Town of Chino Valley

MEETING NOTICE
TOWN COUNCIL

REGULAR MEETING
TUESDAY, AUGUST 8, 2017
6:00 P.M.

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

A majority of the Councilmembers may attend a private invocation in the Council Conference Room immediately prior to the Council meeting. No Town business will be discussed.

AGENDA

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

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS
   a. Proclamation recognizing November 2017 as the 60th Anniversary Year of the Modern Arizona Rangers.

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.

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, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.
a. Status reports by Mayor and Council regarding current events.

b. Status report by Town Manager Cecilia Grittman and/or Town staff members regarding Town accomplishments, and current or upcoming projects.

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.

a. Consideration and possible action to approve recommended budget adjustments for the Fiscal Year Ending June 30, 2017. (Joe Duffy, Finance Director)

b. Consideration and possible action to approve Financial Report for the twelve months ending June 30, 2017. (Joe Duffy, Finance Director)

c. Consideration and possible action to accept the July 25, 2017 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. Consideration and possible action to approve new land uses at the Police Training Facility. (Chuck Wynn, Police Chief)

   Recommended Action: Approve the Chino Valley Police Department plans for new uses of currently vacant land directly east and west of the Chino Valley Police Department shooting range.

b. Consideration and possible action to approve Change Order No. 1 to the contract with Asphalt Paving and Supply, Inc., in an amount not to exceed $74,895.50, to add a portion of South Firesky Lane, West Road 1 North, and Goldrush Way to the chip seal program, to be completed this construction season prior to September 15, 2017. (Richard Straub, Interim Public Works Director/Town Engineer)

   Recommended Action: Approve Change Order No. 1 to the contract with Asphalt Paving and Supply, Inc., for the three new double chip seal roads in an amount not to exceed $74,895.50.
c. Consideration and possible action to approve the Agreement for Professional Consulting Services with Kimley Horn for improvements to the Waste Water Treatment Plant in the amount of $8,900.00. (Richard Straub, Interim Public Works Director/Town Engineer)

   **Recommended Action:** Approve Agreement for Professional Consulting Services with Kimley Horn for design of a sludge drying bed at the Waste Water Treatment Plant in the amount of $8,900.00.

d. Consideration and possible action to approve: (1) the Leasing Services Proposal from NB: AZ Public Financial Services, a Division of Zions First National Bank and Affiliate of National Bank of Arizona; (2) Lease/Purchase Agreement with ZB, N.A., in an amount up to $825,000; and (3) Resolution No. 17-1110 authorizing the Mayor to execute the Agreement and all related documents necessary to the consummation of the transactions contemplated by the Agreement, all related to purchase of up to 8 police cars and potential purchase of certain public works equipment/vehicles. (Joe Duffy, Finance Director)

   **Recommended Action:** Approve: (1) Leasing Services Proposal from NB: AZ Public Financial Services; (2) Lease/Purchase Agreement with ZB, N.A., in an amount up to $825,000; and (3) Resolution No. 17-1110.

8. **EXECUTIVE SESSION**

   Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.

9. **ACTION ITEMS RESUMED**

   After the Executive Session, Council will reconvene the Regular Meeting.

10. **ADJOURNMENT**

    Dated this 3rd day of August, 2017.

    By: **Jami C. Lewis, Town Clerk**

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 711 (Telecommunications Arizona Relay Service) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting.

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at [http://www.chinoaz.net/agendacenter](http://www.chinoaz.net/agendacenter) and in the Public Library and Town Clerk’s Office.
CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date:_____________________ Time:__________________ By:____________________

Jami C. Lewis, Town Clerk
Town Council Regular Meeting

Meeting Date: 08/08/2017

Contact Person: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Estimated length of Staff Presentation: 5 minutes

Physical location of item: N/A

AGENDA ITEM TITLE:
Proclamation recognizing November 2017 as the 60th Anniversary Year of the Modern Arizona Rangers.

SITUATION & ANALYSIS:
Mr. Hank Hellman has requested a proclamation recognizing the dedication of the members of the Arizona Rangers for their public service to their communities and to the State of Arizona since re-establishing as a volunteer organization in November 1957.

Attachments

Arizona Rangers Proclamation
PROCLAMATION

Official 60th Anniversary Year of the Modern Arizona Rangers

Whereas, the law enforcement organization known as the Territorial Arizona Rangers was created by Arizona Territorial Governor, Nathan Oakes Murphy, and established in law by the Twenty-First Legislative Assembly on March 21, 1901; and

Whereas, the Arizona Rangers were the first and sometimes the only line of defense for the residents of the Arizona territory, putting their lives on the line, just as our peace officers do today, for the citizens of the great State of Arizona; and

Whereas, the Territorial Arizona Rangers were disbanded on February 15, 1909, only to be re-established by the surviving original Territorial Rangers in November of 1957 as an outstanding volunteer organization that is still dedicated to public safety, the welfare of the citizens, and the preservation of the history of the original Rangers; and

Whereas, the current Arizona Rangers consist of caring neighbors and friends who have an unselfish devotion to the ideals and values that have always made Arizona great and who volunteer countless hours through their many Arizona Ranger companies by providing valuable assistance to law enforcement agencies across the state in operations of search and rescue, disaster mitigation, traffic and crowd control, DUI task force, and assisting when one of Arizona’s finest has made the ultimate sacrifice; and

Whereas, the Arizona Rangers provide time, energy and financial resources for a myriad of youth activities and charitable events that depend on the service of these dedicated men and women; and

Whereas, the Arizona Rangers serve as a constant reminder of the traditions and honor of Arizona’s original heroes, by keeping alive our rich and colorful western heritage while, at the same time, serving as models of unmatched patriotism for our state and our nation;

Now, Therefore, I, Darryl L. Croft, Mayor of the Town of Chino Valley, urge all citizens to express their gratitude and appreciation to the dedicated members of the Arizona Rangers, “The few but proud, then and now” for their unwavering public service to their communities and to the State of Arizona.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the Town of Chino Valley to be affixed on this 8th day of August, 2017.

Darryl L. Croft, Mayor

ATTEST: Jami C. Lewis, Town Clerk
AGENDA ITEM TITLE:
Consideration and possible action to approve recommended budget adjustments for the Fiscal Year Ending June 30, 2017. (Joe Duffy, Finance Director)

RECOMMENDED ACTION:
Approve recommended budget adjustments for Fiscal Year Ending June 30, 2017.

SITUATION AND ANALYSIS:
Each fiscal year the Town of Chino Valley officially approves the budget adjustments for any General Fund Departments that are over budget. The Contingency Fund and departments that are under budget are adjusted to cover the overages.

In total the General Fund Departments were under budget by $309,506.

During the Fiscal Year Ended June 30, 2017, the General Fund had 7 departments over budget by a combined total of $115,856.

The Town Managers budget was over 4% due to the personnel changes last fiscal year. The Aquatic Center was over by 37% due to under budgeting lifeguard wages, the unexpected repair of the pool heater, and higher than anticipated chemical costs. Facilities Maintenance was over 3% due to higher than anticipated building maintenance expenses. The remaining departments were over by less than 1%.

Due to the fact these figures are tentative and preliminary and may change prior to the audited financials being prepared, the Finance Director is recommending adjusting the budget per the attached schedule by $145,000.
## Fiscal Impact

<table>
<thead>
<tr>
<th>Fiscal Impact?</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>If Yes, Budget Code:</td>
<td>01955600</td>
</tr>
<tr>
<td>Available:</td>
<td>145,000</td>
</tr>
</tbody>
</table>

**Funding Source:**
The funds will come out of the contingency line item and other departments that were under budget.

## Attachments

Budget Adjustments
## General Fund Expenditures by Department

<table>
<thead>
<tr>
<th>Department</th>
<th>Actual Year to Date FY 2016-17</th>
<th>Annual Budget FY 2016-17</th>
<th>Annual Budget Less Actual</th>
<th>Budget Adjustment</th>
<th>% of Budget YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prosecutor</td>
<td>$114,538</td>
<td>$123,700</td>
<td>$9,162</td>
<td>$20,000</td>
<td>93%</td>
</tr>
<tr>
<td>Town Clerk</td>
<td>$198,412</td>
<td>$224,000</td>
<td>$25,588</td>
<td>$10,322</td>
<td>89%</td>
</tr>
<tr>
<td>Town Manager</td>
<td>$387,278</td>
<td>$371,400</td>
<td>$(15,878)</td>
<td>$20,000</td>
<td>104%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>$211,278</td>
<td>$221,600</td>
<td>$10,322</td>
<td>$10,322</td>
<td>95%</td>
</tr>
<tr>
<td>Municipal Court</td>
<td>$266,552</td>
<td>$278,600</td>
<td>$12,048</td>
<td>$10,322</td>
<td>96%</td>
</tr>
<tr>
<td>Finance</td>
<td>$345,532</td>
<td>$343,200</td>
<td>$(2,332)</td>
<td>$5,000</td>
<td>101%</td>
</tr>
<tr>
<td>Management Information Systems</td>
<td>$277,805</td>
<td>$336,400</td>
<td>$58,595</td>
<td>$(15,000)</td>
<td>83%</td>
</tr>
<tr>
<td>Mayor and Council</td>
<td>$32,938</td>
<td>$43,200</td>
<td>$10,262</td>
<td>$10,262</td>
<td>76%</td>
</tr>
<tr>
<td>Planning</td>
<td>$178,197</td>
<td>$207,000</td>
<td>$28,803</td>
<td>$28,803</td>
<td>86%</td>
</tr>
<tr>
<td>Building Inspection</td>
<td>$239,559</td>
<td>$257,700</td>
<td>$18,141</td>
<td>$18,141</td>
<td>93%</td>
</tr>
<tr>
<td>Police</td>
<td>$2,745,379</td>
<td>$2,768,800</td>
<td>$(23,421)</td>
<td>$23,421</td>
<td>99%</td>
</tr>
<tr>
<td>Animal Control</td>
<td>$119,349</td>
<td>$128,300</td>
<td>$8,951</td>
<td>$8,951</td>
<td>93%</td>
</tr>
<tr>
<td>Recreation</td>
<td>$89,762</td>
<td>$96,100</td>
<td>$6,338</td>
<td>$6,338</td>
<td>93%</td>
</tr>
<tr>
<td>Library</td>
<td>$315,584</td>
<td>$312,600</td>
<td>$(2,984)</td>
<td>$5,000</td>
<td>101%</td>
</tr>
<tr>
<td>Senior Center</td>
<td>$271,423</td>
<td>$271,600</td>
<td>$177</td>
<td>$5,000</td>
<td>100%</td>
</tr>
<tr>
<td>Parks Maintenance</td>
<td>$377,290</td>
<td>$373,400</td>
<td>$(3,890)</td>
<td>$5,000</td>
<td>101%</td>
</tr>
<tr>
<td>Aquatic Center</td>
<td>$301,467</td>
<td>$220,400</td>
<td>$(81,067)</td>
<td>$90,000</td>
<td>137%</td>
</tr>
<tr>
<td>Facilities Maintenance</td>
<td>$353,222</td>
<td>$343,500</td>
<td>$(9,722)</td>
<td>$15,000</td>
<td>103%</td>
</tr>
<tr>
<td>Fleet Maintenance</td>
<td>$236,506</td>
<td>$283,000</td>
<td>$46,494</td>
<td>$(20,000)</td>
<td>84%</td>
</tr>
<tr>
<td>Engineering</td>
<td>$80,551</td>
<td>$125,900</td>
<td>$45,349</td>
<td>$(20,000)</td>
<td>64%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>$104,743</td>
<td>$118,100</td>
<td>$13,357</td>
<td>$13,357</td>
<td>89%</td>
</tr>
<tr>
<td>Non Departmental</td>
<td>$947,629</td>
<td>$1,056,000</td>
<td>$108,371</td>
<td>$(90,000)</td>
<td>90%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$8,194,994</strong></td>
<td><strong>$8,504,500</strong></td>
<td><strong>$309,506</strong></td>
<td><strong>-</strong></td>
<td><strong>96%</strong></td>
</tr>
</tbody>
</table>
**AGENDA ITEM TITLE:**
Consideration and possible action to approve Financial Report for the twelve months ending June 30, 2017. (Joe Duffy, Finance Director)

**RECOMMENDED ACTION:**

**SITUATION AND ANALYSIS:**
The Finance Department prepares Financial Reports for the Mayor, Council, Staff and Community.

