

DRAFT

MINUTES OF THE STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

TUESDAY, JULY 21, 2020
6:00 P.M.

The Town Council of the Town of Chino Valley met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, July 21, 2020.

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

Staff Present: Town Manager Cecilia Grittman; Finance Director Joe Duffy; Police Chief Chuck Wynn; Public Works Director/Town Engineer Frank Marbury; Economic Development Project Manager Maggie Tidaback; IT Manager Spencer Guest (videographer); Administrative Technician Kathy Frohock (videographer); Deputy Town Clerk Erin Deskins

- 1) CALL TO ORDER; ROLL CALL
- 2) Review and discussion regarding the allocation of funding in the amount of \$1,420,731 from the AZ Cares Act Fund. (Joe Duffy, Administrative Services Director)

Joe Duffy, Administrative Services Director presented the following:

- The Town received of \$1,420,731 from the AZ Cares Act Fund.
- The money was placed in a separate fund specifically for Arizona Cares Act money.
- Each pay period, the Town's Police Department's payroll was expensed from the fund for a two week pay period. All benefits, wages, and employee benefits would be included. It amounted to approximately \$180,000 per pay period.
- The money could be used on the Police Department because it was deemed that anything public safety was COVID related.
- The money would be fully expensed by October, but that money would not be spent from the General Fund.

Frank Marbury, Public Works Director/Town Engineer presented the following:

- Staff and the Roads and Street Committee discussed projects that could be completed with available funding and came up with a list of recommendations.
 - Resurface Road 2 North from State Route 89 to Bright Star. It would be a rebuild and/or overlay of the pavement.
 - Seal coat the roads of Appaloosa Meadows I&II, Bright Star, Mollie Rae and Parkside Village.
- The full cost of those projects would be \$2.4 million. The additional \$1 million would be HURF money, if available.
- After the Roads and Streets meeting, staff researched the proposed costs and had an additional suggestion for possible projects. The project portion on Road 2 North from

Peppertree to Bright Star was already chip sealed and was 20' wide. To widen the road could result in extra costs. Another option to consider would be to chip seal instead of overlay from Peppertree to Bright Star. It would be significantly cheaper. This would give the ability to do a seal coat in Highlands Ranch and Mesa View Estates. The seal coats in low traffic neighborhoods would last several years.

Council and staff discussed the following:

- The Roads and Streets Committee had no issues with staff's recommendation on the Road 2 North project.
- The Committee knew there were many bad roads in the Community that were beyond the point of repair. They were focusing on subdivisions within Town that could be maintained and the roads not completely lost within a few years.

Council Member questioned how many sewer lines could be installed for the \$1.4 million. Other members explained that since 2006, the roads had gotten so far behind that if something wasn't done, the Town would have all dirt roads. Members were also in support of sewer lines, but thought the roads were the current priority. Staff explained that the \$1.4 million would get approximately one to two miles of sewer line installed.

- 3) Discussion regarding the Professional Services Agreement with Stroh Architecture Inc. for the Police Station 30% Schematic Design Services in the amount of \$148,057.00. (Frank Marbury, Public Works Director/Town Engineer)

Frank Marbury and Joe Duffy presented the following:

- An architect firm needed to be selected to do a 30% design of a future police station with the option of amending the contract later to get full design of the facility.
- The 30% selected cost proposal was \$148,057. The cost to complete the entire design was an additional \$300,000 or total design for \$450,000.
- The selection committee reviewed six firms' proposals. Each was reviewed and scored and then the top three were interviewed. The Committee's recommendation was Stroh Architecture, Inc.

Council, Staff and Stroh Architecture Inc. representatives Dough Stroh, Bill Altwell and Richard Aldridge discussed the following:

- Mr. Stroh gave a brief introduction and firm history.
- The design elements would be up to the Town. The style would be determined by a series of meetings and questions. The design committee would be shown examples of designs.
- The estimated cost of the building would be determined within the 30% design. An estimating company out of Phoenix was part of the team, and that was the service they provided.

Chief Wynn, Staff and Council discussed the following:

- Explained that the firm was the only proposer that provided a conceptual drawing during the interview.
- An important aspect of the design was the ability to enlarge the facility at a future date. The conceptual drawing provided areas of future expansion.
- A design committee would be established to include members of the public, Council, and Police Department members.
- A second egress entrance by the current Town Hall was discussed.
- Stroh had recommended doing a design build bid. The firm would design the building and put out the bids. They would remain with the Town during the entire process.

- Driveway and turn lane permits would come from ADOT.

