

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

**TUESDAY, FEBRUARY 9, 2021
6:00 P.M.**

**CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ**

Present: Mayor Jack Miller; Vice-Mayor Corey Mendoza; Councilmember Tom Armstrong;
Councilmember Eric Granillo; Councilmember Cloyce Kelly; Councilmember Annie Perkins;
Councilmember Lon Turner

Staff Present: Town Manager Cindy Blackmore; Town Attorney Andrew McGuire (remotely); Development
Services Director Joshua Cook; Public Works Director/Town Engineer Frank Marbury;
Administrative Services Director Joe Duffy; Police Chief Chuck Wynn; Economic Development /
Project Manager Maggie Tidaback; Planner Will Dingee; Lieutenant Randy Chapman; Lieutenant
Joshua McIntire; Sergeant Cody Johnson; Officer Todd Hyslip (Sergeant at Arms); IT Manager
Spencer Guest (videographer); Deputy Town Clerk Traci Lavelle (recorder); Town Clerk Erin
Deskins

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

Mayor Miller called the meeting to order at 6:08 p.m.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a)** Quarterly update by the Chino Valley Area Chamber of Commerce. (Lorette Brashear, Chamber of Commerce Director)

Lorette Brashear presented the following:

- Continued business throughout the pandemic while following proper protocol.
- Continued holding community events, while thinking outside the box to deal with pandemic issues.
- Women in business and Chamber Ambassador's had resumed their normal schedules and meetings.
- The Chamber office found a new permanent location across the street from Town Hall offices. The building and surrounding areas were being updated.
- A list of upcoming events was shared.
- The Chamber was working on a giant community map that showed businesses and places of interest.
- A GoFundMe account was created to fund an amphitheater to hold community events, as well as a conference room for the Chamber.

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. Individuals who wish to speak, please state your first and last name and if you reside in Chino Valley Town Limits.

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 reported on the following:

- Former Manager Cecilia Grittmann could not attend her last meeting as expected, but the Town wanted to recognize her almost 20 years of service.
- Welcomed new Town Manager, Cindy Blackmore.

Councilmember Perkins reported the Chino Valley Unified School District voted for all students, Pre-K through 12th grade to return to fulltime in person attendance beginning on February 16th, but families wishing to stay online had the option to continue.

Councilmember Granillo reported on the Chino Valley Football and Cheer fund-raising event.

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

Cindy Blackmore thanked the estate of Mary Katherine Campbell for a donation made to the local animal shelter. The donation was used to purchase an animal shelter transport van.

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.

MOVED by Vice-Mayor Corey Mendoza, seconded by Councilmember Annie Perkins to approve consent agenda items 5 (a), (b), (c), and (d) as written.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

- a) Consideration and possible action to approve the Financial Report for the six months ending December 31, 2020. (Joe Duffy, Administrative Services Director)
- b) Consideration and possible action to approve the Council Entity appointments and the Council Subcommittee appointments. (Erin N. Deskins, Town Clerk)
- c) Consideration and possible action to approve January 12, 2021, regular meeting minutes. (Erin N. Deskins, Town Clerk)
- d) Consideration and possible action to approve January 19, 2021, study session minutes. (Erin N. Deskins, Town Clerk)

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 accept the Comprehensive Annual Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2020, as prepared by Henry & Horne, LLP, Certified Public Accountants. (Joe Duffy, Administrative Services Director)

Recommended Action: Accept the Comprehensive Annual Audited Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2020, as prepared by Henry & Horne, LLP, Certified Public Accountants.

Joe Duffy presented the following:

- This was the annual report prepared by the Town auditor's Henry and Horne.

Brian Hemmerle of Henry & Horne presented the following:

- Reviewed the requirements of the Financial Statement audit as provided through State Statutes.
- The auditor's job was to provide reasonable assurance that the financial statements were materially correct through statistical sampling.
- An overview of the review process was provided.
- The Town received a clean opinion of their financial statements. The yellow book audit, also known as a generally accepted government audit on compliance with grants, contracts, laws and regulations also received a clean opinion.
- There were still recommendations and findings throughout the audit. Those included the following:

- There was a material weakness in debt compliance with the Town's bonds. Town disclosures needed to be uploaded in a timely manner.
- Significant deficiencies:
 1. There had been reconciling issues between permit fees and subledgers. The situation and reconciliation had already been remedied.
 2. The May sales tax receivable revenue received by the State was improperly recorded.
- The Town's assets, liabilities, and equity five year trend analysis was reviewed.

MOVED by Vice-Mayor Corey Mendoza, seconded by Councilmember Cloyce Kelly to accept the Comprehensive Annual Audited Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2020, as prepared by Henry & Horne, LLP, Certified Public Accountants.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

- b)** Consideration and possible action to (i) approve the 70% Police Building Design, (ii) approve the First Amendment to Professional Services Agreement with Stroh Architecture, Inc. for completion of construction plans and (iii) authorize and direct staff to arrange for financing options and to solicit bids for construction. (Chuck Wynn, Police Chief)

Recommended Action: (i) Approve the 70% Police Building Design, (ii) approve the First Amendment to Professional Services Agreement with Stroh Architecture, Inc. for completion of construction plans and (iii) authorize and direct staff to arrange for financing options and to solicit bids for construction.