Upon Council approval, the reports will be posted on the Town's website.

The report includes the following sections:

**Revenue and Expense Summary** - This section details the Revenues and Expenditures of each fund. Comparing the year to date figures to the current year's annual budget and the prior year's month to date figures.

**Major Revenue Summary** - This section details the year to date figures for the Town's eight major revenue sources that account for 60% of the Town's Revenue.

**Other Information** - This section details other pertinent financial and statistical information including the Impact Fee Fund balance and the amount of General Fund Contingencies that have been allocated this fiscal year and a debt summary.

The Finance Director will supplement these reports with periodic presentations and other information throughout the fiscal year.
Fiscal Impact

Fiscal Impact?: No
If Yes, Budget Code:
Available:
Funding Source:

Attachments

June 30, 2017 Report
Town of Chino Valley
Arizona

Financial Report

To The Town Council

For the Twelve Months Ending June 30, 2017 100% of the Fiscal Year
### Town of Chino Valley

Revenue and Expense Summary

For the Twelve Months Ending June 30, 2017 100% of the Fiscal Year

<table>
<thead>
<tr>
<th>General Fund Revenues by Category</th>
<th>Actual Year to Date FY 2015-16</th>
<th>Actual Year to Date FY 2016-17</th>
<th>% FY 2016-17/ FY 2015-16</th>
<th>Annual Budget FY 2016-17</th>
<th>% of Budget YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franchise Taxes</td>
<td>$136,036</td>
<td>$128,838</td>
<td>* $ (7,198)</td>
<td>$128,000</td>
<td>101%</td>
</tr>
<tr>
<td>Tax Revenues</td>
<td>$4,044,221</td>
<td>$4,135,295</td>
<td>$91,074</td>
<td>$4,066,000</td>
<td>102%</td>
</tr>
<tr>
<td>Licenses &amp; Permits</td>
<td>$351,009</td>
<td>$557,943</td>
<td>$206,934</td>
<td>$338,000</td>
<td>165%</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$3,166,951</td>
<td>$3,126,962</td>
<td>$(39,989)</td>
<td>$3,228,500</td>
<td>97%</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$122,959</td>
<td>$116,418</td>
<td>$(6,541)</td>
<td>$127,500</td>
<td>91%</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>$168,233</td>
<td>$179,922</td>
<td>$11,689</td>
<td>$159,000</td>
<td>113%</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>$6,239</td>
<td>$2,588</td>
<td>$(3,651)</td>
<td>$3,500</td>
<td>74%</td>
</tr>
<tr>
<td>Contributions and Donations</td>
<td>$2,556</td>
<td>$2,374</td>
<td>$(181)</td>
<td>$2,500</td>
<td>95%</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>$4,107</td>
<td>$10,895</td>
<td>$6,788</td>
<td>$1,500</td>
<td>72%</td>
</tr>
<tr>
<td>Transfers in</td>
<td>$260,000</td>
<td>$250,000</td>
<td>$(10,000)</td>
<td>$250,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$8,262,310</strong></td>
<td><strong>$8,511,235</strong></td>
<td><strong>$248,925</strong></td>
<td><strong>$8,304,500</strong></td>
<td><strong>102%</strong></td>
</tr>
</tbody>
</table>

* Estimated final quarter accruals.

Total Revenues for the General Fund are up $248,925 or 3% over the previous fiscal year. Total Tax Revenues unded up 2% exceeding our budget projections. Licenses and Permits are up 59% due to a significant increase in Building Permits and Plan Check Fees this fiscal year. Intergovernmental Revenues ended down 1% in line with our budget projections. Fines and Forfeitures are up 7% due to increased Animal Control Fees and Traffic Fines. Total Revenues exceed our budget estimate of $8,486,352 by $24,883.
### Town of Chino Valley

**Revenue and Expense Summary**

For the Twelve Months Ending June 30, 2017 100% of the Fiscal Year

<table>
<thead>
<tr>
<th>General Fund Expenditures by Department</th>
<th>Actual Year to Date FY 2015-16</th>
<th>Actual Year to Date FY 2016-17</th>
<th>Amount</th>
<th>% FY 2016-17/ FY 2015-16</th>
<th>Annual Budget FY 2016-17</th>
<th>% of Budget YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prosecutor</td>
<td>$128,729</td>
<td>$114,538</td>
<td>$14,191</td>
<td>-11%</td>
<td>$123,700</td>
<td>93%</td>
</tr>
<tr>
<td>Town Clerk</td>
<td>$216,360</td>
<td>$198,412</td>
<td>$17,948</td>
<td>-8%</td>
<td>$224,000</td>
<td>89%</td>
</tr>
<tr>
<td>Town Manager</td>
<td>$396,518</td>
<td>$387,728</td>
<td>$8,790</td>
<td>-2%</td>
<td>$371,400</td>
<td>104%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>$190,662</td>
<td>$211,278</td>
<td>$20,616</td>
<td>11%</td>
<td>$221,600</td>
<td>95%</td>
</tr>
<tr>
<td>Municipal Court</td>
<td>$254,933</td>
<td>$266,552</td>
<td>$11,619</td>
<td>5%</td>
<td>$278,600</td>
<td>96%</td>
</tr>
<tr>
<td>Finance</td>
<td>$333,612</td>
<td>$345,532</td>
<td>$11,920</td>
<td>4%</td>
<td>$343,200</td>
<td>101%</td>
</tr>
<tr>
<td>Management Information System</td>
<td>$229,682</td>
<td>$277,805</td>
<td>$48,123</td>
<td>21%</td>
<td>$336,400</td>
<td>83%</td>
</tr>
<tr>
<td>Mayor and Council</td>
<td>$26,616</td>
<td>$32,938</td>
<td>$6,322</td>
<td>24%</td>
<td>$43,200</td>
<td>76%</td>
</tr>
<tr>
<td>Planning</td>
<td>$178,863</td>
<td>$178,197</td>
<td>$666</td>
<td>0%</td>
<td>$207,000</td>
<td>86%</td>
</tr>
<tr>
<td>Building Inspection</td>
<td>$264,577</td>
<td>$239,559</td>
<td>$(25,018)</td>
<td>-9%</td>
<td>$257,700</td>
<td>93%</td>
</tr>
<tr>
<td>Police</td>
<td>$2,535,970</td>
<td>$2,745,379</td>
<td>$209,409</td>
<td>8%</td>
<td>$2,768,800</td>
<td>99%</td>
</tr>
<tr>
<td>Animal Control</td>
<td>$117,017</td>
<td>$119,349</td>
<td>$2,332</td>
<td>2%</td>
<td>$128,300</td>
<td>93%</td>
</tr>
<tr>
<td>Recreation</td>
<td>$68,448</td>
<td>$89,762</td>
<td>$21,314</td>
<td>31%</td>
<td>$96,100</td>
<td>93%</td>
</tr>
<tr>
<td>Library</td>
<td>$312,892</td>
<td>$315,584</td>
<td>$2,692</td>
<td>1%</td>
<td>$312,600</td>
<td>101%</td>
</tr>
<tr>
<td>Senior Center</td>
<td>$245,517</td>
<td>$271,423</td>
<td>$25,906</td>
<td>11%</td>
<td>$271,600</td>
<td>100%</td>
</tr>
<tr>
<td>Parks Maintenance</td>
<td>$339,053</td>
<td>$377,290</td>
<td>$(18,237)</td>
<td>-5%</td>
<td>$373,400</td>
<td>101%</td>
</tr>
<tr>
<td>Aquatic Center</td>
<td>$212,022</td>
<td>$301,467</td>
<td>$89,445</td>
<td>42%</td>
<td>$220,400</td>
<td>107%</td>
</tr>
<tr>
<td>Facilities Maintenance</td>
<td>$353,372</td>
<td>$353,222</td>
<td>$(1,150)</td>
<td>-3%</td>
<td>$343,500</td>
<td>103%</td>
</tr>
<tr>
<td>Fleet Maintenance</td>
<td>$220,784</td>
<td>$236,506</td>
<td>$15,722</td>
<td>7%</td>
<td>$283,000</td>
<td>84%</td>
</tr>
<tr>
<td>Engineering</td>
<td>$148,956</td>
<td>$80,551</td>
<td>$(68,405)</td>
<td>-86%</td>
<td>$125,900</td>
<td>64%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>$104,743</td>
<td>$104,743</td>
<td>$0</td>
<td>0%</td>
<td>$118,100</td>
<td>89%</td>
</tr>
<tr>
<td>Non Departmental</td>
<td>$717,546</td>
<td>$947,629</td>
<td>$230,083</td>
<td>32%</td>
<td>$1,056,000</td>
<td>90%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$7,562,129</strong></td>
<td><strong>$8,194,994</strong></td>
<td><strong>$632,865</strong></td>
<td><strong>8%</strong></td>
<td><strong>$8,504,500</strong></td>
<td><strong>96%</strong></td>
</tr>
</tbody>
</table>

**Total Revenue Over (Under)**

| Total Expenditures | $700,181 | $316,241 | $(383,940) | $(200,000) |

**GENERAL FUND (Continued)**

Total General Fund Expenditures are up $362,865 or 8% compared to last fiscal year. The major contributing factor is the $275,000 payment in Non Departmental for the Cortez settlement. Through June each departments total expenditures should be less than 100% of their annual budget. The highlighted departments will require a year end transfer from the Contingency Fund. In total the General Fund Departments are at 96% of their budget through June 30, 2016. Total expenditures exceeded our budget estimate of $8,153,083 by $41,911.
## Town of Chino Valley
### Revenue and Expense Summary
#### For the Twelve Months Ending June 30, 2017 100% of the Fiscal Year

<table>
<thead>
<tr>
<th></th>
<th>Actual Year to Date FY 2015-16</th>
<th>Actual Year to Date FY 2016-17</th>
<th>Amount</th>
<th>% FY 2016-17/FY 2015-16</th>
<th>Annual Budget FY 2016-17</th>
<th>% of Budget YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIGHWAY USER REVENUE FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$934,285</td>
<td>$1,002,549</td>
<td>$68,264</td>
<td>7%</td>
<td>$930,500</td>
<td>108%</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road Maintenance</td>
<td>$839,438</td>
<td>$845,121</td>
<td>$5,683</td>
<td>1%</td>
<td>$966,000</td>
<td>87%</td>
</tr>
<tr>
<td><strong>Total Revenue Over (Under)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td></td>
<td></td>
<td>$62,581</td>
<td></td>
<td>$35,500</td>
<td></td>
</tr>
</tbody>
</table>

Total Fund Revenues are up 7% over the prior fiscal year due to the budgeted increase in HURF fund distributions. Expenditures are up 1% primarily due to the budgeted change in indirect charges to the department. Overall the department ended the year at 87% of budget.