4) Consideration and discussion regarding proposed changes to the Town's Procurement Code. (Joe Duffy, Administrative Services Director)

Joe Duffy presented the following:

- This was presented to the finance committee in January. They recommended approval to the Council.
- Putting smaller projects, under \$50,000, out to bid. The current bid packet was 69 pages long. The Town was not receiving any bids for small projects.
- Staff contacted the Town Attorney for assistance in developing a packet more appropriate for small projects bids. The Attorney developed a request for quotes or proposal packet that was approximately eight pages long. Proposers were directed to the website for the Town's terms and conditions and had to sign that those were read and understood.
- In developing the new packet, staff also looked at procurement limits. Staff and the Attorney agreed that the \$50,000 procurement limit was appropriate.
- It would speed up the bid and project process.
- Staff reviewed the suggested changes to the procurement code.
 - The biggest change was increasing the amount for Mayor and Council approval from \$25,000 to \$50,000 for most things. If the project was under \$50,000 and budgeted for, it could be approved by the Town Manager, if the project was not budgeted but fell within a department's budget, it could also be approved by the Town Manager. Any contingency funding over \$25,000 would require Council approval.
 - Change order approvals and emergency purchases up to \$50,000 could be approved by the Town Manager.
 - Contract authority for projects under \$50,000 would go to the Town Manager.
 - Oral bids (no written bid required) were lowered from \$10,000 to \$2,500. Informal written bids were required for anything over \$2,500 to \$10,000. Written bids, quotes and proposals were required for any projects between \$10,000 and \$50,000.
- Area towns varied in the amounts for their bid requirements.

Council and Staff discussed the following:

- The Town had been under the \$25,000 threshold for at least 20 years.
- The Town should provide a written scope of work for jobs between \$2,500 to \$10,000 and should be added to the procurement wording. Staff was trying to standardize the way the Town did the bidding and purchase process.
- Staff would also be reviewing state bids and agreements to determine if new bids needed to be obtained to help the Town save money.
- The change order approval would only be for projects that had been previously approved by the Mayor and Council.
- A Council Member was uncomfortable with the amount. Members explained that in order to do business effectively and efficiently, key personnel had to have some responsibility. If they were not, that responsibility would be taken away.
- Staff explained that if there were a project under \$50,000 that they were unsure about, it would be brought to Council for consideration.
- The major intent was to streamline the routine budgeted items and to get them completed quickly.
- Change order processes, if brought to Council, could delay a project for up to three weeks. Council would still see the report on the project funding.

- 5) Presentation and discussion regarding the ground lease prepared by the Town Attorney between the Town of Chino Valley and future "Tenant." (Maggie Tidaback, Economic Development Project Manager)

Maggie Tidaback presented the following:

- The lease was discussed in the Economic Development Subcommittee (EDS) meeting, and gave her direction for the current work session.
- Most of the language in the lease was boiler plate language, which was mostly legal jargon that would not be changed.
- The terms that could be negotiated by Council included lease term, lease amount, etc.
- The subcommittee decided to leave it up to Council to determine the sale points: number of jobs, lease years, lease amount, etc.

Council and staff discussed the following:

- Considerations included the objective of OHM should be determined and at what point was it appropriate to consider entering an agreement with a customer, should there be a minimal employee amount, etc. It was discussed that a higher employee count should be required because a smaller employee count could be located anywhere else in Town. The number was undetermined during the EDS meeting.
- Employee pay and benefits could be considered so that they were contributing back to the Community.
- The Council needed to determine the parameters they would consider when choosing one business over another.
 - Square footage
 - Number of employees and wages
 - Water usage
 - Types of businesses
- Staff had been developing a process that would give free rent up front for a certain percentage of time for 1-25 employees, which could increase with increased numbers of employees.
- There could be automated businesses that did not employ a large amount of people but the local sale numbers would be higher than a larger employer.
- There had been community concern that OHM was a waste of money. Staff explained that they were following Council direction to help develop a business park at OHM. The goal at the time was jobs, but Council was expressing different ideas now.
- Town was growing, but those people were working elsewhere and leaving their money in other nearby Towns. The Town was trying to come up with a way to get an initial business started at OHM. Members did not see the Town in the landlord business, but instead the Town could generate sales tax revenue off money spent within the Town.
- The main goal should be jobs.
- Incentives for businesses bringing jobs needed to be determined. Staff explained her staggered method might work and Council could determine the parameters and incentives so that staff was ready to talk with potential businesses.
- Members discussed square footage of buildings.
- The goal was to get the initial business in OHM with incentives added for a certain period of time. The Town needed to project what every dollar brought into Town would generate and the ultimate profit for the Town overall.
- The Town needed more information and comparisons from other Towns on what they did to bring businesses to the business parks.
- Sizes of companies should be considered and what to expect with a large employer.
- Staff recommended doing a mock business venture. Mark Holmes could help the Town

formulate scenarios. NACOG might be able to help determine what types of businesses might come to the area. Town could use that knowledge to negotiate and establish the initial business.

- Provide a grounds report so Town would know what they would be giving up with a ground lease. Incentives could include permit fee waivers, construction incentives, hookup fees, etc.

- 6) Presentation and discussion regarding the preparation of a 1/2 - 1 acre dirt pad and real estate sign with rendering at the Business Park at Old Home Manor. (Maggie Tidaback, Economic Development Project Manager)

Ms. Tidaback shared a printout of a real estate sign for OHM that she had Tom's Print Shop design. Once the signs were completed, a dirt pad could be developed for the erection of the signs.

- 7) ADJOURNMENT

MOVED by Councilmember Lon Turner, seconded by Councilmember Cloyce Kelly, to adjourn the meeting at 6:59 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, 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 Study Session 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