, that will

reduce services. He recommended using the excess \$500,000 fund balance for roads. If more came in, they could look at adding more. Without the pandemic, he might have had more.

- *Personnel*: Staff was freezing hiring for open positions and deferring merit increases until January 1, 2021, and holding back on everything we can.
- *COVID-19 and revenues*: Staff thought the local revenues—grocery store and chain restaurants—would not have suffered too much, but local restaurants and construction industry might have. His biggest concern was State Share Revenues and HURF funds due to business, tourism, and travel shutdowns. HURF had a 14% decrease this month.
- *Low interest loan for Police Department building*: The Town could still apply for this.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

8) ADJOURNMENT

MOVED by Councilmember Lon Turner, seconded by Councilmember Cloyce Kelly to adjourn the meeting at 7:01 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

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 _____ day of _____, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2020.

Jami C. Lewis, Town Clerk