### WATER ENTERPRISE FUND

<table>
<thead>
<tr>
<th></th>
<th>Actual Year to Date FY 2015-16</th>
<th>Actual Year to Date FY 2016-17</th>
<th>Amount</th>
<th>% FY 2016-17/FY 2015-16</th>
<th>Annual Budget FY 2016-17</th>
<th>% of Budget YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Revenues</td>
<td>$602,594</td>
<td>$672,809</td>
<td>$70,215</td>
<td></td>
<td>$2,531,000</td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>$150,000</td>
<td>$75,000</td>
<td>$(75,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$752,594</td>
<td>$747,809</td>
<td>$(4,785)</td>
<td>-1%</td>
<td>$2,606,000</td>
<td>29%</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Utility Operations</td>
<td>$648,928</td>
<td>$511,316</td>
<td>$(137,612)</td>
<td></td>
<td>$411,500</td>
<td></td>
</tr>
<tr>
<td>Debt Service/Reserve</td>
<td>$24,713</td>
<td>$23,362</td>
<td>$(1,351)</td>
<td></td>
<td>$2,194,500</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$673,641</td>
<td>$534,678</td>
<td>$(138,963)</td>
<td>-21%</td>
<td>$2,606,000</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Total Revenue Over (Under)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td></td>
<td></td>
<td>$134,178</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Water Enterprise Fund Revenues are down 1% due to reduced budgeted transfers in from the Capital Improvement Fund. As budgeted Water Service Fees are down 7%. Total Water Revenues are up due to an increase in Buy in Fees this fiscal year. Expenditures are down 21% due to less system repairs this fiscal year.

### SEWER ENTERPRISE FUND

<table>
<thead>
<tr>
<th></th>
<th>Actual Year to Date FY 2015-16</th>
<th>Actual Year to Date FY 2016-17</th>
<th>Amount</th>
<th>% FY 2016-17/FY 2015-16</th>
<th>Annual Budget FY 2016-17</th>
<th>% of Budget YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$1,541,491</td>
<td>$1,863,975</td>
<td>$322,484</td>
<td>21%</td>
<td>$2,119,500</td>
<td>88%</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer</td>
<td>$1,772,190</td>
<td>$1,164,617</td>
<td>$(607,573)</td>
<td></td>
<td>$1,068,500</td>
<td></td>
</tr>
<tr>
<td>Debt Service/Reserve/Capital</td>
<td>$555,064</td>
<td>$1,511,656</td>
<td>$956,592</td>
<td></td>
<td>$1,416,500</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$2,327,254</td>
<td>$2,676,273</td>
<td>$349,019</td>
<td>15%</td>
<td>$2,485,000</td>
<td>108%</td>
</tr>
<tr>
<td><strong>Total Revenue Over (Under)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td></td>
<td></td>
<td>$26,535</td>
<td></td>
<td>$(365,500)</td>
<td></td>
</tr>
</tbody>
</table>

Total Sewer Enterprise Fund Revenues are up 21% over last fiscal year. Sewer Buy in fees are up significantly and Sewer Service Fees are down 3%. Expenses are up 15% due to the $330,562 purchase of SMU filters this fiscal year Debt Service/ReserveCapital is up due to the Molly Ray Sewer Project.
## Town of Chino Valley

### Revenue and Expense Summary

For the Twelve Months Ending June 30, 2017 100% of the Fiscal Year

<table>
<thead>
<tr>
<th></th>
<th>Actual Year to Date FY 2015-16</th>
<th>Actual Year to Date FY 2016-17</th>
<th>% FY 2016-17/ FY 2015-16</th>
<th>Annual Budget FY 2016-17</th>
<th>% of Budget YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPITAL IMPROVEMENT FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$1,359,756</td>
<td>$1,384,617</td>
<td>$24,861</td>
<td>$3,925,500</td>
<td>35%</td>
</tr>
<tr>
<td>Yavapai Drainage District</td>
<td>$628,263</td>
<td>$131,737</td>
<td>($496,526)</td>
<td>$110,000</td>
<td></td>
</tr>
<tr>
<td>Road Impact Fees</td>
<td>$28,749</td>
<td>$28,749</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$887,168</td>
<td>$188,093</td>
<td>($699,075)</td>
<td>$2,869,000</td>
<td></td>
</tr>
<tr>
<td>Equipment Acquisition</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td>$1,137,000</td>
<td>$1,052,000</td>
<td>($85,000)</td>
<td>$1,052,000</td>
<td></td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$2,024,168</td>
<td>$1,240,093</td>
<td>($784,075)</td>
<td>$3,921,000</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue Over (Under)</td>
<td>$(-7,400)</td>
<td>$276,261</td>
<td>$312,410</td>
<td>$114,500</td>
<td></td>
</tr>
</tbody>
</table>

Capital Improvement Fund Tax Revenues are up 2% over the prior fiscal year primarily due to an increase in Sales Tax activity. Capital Improvements and Transfers are down due to the decreased amount budgeted this fiscal year.
**Town of Chino Valley**

**Revenue and Expense Summary**

For the Twelve Months Ending June 30, 2017  100% of the Fiscal Year

<table>
<thead>
<tr>
<th>Actual vs Prior Year</th>
<th>Actual Year to Date FY 2015-16</th>
<th>Actual Year to Date FY 2016-17</th>
<th>% FY 2016-17/ FY 2015-16</th>
<th>Annual Budget FY 2016-17</th>
<th>% of Budget YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Amount</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OTHER MINOR FUNDS**

**Other Minor Funds - Revenues**

<table>
<thead>
<tr>
<th></th>
<th>CDBG Grant</th>
<th>Grants Fund</th>
<th>Special Revenue Fund Court</th>
<th>Capital Asset Replacement</th>
<th>Police Impact Fee Funds</th>
<th>Library Impact Fee Funds</th>
<th>Parks/Rec Impact Fee Funds</th>
<th>Roads Impact Fee Funds</th>
<th>Special Revenue Fund PD</th>
<th>CVSLID Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ -</td>
<td>$ 298,307</td>
<td>$ 18,556</td>
<td>$ 53,776</td>
<td>$ 12,433</td>
<td>$ -</td>
<td>$ 41</td>
<td>$ 1,358</td>
<td>$ 61,389</td>
<td>$ 3,994</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ 1,468,710</td>
<td>$ 34,897</td>
<td>$ 8,644</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 66</td>
<td>$ 1,596</td>
<td>$ 62,007</td>
<td>$ 3,981</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ 1,170,403</td>
<td>$ 16,341</td>
<td>$ (45,132)</td>
<td>$ (12,433)</td>
<td>$ -</td>
<td>$ 25</td>
<td>$ 238</td>
<td>$ 618</td>
<td>$ (13)</td>
</tr>
<tr>
<td></td>
<td>$ 3,500,000</td>
<td></td>
<td>$ 9,500</td>
<td>$ 10,500</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 55,000</td>
<td>$ 4,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 449,854</td>
<td>$ 1,579,901</td>
<td>$ 1,130,047</td>
<td>251%</td>
<td>$ 3,579,000</td>
<td>44%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>CDBG Grant</th>
<th>Grants Funds</th>
<th>Special Revenue Fund - Court</th>
<th>Capital Replacement Fund</th>
<th>Police Impact Fee Funds</th>
<th>Library Impact Fee Funds</th>
<th>Parks/Rec Impact Fee Funds</th>
<th>Roads Impact Fee Funds</th>
<th>Special Revenue Fund PD</th>
<th>CVSLID Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ -</td>
<td>$ 346,421</td>
<td>$ 39,375</td>
<td>$ 19,614</td>
<td>$ 28,749</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 54,233</td>
<td>$ 4,178</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ 1,434,432</td>
<td>$ 20,565</td>
<td>$ 48,021</td>
<td>$ 504</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 65,470</td>
<td>$ 3,534</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ 1,088,011</td>
<td>$ (18,810)</td>
<td>$ 28,407</td>
<td>$ (28,245)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 11,237</td>
<td>$ (644)</td>
</tr>
<tr>
<td></td>
<td>$ 3,500,000</td>
<td></td>
<td>$ 38,500</td>
<td>$ 50,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 18,283</td>
<td>$ 553,217</td>
<td>$ 45,000</td>
<td>$ 4,000</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$ 492,570</td>
<td>$ 1,617,357</td>
<td>$ 1,124,787</td>
<td>228%</td>
<td>$ 4,209,000</td>
<td>38%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Revenue Over (Under)**

| Total Expenditures | $ (42,716) | $ (37,456) | $ 5,260 | $ (630,000) |

**TOTAL ALL FUNDS**

| Total Revenue All Funds | $ 13,300,290 | $ 15,090,085 | $ 1,789,795 | 13% | $ 21,465,000 | 70% |
| Total Expenditures All Funds | $ 13,919,200 | $ 15,108,516 | $ 1,189,316 | 9%  | $ 22,691,500 | 67% |
| Total Revenue Over (Under) | $ (618,910) | $ (18,431) | $ 600,479 | $ (1,226,500) |

(1) Budget does not include Carryover Amounts from Prior Fiscal Years
(2) Year to date amounts include actual expenditures paid to date.
**Town of Chino Valley**

**Major Revenue Summary**

For the Twelve Months Ending June 30, 2017 100% of the Fiscal Year

<table>
<thead>
<tr>
<th>Actual Year to Date FY 2015-16</th>
<th>Annual Budget FY 2016-17</th>
<th>Actual Year to Date FY 2016-17</th>
<th>% of Budget YTD</th>
<th>Actual vs Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Town Sales Tax Retail</strong> $3,712,604</td>
<td>$3,778,000</td>
<td>$3,738,162</td>
<td>99%</td>
<td>$25,558 1%</td>
</tr>
<tr>
<td><strong>Vehicle License Tax</strong> $680,388</td>
<td>$663,000</td>
<td>$712,352</td>
<td>107%</td>
<td>$31,964 5%</td>
</tr>
<tr>
<td><strong>State Shared Sales Tax</strong> $1,022,547</td>
<td>$1,046,000</td>
<td>$1,020,252</td>
<td>98%</td>
<td>(2,295) 0%</td>
</tr>
<tr>
<td><strong>State Shared Income Tax</strong> $1,302,365</td>
<td>$1,359,000</td>
<td>$1,362,532</td>
<td>100%</td>
<td>$60,167 5%</td>
</tr>
<tr>
<td><strong>Highway User Revenue</strong> $875,702</td>
<td>$853,000</td>
<td>$917,891</td>
<td>108%</td>
<td>$42,189 5%</td>
</tr>
<tr>
<td><strong>Water Service Fees</strong> $457,222</td>
<td>$405,000</td>
<td>$426,866</td>
<td>105%</td>
<td>(30,356) -7%</td>
</tr>
<tr>
<td><strong>Capital Improvement</strong> $1,236,994</td>
<td>$1,266,000</td>
<td>$1,246,047</td>
<td>98%</td>
<td>9,053 1%</td>
</tr>
<tr>
<td><strong>Sewer Service Fees</strong> $1,409,585</td>
<td>$1,449,000</td>
<td>$1,400,539</td>
<td>97%</td>
<td>(9,046) -1%</td>
</tr>
<tr>
<td><strong>Major Revenues Y.T.D.</strong> $10,697,407</td>
<td>$10,819,000</td>
<td>$10,824,641</td>
<td>100%</td>
<td>$127,234 1%</td>
</tr>
</tbody>
</table>

| **Total Revenue All Funds** $13,300,290 | $21,465,000 | $15,090,085 | 70% | $1,789,795 13% |

80% 50% 72%

The Major Revenues are up $127,234 or 1% over the prior fiscal year in line with the budget projections. Town Sales Tax Retail is up 1% this fiscal year. Water Service Fees are down 7% in line with our budget projections. Sewer Service Fees are down 1%. Total combined revenue for all funds is up 13% or $1,789,795 over last fiscal year primarily due to the EDA grant project.