Chief Wynn presented on the following:

- Council had reviewed and discussed this during the January Study Session.

MOVED by Vice-Mayor Corey Mendoza, seconded by Councilmember Cloyce Kelly to: (i) Approve the 70% Police Building Design, (ii) approve the First Amendment to Professional Services Agreement with Stroh Architecture, Inc. for completion of construction plans and (iii) authorize and direct staff to arrange for financing options and to solicit bids for construction.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

- c) Consideration and possible action to approve the two-year extension of the protected development rights for Chino Valley Farms to continue the development of their site for the cultivation of medical marijuana. (Will Dingee, Planner)

Recommended Action: Approve the two-year extension of the protected development rights for Chino Valley Farms to continue the development of their site for the cultivation of medical marijuana.

Will Dingee presented the following:

- The applicant was requesting an extension of the protected development rights (PDR) for continued development of their site for cultivation of medical marijuana.
- The site location and surrounding properties were reviewed.
- Council had approved the PDR in February 2016. It allowed the 12 acre property to be developed over three phases with greenhouses totaling over 220,000 square feet.
- The original PDR gave the applicant five years to complete development with the ability to request a two year extension.
- The original site plan was reviewed before presenting the new site plan. The new site plan included five greenhouses, employee parking, a one acre residential property subdivided off earlier in the year (no affiliation with the PDR), and the greenhouse square footage request of 64,000 square footage. The entitlement of 220,000 square feet was still in effect.
- Staff was recommending approval of the two year extension.

Councilmembers and staff discussed the following:

- The applicant had previously requested and received a conditional use permit to establish the residential property in the commercial light district, subdivided the property and subsequently sold it. It was no longer part of the PDR.
- Everything was in compliance.
- The extension request was based on the original site plan. The first plan defined the entitlements, which gave them the 220,000 square feet of greenhouse and cultivation space. The applicant was moving forward with the same entitlements but was currently only pursuing a portion of those entitlements. The entitlement was because the development was non-conforming with the zoning district. The protected development right gave the applicant the ability to cultivate and develop the site while non-conforming. As long as the applicant develops up to the 220,000 square feet within the next two years, they would need to submit an additional site plan showing where the additional greenhouses would go. Any new development would need to go through the building permit process to ensure compliance with zoning regulations. They could develop the entire 220,000 square feet within the next two years.
- The site was approved through the PDR for medical marijuana cultivation and there was nothing in the PDR that discussed recreational marijuana. Because it was a non-conforming use, expansion or enlargement beyond what had been approved would not be permitted.

The applicant's attorney, Tom Kack, via Zoom, discussed the following:

- Explained the site was for the cultivation and processing of medical marijuana.
- Explained the site was not only bringing in money for the Town, but also good jobs and pay with benefits.
- None of the product stayed in Town. It was processed and sent down to the Phoenix area.

- The expectation, with the recent legalization of recreational marijuana, was that the site would continue to expand its cultivation site under the same rules and regulations. It was also expected that with expansion, more jobs would be created.

MOVED by Mayor Jack Miller, seconded by Councilmember Annie Perkins to approve the two-year extension of the protected development rights for Chino Valley Farms to continue the development of their site for the cultivation of medical marijuana.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

- d) Consideration and possible action to approve and adopt Chapter 117 of the Town Code regulating Recreational Marijuana. (Joshua Cook, Development Services Director)

Recommended Action: Approve and adopt Chapter 117 of the Town Code regulating Recreational Marijuana.

Joshua Cook presented the following:

- In a January study session, members discussed a new text amendment to the Town Code adding a chapter on recreational marijuana. The chapter would regulate the cultivation, extraction and infusion of recreational marijuana within the Town. It did not address medical marijuana.
- There would need to be a text amendment to the medical marijuana section so that both sections were tied together.
- Staff recommended approval of the language.

Councilmembers, Town Attorney, and staff discussed the following:

- The definition of residential zoning district was how the zone was classified. All the residential categories were zoning districts. Individual households were the only ones permitted to cultivate marijuana in those zones, but medical or recreational providers were only allowed to cultivate their product in the industrial districts.
- Section 117-8 C was an exception statement that covered provisions beyond what was allowed in State statute. Section C limited the cultivation beyond what had been specified in State Statutes.
- The "Department", as used in the new code section referred to the State of Arizona Health Services or its successor agency.

MOVED by Councilmember Annie Perkins, seconded by Vice-Mayor Corey Mendoza to approve and adopt Chapter 117 of the Town Code regulating Recreational Marijuana.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

7) **ADJOURNMENT**

MOVED by Councilmember Lon Turner, seconded by Councilmember Cloyce Kelly to adjourn the regular meeting at 6:45 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

**EXECUTIVE SESSION
TUESDAY, FEBRUARY 9, 2021
6:30 P.M.**

**Council Chambers
202 N. State Route 89
Chino Valley, Arizona**

AGENDA

- 1) **CALL TO ORDER; ROLL CALL**

- 2) 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 pending lawsuit.(Cindy Blackmore, Town Manager)

- 3) **ADJOURNMENT**

Jack W. Miller, Mayor

ATTEST:

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

Dated this _____ day of _____, 2021.

Erin N. Deskins, Town Clerk