![Major Revenues Year to Date](image-url)
### Impact Fee Fund Recaps

For the Twelve Months Ending June 30, 2017 100% of the Fiscal Year

<table>
<thead>
<tr>
<th></th>
<th>Parks/Rec Impact Fees</th>
<th>Roads Impact Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance @ 6/30/16</td>
<td>$18,323</td>
<td>$547,641</td>
</tr>
<tr>
<td>Impact Fees Revenue to Date</td>
<td>$66</td>
<td>$1,596</td>
</tr>
<tr>
<td>Impact Fees Expenditures to Date</td>
<td>-$</td>
<td>$44,832</td>
</tr>
<tr>
<td>Ending Fund Balance to Date</td>
<td>$18,389</td>
<td>$504,405</td>
</tr>
<tr>
<td>Budgeted Expenditures FY 16/17</td>
<td>$18,283</td>
<td>$553,217</td>
</tr>
</tbody>
</table>

### Contingency Funds Budget

For the Twelve Months Ending June 30, 2017 100% of the Fiscal Year

<table>
<thead>
<tr>
<th></th>
<th>Actual Year to Date FY 2016-17</th>
<th>Annual Budget FY 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Budget</td>
<td>$</td>
<td>$400,000</td>
</tr>
<tr>
<td>Cortez Settlement</td>
<td>$275,000</td>
<td></td>
</tr>
<tr>
<td>HR Remodel</td>
<td>$10,840</td>
<td></td>
</tr>
<tr>
<td>General Fund Balance</td>
<td>$285,840</td>
<td>$400,000</td>
</tr>
<tr>
<td>HURF Fund Budget</td>
<td>$46,000</td>
<td></td>
</tr>
<tr>
<td>Water Fund Budget</td>
<td>$26,000</td>
<td></td>
</tr>
<tr>
<td>Sewer Fund Budget</td>
<td>$45,000</td>
<td></td>
</tr>
<tr>
<td>Total Contingency Fund</td>
<td>$285,840</td>
<td>$517,000</td>
</tr>
</tbody>
</table>

### Town of Chino Valley

Annual Debt Service Summary By Fund
Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Debt Issue</th>
<th>Date Issued</th>
<th>Original Amount</th>
<th>FY 2017 Principal</th>
<th>FY 2017 Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Bank GADA Refi</td>
<td>7/1/2016</td>
<td>$3,346,000</td>
<td>$309,000</td>
<td>$64,695</td>
</tr>
<tr>
<td>US Bank Series 2010</td>
<td>12/13/2010</td>
<td>$7,280,000</td>
<td>$309,000</td>
<td>$331,638</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$10,626,000</td>
<td></td>
<td>$396,333</td>
</tr>
<tr>
<td><strong>Water Enterprise Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Bank Series 2010</td>
<td>12/15/2010</td>
<td>$745,000</td>
<td>$45,000</td>
<td>$23,362</td>
</tr>
<tr>
<td><strong>Sewer Enterprise Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WIFA 2007</td>
<td>1/10/2007</td>
<td>$1,580,000</td>
<td>$82,242</td>
<td>$25,714</td>
</tr>
<tr>
<td>WIFA 2008</td>
<td>1/11/2008</td>
<td>$4,853,000</td>
<td>$255,957</td>
<td>$91,372</td>
</tr>
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AGENDA ITEM TITLE:
Consideration and possible action to accept the July 25, 2017 regular meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:
Accept the July 25, 2017 regular meeting minutes.

Attachments
July 25, 2017 minutes
DRAFT

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

TUESDAY, JULY 25, 2017
6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, July 25, 2017.

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

Absent: Councilmember Lon Turner

Staff Present: Town Manager Cecilia Grittman; Town Attorney Phyllis Smiley; Finance Director Joe Duffy; Human Resources Director Laura Kyriakakis; Police Chief Chuck Wynn; Police Lieutenant Vince Schaan; Officer Cody Johnson; Magistrate Mary Hamm; Court Administrator Ronda Apolinar; Court Clerk Erin Deskins; Court Clerk Traci Lavelle; Interim Public Works Director/Town Engineer Richard Straub; Community Services Director Scott Bruner; Matt Santos (videographer); Deputy Town Clerk Michelle Greenstreet (recorder)

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

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

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Administration of Oath of Office to Magistrate Mary E. Hamm by Judge Glenn Savona, Prescott Consolidated Court.

Judge Savona administered the Oath of Office to Judge Hamm, who spoke about her prior experience with and ongoing service to the Town.

b) Quarterly presentation by Arlene Alen, CEO/President of the Chino Valley Area Chamber of Commerce (CVACC). (Cecilia Grittman, Town Manager)

Mayor Croft requested that Ms. Alen give her presentation under item 7a.

c) Presentation of Traffic Impact Study, prepared by Dowl, related to the two proposed apartment developments on Road 2 North. (Richard Straub, Interim Public Works Director/Town Engineer)
Mr. Straub reported that:

- This study, a preliminary assessment of traffic impacts on Road 2 North currently and with the two proposed apartment complexes, found that certain improvements must be made for the traffic from the new developments to function properly on the road; and if said improvements were made, the road would not fail.
- The study will be given to the developers, who will pay to complete the traffic analysis relating to field counts and items such as additional width, turn lanes, pedestrian safety devices, retiming signals, and driveways.
- Once this data was obtained, the Town will be able to determine the specific improvements to be made.

Presentation of the proposed construction of Road 1 East from Road 3 South to Kalinich Avenue and three connector roads to SR 89. (Richard Straub, Interim Public Works Director/Town Engineer)

Mr. Straub reported that:

- Several years ago, when ADOT was widening the Town’s south portion of SR 89, an agreement between the parties provided that the Town would construct an alternate route in the event of highway closures.
- ADOT provided some millings toward the project and the Town had spent the past four years acquiring the needed rights-of-way to construct the roads.
- Staff recommended using Town forces to perform initial drainage and grading for low water crossings, then use contract forces to process the millings from ADOT, lay down the asphalt, and chip seal. He anticipated completion in late spring/early summer.

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.

Craig Brown, Yavapai County District 4 Supervisor, spoke about the county’s free slash program in August and the National Night Out event on August 1.

John Scholl, Chino Valley School Superintendent, spoke about the success of the District’s partnership with the Town on the Road 2 North / Road 1 West widening project.

Beth Vicory thanked Council for considering her suggestion regarding additional signage at Town Hall.
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) Contribute unused fireworks money to Territorial Days, National Night Out or another local event.

Community Services Director Bruner reported that Town officials and the Lions Club were discussing ways to use the funds to enhance the upcoming Territorial Days celebration.

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, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

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

Councilmember Miller reported on the “Friends” of Big Brothers Big Sisters and the organization’s Dancing for the Stars event.

Councilmember Lane reported on the upcoming National Night Out and the Town’s distinction of hosting the largest event in the state last year.

b) Status report by Town Manager Cecilia Grittman and/or Town staff members regarding Town accomplishments, and current or upcoming projects.

Ms. Grittman reported on:
- The Arizona City Managers’ Association conference she attended last week.
- National Night Out and supporting the Town's police and public safety.
- Extending an offer today to a candidate for Public Works Director.

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 Vice-Mayor Mike Best, seconded by Councilmember Cloyce Kelly to accept consent agenda as read.

**Vote:** 6 - 0 PASSED - Unanimously
a) Consideration and possible action to approve First Amendment to Agreement for Professional Consulting Services with EPS Group, related to Old Home Manor Industrial Park, to revise the contract term and Town representative. (Cecilia Grittman, Town Manager)

b) Consideration and possible action to adopt Resolution No. 17-1111 authorizing acquisition of a right-of-way along Road 4 South and Picacho Boulevard for roadway purposes. (Phyllis Smiley, Town Attorney)

c) Consideration and possible action to provide prior approval to Judge Hamm by the Council regarding the appointment of John Erickson as a Judge Pro Tempore in the Chino Valley Municipal Court. (Ronda Apolinar, Court Administrator)

d) Consideration and possible action to appoint applicants to fill vacancies on the Parks and Recreation Advisory Board, Senior Center Advisory Board, Roads and Streets Committee, Board of Adjustment, Industrial Development Authority, and Municipal Property Corporation. (Jami Lewis, Town Clerk)

e) Consideration and possible action to approve the Intergovernmental Agreement between the Arizona Department of Housing, Office of Manufactured Housing, and the Town of Chino Valley, effective July 25, 2017 outlining the terms of inspection and reporting. (Cecilia Grittman, Town Manager)

f) Consideration and possible action to accept the June 27, 2017 regular meeting minutes. (Jami Lewis, Town Clerk)

g) Consideration and possible action to accept the July 11, 2017 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) Consideration and possible action to approve the Second Amendment to Accountability Contract and Scope of Services between the Town of Chino Valley and the Chino Valley Area Chamber of Commerce for FY 17/18 in the amount of $______ dollars. (Cecilia Grittman, Town Manager)

Recommended Action: Approve the Second Amendment to Accountability Contract and Scope of Services between the Town of Chino Valley and the Chino Valley Area Chamber of Commerce for FY 17/18 in the amount of $______ dollars.
Ms. Grittman reported that Town staff sent out an inquiry to Arizona communities asking how they funded their local chambers. The responses received showed funding levels from $30,000 to $57,000, while some communities funded from 2% to 45% of bed tax. The Town’s bed tax was currently about $90,000 and the Chamber was requesting $55,000. The highest the Town had funded in the past had been $48,000 and the funding level was for Council to decide.

Arlene Alen, Chamber CEO/President, acknowledged her new board members and reported on:

- **Budget:** 60% of the Chamber’s budget was for destination marketing outreach (DMO) and the Town currently funded 20% of that.
- **Changes:** The Chamber’s change in focus and engagement in the community, begun three years ago, was resulting in increased participation in Chamber events, membership, and retention. They were also redesigning the Town’s rack card that is distributed to all chambers and expanding the Visitor Center.
- **Outreach:** Relocation packages had increased from 63 in 2013 to 273 in the first six months of 2017. The Chamber had applied for another grant to market the Town through Tripadvisor. Social media was increasing interest in tourism and relocation.
- **Programs and services included:** Job fair, bringing back the Health and Wellness Expo, new Americore Community Volunteer Program, Bus Tour Through History, Fall Fest, Sequins and Saddles, Fall Fest, Heritage Fest, and Chino Family Christmas.

She also noted that she had completed the U.S. Chamber Certification Program and would soon complete ASU’s Certified Public Management Program.

Council asked Ms. Alen how the Chamber measured success. She stated that it was how they helped business grow, how businesses were received in the public, levels of engagement from businesses and the public, and promoting a sense of place. She did not have data to correlate sales tax impacts with Chamber actions.

Ms. Grittman stated that both parties had had intentions to increase their partnership, but challenges with resources had kept them from it. She supported the requested funding increase, so that the Chamber could relieve the Development Services Department of certain tasks related to the Small Business Development Center, as well as partnering with the new Community Services Division.

Council comments:

- The Chamber could also assist the Town with the future industrial park.
- Consistent repetition of events brought businesses and visitors, and that was happening now.
- The Chamber had made lots of progress in the last few years.
- For the reasons commented above, Council generally supported the increase.
MOVED by Vice-Mayor Mike Best, seconded by Councilmember Corey Mendoza to approve the Second Amendment of Accountability Contract and Scope of Services between the Town of Chino Valley and the Chino Valley Area Chamber of Commerce for FY 17/18 in the amount of $55,000.

**Vote:** 6 - 0 PASSED - Unanimously

b) Consideration and possible action to approve the Agreement for Professional Consulting Services with Lyon Engineering and Surveying, Inc. for Road 2 South & SR 89 Drainage Improvements, in an amount not to exceed $13,710.00. (Richard Straub, Interim Public Works Director/Town Engineer)

**Recommended Action:** Approve Agreement for Professional Consulting Services with Lyon Engineering and Surveying, Inc. for design and contract administration services for drainage improvements, in an amount not to exceed $13,710.00.

Mr. Straub reported that:
- About six years ago, the Town developed a series of projects with Yavapai County Flood Control District to address certain drainage issues.
- Approval of this item will result in Lyon Engineering completing the design on the Road 2 South drainage project next to Maverik that was started four years ago, assisting with the bid, and administering the contract. This project will not solve all the drainage problems there, but it will reduce the standing water in the road.
- He believed ADOT was aware that the project included draining water into their retention system.

Council asked Mr. Straub to confirm ADOT’s knowledge of the plan and they asked if approval of the item needed to be contingent upon ADOT’s approval. Town Attorney Smiley stated that it did not, as they had directed the town engineer to check on it.

MOVED by Vice-Mayor Mike Best, seconded by Councilmember Jack Miller to approve Agreement for Professional Consulting Services with Lyon Engineering and Surveying, Inc. for design and contract administration services for drainage improvements, in an amount not to exceed $13,710.00.

**Vote:** 6 - 0 PASSED - Unanimously

c) Consideration and possible action to approve the Agreement for Professional Consulting Services with Civiltec Engineering, Inc. for Road 1 East from Road 3 South to Kalinich Avenue and three related connector roads to SR 89, in the amount of $59,958.00. (Richard Straub, Interim Public Works Director/Town Engineer)

**Recommended Action:** Approve Agreement for Professional Consulting Services with Civiltec Engineering, Inc. for design services for Road 1 East from Road 3 South to Kalinich Avenue and three connector roads to SR 89 in the amount of $59,958.00.
Mr. Straub reported that:
- Plans for this project will be abbreviated as the Town would use Town forces and not go to bid.
- One unresolved issue was that the Road 1 East extension will need to cross a Prescott water line. If Prescott did not agree to allow the road to bridge their water valve cover, the road will be built with a slight jog.
- Staff was not sure if the Town had enough millings to complete the east-west connector roads. Staff proposed an additional cost to place base on all the roads, but to add a double chip seal would be $60,000 per mile; Kalinich would cost about $30,000-$35,000 to double chip.

Council asked staff to contact ADOT about donating additional chips and upon presenting the construction contract, giving Council the option to use contingency funds to chipseal the whole project.

MOVED by Vice-Mayor Mike Best, seconded by Councilmember Jack Miller to approve Agreement for Professional Consulting Services with Civiltec Engineering, Inc. for design services for Road 1 East from Road 3 South to Kalinich Avenue and three connecting roads to SR 89 in an amount of $59,958.00.

Vote: 6 - 0 PASSED - Unanimously

8) EXECUTIVE SESSION

Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.

9) ACTION ITEMS RESUMED

After the Executive Session, Council will reconvene the Regular Meeting.

10) ADJOURNMENT

MOVED by Councilmember Jack Miller, seconded by Vice-Mayor Mike Best to adjourn the meeting at 7:09 p.m.

Vote: 6 - 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 25th day of July, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of August, 2017.

______________________________
Jami C. Lewis, Town Clerk
AGENDA ITEM TITLE:
Consideration and possible action to approve land usage for Police Training Facility.

RECOMMENDED ACTION:
Approve the Chino Valley Police Dept. to utilize currently vacant land directly east and west of the current Chino Valley Police Dept. shooting range.

SITUATION AND ANALYSIS:

Issue Statement
The Chino Valley Police Dept. would like to utilize land to the west of the current shooting range to develop a tactical training village. In addition, the land east of the shooting range will be utilized for an additional hand gun range. These projects, once designed, will allow the Police Dept. and the Prescott Sportsman's Club to achieve common goals in enhancing the overall shooting facility.

Applicable “Policy”
N/A

Satisfaction of “Policy”
N/A

Summary of Issues and Staff Rationale
These projects, once designed, will allow the Police Dept. and the Prescott Sportsman's Club to achieve common goals in enhancing the overall shooting facility. We have a conceptual drawing (attached) of our proposed land usage. The long rifle range has already been approved. Before engineering costs are obtained, we would like authorization for this land usage. Once authorized, we can begin discussion on sharing resources for the benefit of both projects.

Findings of Fact
The long rifle range has funding available through Game & Fish grants and CV Police Dept. has RICO money which has been allocated for police range development. Timing these project together will help to maximize the effectiveness of limited resources.

---

**Fiscal Impact**

**Fiscal Impact?:** Yes  
**If Yes, Budget Code:** Grant Fund  
**Available:** 36,000  

**Funding Source:**  
The Town has RICO Funds of $22,000 and Shooting Range Funds of $14,000 that can be used to start this project and continue work on the 200 yard range.

---

**Attachments**

Shooting Range Concept Drawing
AGENDA ITEM TITLE:
Consideration and possible action to approve Change Order No. 1 to the contract with Asphalt Paving and Supply, Inc., in an amount not to exceed $74,895.50, to add a portion of South Firesky Lane, West Road 1 North, and Goldrush Way to the chip seal program, to be completed this construction season prior to September 15, 2017.

RECOMMENDED ACTION:
Approve Change Order No. 1 to the contract with Asphalt Paving and Supply, Inc., for the three new double chip seal roads in an amount not to exceed $74,895.50.

SITUATION AND ANALYSIS:
Issue Statement
This proposed change will reconstruct 3 Town roads using a combination of contract forces and Town forces. The chips currently stockpiled at the Public Works shop building will be furnished and used by the contractor. The three roads proposed for reconstruction are a portion of, South Firesky Lane, West Road 1 North and Goldrush Way, a total of approximately 6,500 feet.

Applicable “Policy”

Satisfaction of “Policy”

Summary of Issues and Staff Rationale

Findings of Fact
Fiscal Impact

Fiscal Impact?: Yes
If Yes, Budget Code: 02-78-5400
Available: 78,895.50

Funding Source:
The Town budgeted $250,000 in Road Materials this fiscal year. After this project we'll have approximately $81,000 remaining for the remainder of the fiscal year.

Attachments

Change Order 1 AP&S
CHANGE ORDER NO. 01
Asphalt Paving and Supply

PROJECT: Chip Seal (summer) 2017
DATE: 7/8/2017
OWNER: Town of Chino Valley
PROJECT NO: 1722008
CONTRACT NO:
CONTRACTOR: Asphalt Paving and Supply
CONTRACT DATED: 6/29/2017
PM/CM: Richard Straub

CHANGES: The Contract is changed as follows:
This change order will accelerate to the proposed FY 2017/2018 chip seal work to this
construction season rather than next summer construction.

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<tr>
<th>COST/TIME</th>
<th>Description</th>
<th>Amount</th>
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<td>Original Contract Sum:</td>
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<td>Previously Authorized Change Orders:</td>
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<td>New Contract Sum:</td>
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Contract Time will be increased by:

Substantial Completion as of this Change Order:

Approved/Accepted by:

Contractor: ____________________________ (Name) ____________________________ (Date)

Chino Valley: ____________________________ (Name) ____________________________ (Date)

Not valid until signed by Town. Signature of Contractor indicates acceptance, including Contract
Sum and Contract Time.

Contractor agrees that the adjustment of the Contract Price and Contract Time reflected in this
Change Order represents the entire and complete adjustment of the Contract Price and Contract
Time for the changes set forth in this Change Order. The adjustment of the Contract Price
includes all direct costs of labor materials, services and equipment to complete such changes as
well as any and all indirect costs of impacts, delays, interference or hindrances in performing,
providing and completing the changes set forth in this Change Order. The adjustment of the
Contract Time includes all adjustments of time necessary to perform, provide and complete the
changes set forth in this Change Order and any and all impacts, delays, interference or
hindrances in performing, providing and completing the changes.
AGENDA ITEM TITLE:
Consideration and possible action to approve the agreement for Professional Consulting Services with Kimley Horn for improvements to the Waste Water Treatment Plant.

RECOMMENDED ACTION:
Move to approve agreement for Professional Consulting Services with Kimley Horn for design of a sludge drying bed at the Waste Water Treatment Plant in an amount of $8,900.00.

SITUATION AND ANALYSIS:
Issue Statement
The existing waste water treatment plant was initially constructed without a sludge drying bed. Solids removed during sewer line Maintenance operations must be processed, dried and the liquid returned to the treatment facility. The processed solids will be placed with other dewatered solids and placed in approved land fills. This proposed improvement will be in compliance with State regulations.

Applicable “Policy”

Satisfaction of “Policy”

Summary of Issues and Staff Rationale

Findings of Fact

Fiscal Impact
Fiscal Impact?: Yes
If Yes, Budget Code: 06-83-5477
Available: $8,900.00

Funding Source:
The Town budgeted $50,000 for this project in Fiscal Year 2017/2018.

Attachments
Kimley Horn Agreement
AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES
(Architects and Engineers)

THIS Agreement is entered into as of this ___ day of __________, 2017, by and between the Town of Chino Valley, Arizona, a municipal corporation, hereinafter referred to as "Town" and Kimley Horn, hereinafter referred to as the "A/E."

FOR THE PURPOSE of providing professional consulting services for the Town on the Solids Drying Beds Project, hereinafter referred to as the "Project," Town and A/E do hereby mutually agree to the following:

1. SERVICES AND RESPONSIBILITIES

1.1 Retention of the A/E. In consideration of the mutual promises contained in this Agreement, Town engages the A/E to render professional architect or engineering services, as applicable, set forth herein, in accordance with all the terms and conditions contained in this Agreement.

1.2 Scope of Services. The A/E shall do, perform and carry out the services set forth in this Agreement, including all exhibits ("Services"). The specific scope of work for this Project is set forth in Exhibit A. The A/E shall perform the Services consistent with the professional skill and care ordinarily provided by engineers practicing in the same or similar locality under the same or similar circumstances.

1.3 Responsibility of the A/E.

1.3.1 A/E shall provide sufficient qualified personnel, upon reasonable notice to perform any and all Services, including but not limited to inspections and preparation of reports, as reasonably requested by representatives of the Town. A/E agrees and acknowledges that it is solely responsible for the retention and payment of any subcontractors and/or material suppliers retained by A/E pursuant to this Agreement, and that the payment for the foregoing is included within the total amount to be paid to the Consultant pursuant to Section 2.

1.3.2 A/E hereby agrees that the documents and reports prepared by A/E will fulfill the purposes of the Project, shall meet all applicable code requirements and shall comply with applicable laws and regulations. In addition, and not as a limitation on the foregoing, such documents and reports prepared by A/E shall be prepared in accordance with professional architectural or engineering standards, as applicable. Any review or approval of said documents and reports does not diminish these requirements.

1.3.3 A/E shall tour the Project site and become familiar with existing conditions, including utilities, prior to commencing the Services and notify Town of any constraints associated with the Project site relevant to A/E’s Services.

1.3.4 A/E shall procure and maintain during the course of this Agreement insurance coverage required by Section 4 of this Agreement.

1.3.5 A/E shall designate Andrew Baird., as Project Manager and all communications shall be directed to him. Key A/E Personnel are set forth in Exhibit B. "Key Personnel"
includes the A/E employee who will place his license number and signature on key documents and those employees who have significant responsibilities regarding the Services and Project. Prior to changing such designation A/E shall first obtain the approval of Town.

1.3.6 A/E’s subcontracts are set forth in Exhibit B attached hereto and made a part hereof. Any modification to the list of subcontractors on Exhibit B, either by adding, deleting or changing subcontractors, shall require the written consent of Town.

1.3.7 A/E shall obtain its own legal, insurance and financial advice regarding A/E’s legal, insurance and financial obligations under this Agreement.

1.3.8 A/E shall coordinate its activities with Town’s representative and submit its reports to Town’s representative.

1.3.9 A/E shall provide, pay for and insure under the requisite laws and regulations all labor, materials, equipment, and transportation, and other facilities and services necessary for the proper execution and completion of the Services. A/E shall provide and pay for and insure for all equipment necessary for the Services.

1.3.10 A/E shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. A/E shall pay all applicable taxes. A/E shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Services.

1.4 Responsibility of Town.

1.4.1 Town shall cooperate with the A/E by placing at his disposal all available information concerning the site of the Project. Town agrees to obtain its own legal, insurance and financial advice Town may require for the Project. A/E shall be entitled to rely on the accuracy, adequacy and completeness of the information provided by the Town in the performance of the Services.

1.4.2 Town designates Richard Straub, P.E., as its Project Representative. All communications to Town shall be through its Project Representative.

1.5 Contract Term. The term of this Agreement shall be from August 15, 2017 through November 30, 2017. All services identified herein shall be completed to the satisfaction of the Town no later than November 30, 2017.

2. COMPENSATION AND METHOD OF PAYMENT

2.1 Compensation. All compensation for complete and satisfactory completion of services rendered by A/E, including its subcontractor(s), shall be set forth in Exhibit D and shall not exceed $8,900.00 unless agreed to in writing by the Town.

2.2 Method of Payment. Method of payment shall be set forth in Exhibit D. If payment is to be made monthly, A/E shall prepare monthly invoices and progress reports which
clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices shall be for services completed.

3. CHANGES TO THE SCOPE OF SERVICES

3.1 Change Orders. Town may, at any time, and by written change order, make changes in the services to be performed under this Agreement. A form of change order is attached hereto as Exhibit E. If such changes cause an increase or decrease in the A/E’s cost or time required for performance of any services under this Agreement, an equitable adjustment shall be made and the Agreement shall be modified in writing accordingly. Any claim of the A/E for adjustment under this clause must be submitted in writing within thirty (30) days from the date of receipt by the A/E of the notification of change. It is distinctly understood and agreed by the parties that no claim for extra services provided or materials furnished by A/E will be allowed by Town except as provided herein; nor shall A/E provide any services or furnish any materials not covered by this Agreement unless Town first approves in writing.

4. INSURANCE REPRESENTATIONS AND REQUIREMENTS

4.1 General. A/E agrees to comply with all Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of A/E, A/E shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town. Failure to maintain insurance as specified may result in termination of this Agreement at Town's option.

4.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town does not represent that coverage and limits will be adequate to protect A/E. Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve A/E from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

4.3 Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, Town, its representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

4.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by Town, unless specified otherwise in this Agreement. Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to Town.

4.5 Primary Insurance. A/E’s insurance shall be primary insurance as respects performance of subject contract and in the protection of Town as an Additional Insured.
4.6 **Claims Made.** In the event any insurance policies required by this Agreement are written on a “claims made” basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three year period.

4.7 **Waiver.** All policies, including Workers’ Compensation Insurance, shall contain a waiver of rights of recovery (subrogation) against Town, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of A/E. A/E shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

4.8 **Policy Deductibles and or Self Insured Retentions.** The policies set forth in these requirements may provide coverage which contains deductibles or self-insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to Town. A/E shall be solely responsible for any such deductible or self insured retention amount.

4.9 **Use of Subcontractors.** If any Services under this Agreement are subcontracted in any way, A/E shall execute written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting Town and A/E. A/E shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

4.10 **Evidence of Insurance.** Prior to commencing any Services under this Agreement, A/E shall furnish Town with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by A/E’s Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage’s, conditions, and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Acceptance and reliance by Town on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to Town. If any of the above cited policies expire during the life of this Agreement, it shall be A/E’s responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

4.10.1 Town, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

a. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent.

b. Auto Liability-Under ISO Form CA 20 48 or equivalent.

c. Excess Liability-Follow Form to underlying insurance.

4.10.2 A/E’s insurance shall be primary insurance as respects performance of this Agreement.

3037199.1
4.10.3  Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

4.11  Required Coverage:

4.11.1  **Commercial General Liability:** A/E shall maintain “occurrence” from Commercial Liability Insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate, and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent A/E’s, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read “Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of “your work” for that insured by or for you”. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

4.11.2  **Professional Liability:** A/E shall maintain Professional Liability insurance covering errors and omissions arising out of the Services performed by A/E, or anyone employed by A/E, or anyone for whose acts, mistakes, errors and omissions A/E is legally liable, with an unimpaired liability insurance limit of $1,000,000 each claim and $1,000,000 all claims.

4.11.3  **Vehicle Liability:** A/E shall maintain Business Automobile Liability Insurance with a limit of $1,000,000 each occurrence and $2,000,000 aggregate; and minimum coverage of $500,000 per occurrence/aggregate for property damage on A/E’s owned, hired, and non-owned vehicles assigned to or used in the performance of the A/E’s Services under this Agreement. Coverage will be at least as broad as Insurance Services Office, Inc., coverage code “1” any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance. Such policies shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

4.11.4  **Products and Completed Operations Insurance:** A/E shall maintain Products and Completed Operations Insurance with a minimum coverage of $1,000,000 per occurrence and $2,000,000 aggregate.
4.11.5 **Fire and Extended Coverage Insurance:** A/E shall maintain Fire and Extended Coverage Insurance with an endorsement for vandalism and malicious mischief in A/E's name and also in the name of Town in an amount of at least 100% of the amount to be paid by Town to A/E pursuant to this Agreement.

4.11.6 **Workers' Compensation Insurance:** A/E shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of A/E's employees engaged in the performance of Services under this Agreement and shall also maintain Employer Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

5. **INDEMNIFICATION**

5.1 To the fullest extent permitted by law, A/E shall indemnify and hold harmless Town, its officers, officials and employees from and against all liabilities, damages, losses and expenses (including reasonable attorney fees and court costs), caused by, arising out of, or resulting from the negligence, recklessness or intentional wrongful conduct of the A/E, its subcontractors, employees or any other persons used by A/E or its subcontractors (hereinafter collectively "A/E") related to the Services in the performance of this Agreement. A/E's duty to indemnify and hold harmless Town, its officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of resulting therefrom, caused by A/E's negligence, recklessness or intentional wrongful conduct in the performance of this Agreement and the negligence, recklessness or intentional wrongful conduct of any person employed by A/E or used by A/E in the performance of this Agreement.

5.2 If any claim, action or proceeding is brought against Town by reason of any event that is the subject of this Agreement and or described herein, upon demand made by Town, A/E shall reasonably cooperate with Town in the Town's defense of those issues related to A/E's Services. Town shall likewise cooperate with all reasonable efforts in the handling and defense of such claim. Included in the foregoing, Town may engage its own attorney to defend or assist in its defense.

5.3 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.
6. **TERMINATION OF THIS AGREEMENT**

6.1 **Termination.** Town may, by written notice to the A/E, terminate this Agreement in whole or in part with ten (10) days' notice, either for Town's convenience or because of the failure of the A/E to fulfill his contract obligations. Upon receipt of such notice and payment of all fees and expenses due to A/E for Services performed through the date of termination, A/E shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to Town copies of all data, drawings, reports, estimates, summaries, and such other information and materials by A/E in performing this Agreement, whether completed or in process, subject to the terms of this Agreement regarding document ownership. This Agreement may be terminated in whole or in part by A/E in the event of substantial failure by Town to fulfill its obligations.

6.2 **Payment to A/E upon Termination.** If the Agreement is terminated, Town shall pay A/E for the services rendered prior thereto in accordance with percent completion at the time work is suspended minus previous payments.

7. **ASSURANCES**

7.1 **Solicitations for Subcontractors, Including Procurements of Materials and Equipment.** In all solicitations either by competitive bidding or negotiation made by A/E for Services to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by A/E of A/E's obligations under this Agreement and any regulations relative to nondiscrimination on the grounds of race, color or national origin.

7.2 **Examination of Records.** A/E agrees that duly authorized representatives of Town shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine any directly pertinent books, documents, papers, and records of A/E involving transactions related to this Agreement. Such examination of records shall be upon reasonable notice to A/E of intent to examine, and done within normal business hours at the mutual convenience of Town and A/E.

7.3 **Ownership of Document and Other Data.** The Town acknowledges the A/E's construction documents, including electronic files, as instruments of professional service. Nevertheless, the construction documents prepared under this Agreement shall become the property of the Town upon payment in full of all monies due to the A/E, or, in the event of termination, payment in full of all monies due to the A/E at the date of termination. The Town shall not reuse or make any modification to the construction documents, nor use the documents for any other purpose other than for the stated project herein, without the prior written authorization of the A/E. The Town agrees, to the fullest extent permitted by law, to indemnify and hold harmless the A/E, its officers, directors, employees and subcontractors (collectively, A/E) against any damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising from or allegedly arising from or in any way connected with the unauthorized use, reuse or modification of the construction documents by the Town or any person or entity that acquires or obtains the construction documents from or through the Town without the written authorization of the A/E. Any verification or adaptation of the documents by A/E for other purposes than contemplated herein will entitle A/E to further compensation as agreed upon between the parties.
7.4 **Litigation.** Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this Agreement, that all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party, as provided for by law.

7.5 **Independent Contractor.** This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that A/E will be an independent contractor and not Town's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Internal Revenue Code, the Immigration and Naturalization Act, Arizona revenue and taxation laws, Arizona Workers' Compensation Law, and Arizona Unemployment Insurance Law. A/E agrees that it is a separate and independent enterprise from Town, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Contract shall not be construed as creating any joint employment relationship between A/E and Town, and Town will not be liable for any obligation incurred by A/E, including but not limited to unpaid minimum wages and/or overtime premiums. [FOR SOLE PROPRIETORS ONLY: A/E shall execute the Sole Proprietor’s Waiver of Workers’ Compensation Benefits attached hereto and incorporated by reference.

7.6 **Immigration Law Compliance Warranty.** As required by A.R.S. § 41-4401, A/E hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A/E further warrants that after hiring an employee, A/E verifies the employment eligibility of the employee through the E-Verify program. If A/E uses any subcontractors in performance of the Services, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Agreement that is subject to penalties up to and including termination of the Agreement. Town at its option may terminate the Agreement after the third violation. A/E shall not be deemed in material breach of this Agreement if the A/E and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). Town retains the legal right to inspect the papers of any A/E or subcontractor employee who works on the Agreement to ensure that the A/E or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.

7.7 A/E, with regard to the work performed in accordance with this Agreement, will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status in the selection and retention of subcontractors, including procurement of materials and leases of equipment. A/E will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975 and Executive Order 2000-4.
7.8 **Exclusive Use of Services - Confidentiality.** The services agreed to be provided by A/E within this Agreement are for the exclusive use of Town and A/E shall not engage in conflict of interest nor appropriate Town work product or information for the benefit of any third parties without Town consent.

7.9 **Sole Agreement.** There are no understandings or agreements except as herein expressly stated, and as may be subsequently agreed to in writing by both parties as modifications or change orders to this Agreement.

7.10 **Caption.** Paragraph captions are for convenience only and are not to be construed as a part of this Agreement; and in no way do they define or limit the Agreement.

7.11 **Time is of the Essence.** The timely completion of the Project is of critical importance to the economic circumstances of Town.

7.12 **Notices.** Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

**TOWN:**

Town Manager  
Town of Chino Valley  
202 North State Route 89  
Chino Valley, Arizona 86323

**A/E:**

Andrew Baird, P.E.  
1129 Iron Springs Road  
Prescott, AZ 86305

The address may be changed from time to time by either party by serving notices as provided above.

7.13 **Controlling Law.** This Agreement is to be governed by the laws of the State of Arizona.

7.14 **Corporate Protection.** It is intended by the parties to this Agreement that the A/E's services in connection with the Project shall not subject the A/E's individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, the Town agrees that as the Town's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against the A/E and not against any of the A/E's individual employees, officers or directors.

7.15 **Non-Boycott of Israel.** A/E certifies that it is not currently engaged in, and agrees for the duration of this Agreement, that it will not engage in, a boycott of Israel, as that term is defined in Arizona Revised Statutes § 35-393.
8. SUSPENSION OF WORK

8.1 Order to Suspend. Town may order the A/E, in writing, to suspend all or any part of the Services for such period of time as he may determine to be appropriate for the convenience of Town. Town shall immediately pay A/E all fees and expenses for Services performed through the date of suspension.

8.2 Adjustment to Contract Fee. If the performance of all or any part of the Services is, for any unreasonable period of time, suspended or delayed by an act of Town in the administration of this Agreement, or by its failure to act within the time specified in this Agreement (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this Agreement necessarily caused by such unreasonable suspension or modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay to the extent (1) that performance was suspended or delayed for any other cause, including the fault or negligence of A/E, or (2) for which an equitable adjustment is provided for or excluded under any other provision of this Agreement. If the suspension continues for more than ninety (90) days, A/E may choose to terminate the contract without penalty.

9. INTERESTS AND BENEFITS

9.1 Interest of A/E. A/E covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. A/E further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

9.2 Interest of Town Members and Others. No officer, member or employee of Town and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

9.3 Notice Regarding A.R.S. § 38-511. This Agreement is subject to cancellation under Section 38-511, Arizona Revised Statutes.

10. ASSIGNABILITY

A/E shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of Town thereto; provided, however, that claims for money due or to become due to A/E from Town under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to Town.

IN WITNESS WHEREOF, Town and A/E have executed this Agreement as of the date first written.
TOWN OF CHINO VALLEY

By: ____________________________
    Darryl Croft, Mayor

ATTEST:

By: ____________________________
    Jami Lewis, Town Clerk

APPROVED AS TO FORM:

By: ____________________________
    Phyllis Smiley, Town Attorney
    Gust Rosenfeld P.L.C.

A/E

By: ____________________________
    Its: __________________________
EXHIBIT A
SCOPE OF WORK
FOR DESIGN-BID-BUILD PROJECT

A. GENERAL

1. The Project is generally described as follows: See Kimley-Horn Proposal Dated 6/29/17, attached to this Exhibit A.

2. A/E shall be responsible for the professional quality, technical accuracy and the coordination of all studies, reports, projections, master plans, designs, drawings, specifications and other Services furnished by A/E under this Contract. A/E shall, without additional compensation, correct or revise any errors or omissions in its studies, reports, projections, master plans, design, drawings, specifications and other Services.

3. Reserved.

4. A/E shall maintain a log of all meetings, site visits or discussions held in conjunction with the Services, with documentation of major discussion points, observations, decisions, question or comments. These shall be furnished to Town for inclusion in the overall Project documentation.

5. All Services performed under this Agreement shall be performed by or under the direct supervision of persons then licensed in the State of Arizona to perform these Services. The name of each such licensed individual shall be listed on the title sheet of the Plans and Specifications.

6. All designs and specifications prepared by A/E shall comply with applicable engineering and design standards, including the Americans with Disabilities Act, as determined by permitting agencies.

7. If A/E provides defective, incomplete, unclear, or uncoordinated documents in preparing the specifications and contract documents, all costs of responding to any protest or appeal or of any necessary rebidding will be borne by A/E.

8. Time is of the essence in this contract.
See Kimley-Horn Proposal, dated 6/29/2017, attached to this Exhibit A

B. PRE-DESIGN PHASE

C. DESIGN PHASE

D. BIDDING PHASE

E. CONSTRUCTION PHASE

F. POST CONSTRUCTION PHASE
June 29, 2017

Mr. Michael Bovée
Wastewater Treatment Plant Operations
Town of Chino Valley
1982 Vos Drive, #202
Chino Valley, Arizona 86323

Re: Chino Valley Water Reclamation Facility
   Solids Drying Beds Design

Dear Mr. Bovée:

Kimley-Horn and Associates, Inc. ("Kimley-Horn" or "Consultant") is pleased to submit this proposal to the Town of Chino Valley to provide professional engineering services for the addition of Solids Drying Beds at the Chino Valley Water Reclamation Facility. Our project understanding, scope of services, schedule and fees are detailed below.

PROJECT UNDERSTANDING
Kimley-Horn has been asked to complete the design for the addition of dedicated solids drying beds at the existing wastewater facility. The new concrete drying beds would be primarily utilized for maintenance operations to include dewatering of solids removed during high pressure water jet rodding of the gravity sewer pipelines and sewer lift station vacuum extracted (Vac) solids. The design of the sludge drying beds will allow for the dewatered liquid to route to the wastewater headworks for processing through the treatment facility.

We understand that the current operation for solids handling includes the use of the existing Aero-Mod belt filter press for dewatering, with removed solids disposed in the regional landfill. Therefore, our approach would be to closely work with the Town of Chino Valley staff to develop the overall footprint and location to support continued operations, as well as to ensure uninterrupted service is maintained during potential construction activity. Since this addition does not affect or impact the current wastewater treatment process, we anticipate coordination with Arizona Department of Environmental Quality (ADEQ) will only be related to Maintenance Improvements, and no amendment to the current Aquifer Protection Permit (APP) will be required.

SCOPE OF SERVICES
Kimley-Horn will provide the services specifically set forth below.

TASK 1 – DESIGN AND CONSTRUCTION DOCUMENTS

Task 1.1 – Design/Construction Drawings and Estimate. Kimley-Horn will prepare Final Construction Documents for the addition of new concrete solids/sludge drying beds. The
completion of this task assumes two submittals of Plans and Engineer’s Construction Cost Estimate (60%, 100%) including one Town review.

Each submittal will include the following:

- Cover Sheet/Notes (1)
- Site Plan (1)
- Detail Sheet (1)
- Engineers Estimate of Probable Cost

Task 1.2 – Agency Coordination. This task includes effort related to coordination with ADEQ for the addition of solids drying beds at the existing wastewater treatment facility.

Services Not Included and Assumptions
Any other services, including but not limited to the following, are not included in this Agreement but can be added through a contract modification or by a cost-plus basis as outlined in Additional Services below:

- Additional submittals
- Data collection
- Survey
- Geotechnical investigation

Additional Services
Any services not specifically provided for in the above scope will be billed as additional services and performed at our then current hourly rates. Additional services we can provide include, but are not limited to, the following: preliminary design, final design of proposed system, survey, value engineering, booster and tank design, well design, electrical engineering, and roadway reconstruction.

Information Provided By Client
We shall be entitled to rely on the completeness and accuracy of all information provided by the Client or the Client’s consultants or representatives. The Client shall provide all information requested by Kimley-Horn during the project, including but not limited to the following: record drawings, and history of site performance. Some of this information has already been provided to Kimley-Horn.

Schedule
We will provide our services as expeditiously as practicable with the goal of providing the Preliminary Design within 2 months of Notice to Proceed (NTP) and the Final Construction Documents within 3 months of NTP. This schedule can be modified based on the Town’s
requirements, and interaction and close coordination with the wastewater operations staff will be required.

**Fee and Expenses**

Kimley-Horn will perform the services in Task 1 for the lump sum fee below. Individual task amounts are informational only. In addition to the lump sum fee, direct reimbursable expenses are included below. Any additional expenses incurred by Kimley-Horn during the project not listed below will be billed directly to the client at cost.

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1</td>
<td>Final Construction Documents</td>
<td>$8,500.00</td>
</tr>
<tr>
<td>Estimated Expenses</td>
<td></td>
<td>$400.00</td>
</tr>
<tr>
<td>Total Lump Sum Fee</td>
<td></td>
<td>$8,900.00</td>
</tr>
</tbody>
</table>

Lump sum fees will be invoiced monthly based upon the overall percentage of services performed. Reimbursable expenses will be invoiced based upon expenses incurred. Payment will be due within 30 days of your receipt of the invoice and should include the invoice number and Kimley-Horn project number.

**Closure**

We appreciate the opportunity to provide these services to you. Please contact me if you have any questions.

Very truly yours,

KIMLEY-HORN AND ASSOCIATES, INC.

By: Andrew Baird, PE  
Project Manager

By: Ray Montoya, PE  
Wastewater Project Manager
EXHIBIT B
A/E’S KEY PERSONNEL AND SUBCONSULTANTS

KEY PERSONNEL:

SUBCONSULTANTS:
EXHIBIT C
SCHEDULE OF SERVICES

See Kimley-Horn’s proposal dated 6/29/2017, attached to Exhibit A
EXHIBIT D
PAYMENT SCHEDULE

A. Compensation

1. The consideration of payment to A/E, as provided herein shall be in full compensation for all of A/E’s work incurred in the performance hereof, including offices, travel, per diem or any other direct or indirect expenses incident to providing the services.

2. Attached hereto as Exhibit D-1 is the A/E’s hours and fee estimate for the Project. A/E’s fee shall not exceed the amounts:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
</table>

See Kimley-Horn’s proposal dated 6/29/2017, attached to Exhibit A

B. Method of Payment

Invoices shall be on a form and in the format provided by Town and are to be submitted in triplicate to Town via Town’s authorized representative. Payment shall be made within thirty (30) days of the date of the invoice. If payment in full is not received by the A/E within forty-five (45) calendar days of the due date, invoices shall bear interest at one-and-one-half (1.5) percent (or the maximum rate allowable by law, whichever is less) of the PAST DUE amount per month, which shall be calculated from the invoice due date. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal.

If the Town objects to any portion of an invoice, the Town shall so notify the A/E in writing within five (5) calendar days of receipt of the invoice. The Town shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with the other payment terms of this Agreement. Interest as stated above shall be paid by the Town on all disputed invoice amounts that are subsequently resolved in the A/E’s favor and shall be calculated on the unpaid balance from the due date of the invoice.

C. Reimbursable Costs (See Kimley-Horn’s proposal dated 6/29/2017)
EXHIBIT E
CHANGE ORDER

CHANGE ORDER NO. _____

Distribution: TOWN [ ]
A/E [ ]
OTHER [ ]

PROJECT: ___________________________
OWNER: Town of Chino Valley
A/E: ___________________________
AGREEMENT DATED: ____________

DATE: ___________________________

CHANGES: The Agreement is changed as follows:

Not valid until signed by both Town and A/E.
Signature of A/E indicates acceptance.

The original compensation was ____________________________

Net change by previously authorized Change Orders ____________________________

The compensation prior to this Change Order was ____________________________

The compensation will be increased by this Change Order in the amount of ____________________________

The new compensation under the Agreement including this Change Order will be ____________________________

The Contract Time will increase by ____________________________

ACCEPTANCE STATUS:

A/E ____________________________
By ____________________________
Date ____________________________

Town of Chino Valley ____________________________
By ____________________________
Date ____________________________
AGENDA ITEM TITLE:
Consideration and possible action to approve; (1) the Leasing Services Proposal from NB: AZ Public Financial Services, a Division of Zions First National Bank and Affiliate of National Bank of Arizona; (2) Lease/Purchase Agreement with ZB, N.A., in an amount up to $825,000; and (3) Resolution No. 17-1110 authorizing the Mayor to execute the Agreement and all related documents necessary to the consummation of the transactions contemplated by the Agreement, all related to purchase of up to 8 police cars and potential purchase of certain public works equipment/vehicles. (Joe Duffy, Finance Director)

RECOMMENDED ACTION:
Motion to approve: (1) Leasing Services Proposal from NB: AZ Public Financial Services; (2) Lease/Purchase Agreement with ZB, N.A., in an amount up to $825,000; and (3) approve Resolution No. 17-1110.

SITUATION AND ANALYSIS:
The Town of Chino Valley issued a Request for Proposal for Leasing Services. One response to the RFP were received.

It is staff recommendation to award the contract to NB AZ Public Financial Services, a Division of Zions First National Bank and Affiliate of National Bank of Arizona and enter into the Lease/Purchase Agreement with ZB, N.A. .

The funding will be used to acquire the equipment detailing in the adopted budget for fiscal year 2017/2018.

Council will approve the acquisition of each individual piece of equipment and purchase agreements for each item separately from this Leasing Services Agreement. The Town will finance the acquisitions for 5 years at 1.78% interest pursuant to this Leasing Services Agreement.
Fiscal Impact

Fiscal Impact?: Yes
If Yes, Budget Code: Various
Available: $825,000
Funding Source:
The Town Budgeted for the acquisition of various pieces of equipment through lease purchase.

Attachments

NB Proposal
Equipment List
Resolution 17-1110
July 6, 2017

Town of Chino Valley, Arizona
Mayor and Councilmembers
202 N. State Route 89
Chino Valley, Arizona 86323

Re: Notice and Request for Proposals- Lease Purchase Financing

Dear Mayor and Councilmembers:

On behalf of NB I AZ Public Financial Services, a Division of ZB, N.A. and an Affiliate of National Bank of Arizona, we are pleased to respond to your request for financing. Our corporation enjoys an excellent reputation in the financing industry and is one of the premier lending institutions in the Western United States. We have been particularly efficient in providing financing solutions for local governments in Arizona. We have the capacity and experience to meet your financing needs.

Lender Information:

Arizona Contact:

Lee Davis, Managing Director
NB I AZ Public Financial Services
A Division of ZB, N.A.
1119 West Southern Avenue
Mesa, Arizona 85210
Lee.davis@nbarizona.com
480.756.7122 (office)
602.402.8202 (cellular)

Purchaser:

ZB, N.A., Member FDIC
One South Main Street, Ste. 1700
Salt Lake City, Utah 84133
Equipment Lease Purchase Financing - Proposal Structure:

<table>
<thead>
<tr>
<th>Purpose:</th>
<th>To finance the cost of acquiring equipment and vehicles.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure:</td>
<td>Equipment Lease Purchase amortized over 5-years at 1.78%</td>
</tr>
<tr>
<td>Amount:</td>
<td>Approx. $825,000.00</td>
</tr>
<tr>
<td>Termination Fee:</td>
<td>No pre-payment penalty for partial or full early payoff</td>
</tr>
<tr>
<td>Payments:</td>
<td>Quarterly, as shown on the attached sample debt service</td>
</tr>
<tr>
<td></td>
<td>schedule using an estimated July 15th contract date.</td>
</tr>
<tr>
<td>Origination Fee:</td>
<td>None</td>
</tr>
</tbody>
</table>

Requirements: Town and Lender shall review and execute documents provided by ZB, N.A. (sample document enclosed).


Zions Bancorporation, founded in 1873, is one of the nation's premier financial service companies with total assets exceeding $65 billion. Zions operates under local management teams and distinct brands in 11 western states: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, Washington and Wyoming. The company is a national leader in Small Business Administration lending and public finance advisory services, and is a consistent top recipient of Greenwich Excellence awards in banking. In addition, Zions is included in the S&P 500 and NASDAQ Financial 100 indices. Zions employs over 9,000 within the corporate footprint. A copy of the corporation's annual report is available via its website.

National Bank of Arizona, commonly know as “NB|AZ”, has offices and branches located in more than 50 Arizona communities, including the Town of Chino Valley. The bank currently has approximately 625 Arizona employees.

Over the past 5-years, NB|AZ Public Financial Services has financed over 100 Arizona municipal projects including the following for the Town of Chino Valley:

- **September 2014:** $714,963.04 Equipment Lease for various vehicles and equipment.
- **May 2016:** $3,346,000 Pledged Revenue Refunding Obligation to refund existing Excise Tax Revenue Bonds.

We would offer the following references of municipal finance clients having provided similar funding solutions during this calendar year:
Town of Snowflake, Arizona
Brian Richards, Finance Director
(928) 536-7103
brian@ci.snowflake.az.us

City of Bisbee, Arizona
Keri Bagley, Finance Director
(520) 432-6008
kbagley@cityofbisbee.com

Timber Mesa Fire District
Carol Lewis, Administrative Manager
(928) 537-5100
clewis@timbermesafire.org

If you should have any questions or would like to discuss in further details, please call.

Sincerely,

Lee Davis
Managing Director
## Town of Chino Valley
### Capital Equipment Lease Purchase Summary
#### Fiscal Year 2017/2018 Budget

<table>
<thead>
<tr>
<th>Department</th>
<th>Equipment</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>Police Cars (up to 8)</td>
<td>$400,000</td>
</tr>
<tr>
<td>Roads</td>
<td>Backhoe</td>
<td>$120,000</td>
</tr>
<tr>
<td>Roads</td>
<td>Enclosed Mower</td>
<td>$100,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>Service Truck</td>
<td>$45,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>F650 Dump Truck</td>
<td>$65,000</td>
</tr>
<tr>
<td>Parks</td>
<td>Mowers</td>
<td>$60,000</td>
</tr>
<tr>
<td>Facilities</td>
<td>Maintenance Van - Library</td>
<td>$35,000</td>
</tr>
</tbody>
</table>

**Total** $825,000
RESOLUTION NO. 17-1110

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, ARIZONA, APPROVING THE TERMS AND FORM OF THE LEASE PURCHASE AGREEMENT WITH ZB, N.A. AND AUTHORIZING ALL ACTIONS NECESSARY TO EXECUTE THE AGREEMENT

WHEREAS, the Town Council of the Town of Chino Valley has determined that the Town is in need of several vehicles and equipment and that in order to purchase said vehicles and equipment, a lease purchase agreement is the most financially viable means of acquisition and payment; and

WHEREAS, pursuant to its Procurement Policies, the Town issued its Request for Proposals for Lease Purchase Financing Services with a closing date of June 29, 2017; and

WHEREAS, based on the evaluation standards set forth in the Request for Proposals, the Town Council has determined NB/AZ to be the successful proposer; and

WHEREAS, pursuant to the proposal by NB/AZ, the Lease/Purchase Agreement is between ZB, N.A., as Lessor and the Town of Chino Valley, as Lessee; and

WHEREAS, the Town Council has reviewed the Lease/Purchase Agreement (the “Agreement”) with ZB, N.A., attached hereto as Exhibit 1, and has found the terms and conditions set forth therein to be acceptable to the Town,

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of Chino Valley, County of Yavapai, Arizona, that

1. The terms of the Agreement are in the best interests of the Town for leasing the vehicles and equipment described therein; and

2. The Mayor is hereby authorized to execute and deliver the Agreement and any related documents necessary to the consummation of the transactions contemplated by the Agreement for and on behalf of the Town; and

3. The officers of the Town are hereby authorized and directed to fulfill all obligations set forth in the terms of the Agreement.
PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 8th day of August, 2017.

Darryl Croft, Mayor

ATTEST:

______________________________
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

______________________________
Phyllis Smiley, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 17-1110 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on August 8, 2017, and that quorum was present thereat and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

______________________________
Jami C. Lewis, Town Clerk

The following exhibits are attached hereto and incorporated herein:
1. Lease/Purchase Agreement