1) CALL TO ORDER; ROLL CALL

Mayor Croft called the meeting to order at 6:00 p.m.

2) Consideration and discussion regarding capital projects for Fiscal Year 2019/2020. (Joe Duffy, Finance Director)

Director Duffy presented town facilities needs:

- **Facilities study**: A Facilities Committee had been meeting over the last year and a half to review future facility needs for the Town. Most facilities were currently cramped with equipment and staff. Issues included different departments sharing buildings, administrative staff split between two locations, small working spaces, non-compliance with ADA regulations and safety matters.

- **Proposed changes**: The first facility that should be addressed was the Police Department, which was undersized and ADA non-compliant. Staff’s recommendation was that of a new police facility on the South Campus and Town Hall would move into the remodeled Police facility. Human Resources would move into the remodeled Police evidence building. Several years out, the Public Works building would be remodeled and two to three employees would move to the Town Hall building. The Court would relocate to the current Town Hall facility.

- **Funding**: There would need to be enough funding to cover both the new Police facility and the remodeled old police facility/Town Hall. He recommended putting money aside for the remodel to cover the cost directly with cash and borrow the money for the construction of the Police facility, but pay cash for the design phase. The Human Resources relocation would be a small project that could be paid for out of pocket.
Chief Wynn presented more details on problems with the Police Department facility:

- **Space and split resources:** The Police outgrew their 4,000 square foot facilities approximately 15-years ago. Evidence storage took up 2/3 of the space as well as additional storage sheds and Conex boxes. Police staff was split between two buildings.
- **Serious privacy issues:** There was nowhere to have a private conversation. Meetings, debriefings and interviews often had to happen offsite or in the Police parking lot. The lobby was very small and they could serve no more than one citizen at a time. There were no public restrooms and people had to be escorted into the secured door. Victims had no privacy when being interviewed and people in the lobby could overhear the conversations. The holding cell did not allow the separation of men and women. People often had to be held in interview rooms or patrol cars to provide the required separation.
- **Location:** The facility was located in a residential area away from the center of Town. The highway location would provide much better response times. Accreditation was not obtainable in the current facility. Accreditation was a set of national standards based on the size of the department.
- **Health and safety:** The same tables were used for processing unsanitary evidence and eating. There was also no separation of rooms for people working and those on break, causing constant distractions. There was not a properly secured sally port.
- **Current needs:** What they needed included appropriate restrooms with showers and changing areas, larger lobby to serve at least two citizens at the same time, industry-standard holding cells, proper break room, community meeting and staff training room, all staff under one roof, and a secure sally port area.

Mr. Duffy continued to present information on a new police facility:

- **Procurement:** The Public Safety Committee and town attorney recommended using Construction Management at Risk (CMAR) for the procurement process. This would take about two years to design, bid, and build the facility, and an additional year to remodel the old police facility.
- **Costs:** Staff did not know the cost of building a new facility, so the idea was to put out a Request for Proposals for CMAR to hire a designer and ask for previous experience and costs of the construction to get some ballpark figures. It would cost $3.5 to $5 million or more and staff expected there would be several local and out of town firms responding to the RFP.
- **Funding:** Pay for design with Capital Improvement money. With low interest rates of 4%, the payments would be approximately between $224,000 and $320,000. There were currently interest rates as low as 2%, which was a good time to borrow money. The Town could afford the payment for a 25-year loan.

Council and Staff discussed the following:

- **Need:** Council generally agreed that the Police Department had legitimate needs.
- **Lack of funds for roads:** Council expressed concerns about the lack of funds to properly care for the roads and the fact that any borrowed money needed to be paid back. One suggestion was to borrow funds and split them equally for roads and buildings, or put the same amount from other funding sources into roads. Mr. Duffy explained that loans for roads were typically for major rebuilds, such as Road 2 North, that would last 20 years. It was not advisable for chip sealing or overlays, since payments would be made for 20 years on projects that would only last seven.
- **Construction costs:** Council noted that construction costs were high and the Town’s ability
to make the payment assumed the economy would not change. It would be nice if the Town could take advantage of the low interest rate. The Public Safety Subcommittee and other councilmembers wanted a tighter cost estimate for new facility construction. The Town could pursue the design RFP to determine that.

- **Funding:** Mr. Duffy stated that municipalities often borrowed money to pay for large-scale, long-term construction projects. He believed that even with an economic downturn, the Town could make the payment. Based on the current fiscal condition, the projected payments for a facility would be about half of each year’s rollover amount. The other half could go toward roads. Mr. Duffy related that USDA had a grant program. Staff would look into that. Council asked about other procurement methods. Mr. Duffy stated that the federal government does a leaseback program in which a private developer builds a facility and leases it to the government. At the end of the term, the building reverted to the government. The net cost to the Town would be more but the annual cost may be less.

- **Facility:** The Police Department had never had appropriate space. The size range could be from approximately 12,000 square feet to 25,000 square feet. A two-story building could provide the necessary privacy, public space, and training space for many years.

- **Transferring Police Department to County:** This idea had been discussed several years ago and the public did not support it. Chief Wynn stated that the Town already partnered with the County on dispatch, records management, and computers. While county response time to the Town was 20-30-minutes, the local Police response time was three minutes.

- **Construction Management RFP:** Mr. Duffy recommended that Staff put together the construction management RFP for the Council agenda, which would help determine the construction cost of the facility. Public Works Director Marbury stated that he will check on process for a CMAR RFP.

Council recommended that staff bring the RFP to the next Council meeting for consideration.

Mr. Duffy spoke about the next Capital Improvement Projects on the list:

- **Old Home Manor:** Several development ideas had been discussed, with funding coming from Capital Improvement funds:
  - Spec building - $600,000 minimum
  - Lot development - $700,000 minimum
  - Gas line - $700,000 minimum
  - Fiber Optics - $100,000
- **Pay down debt:** Paying down the Town’s last line of credit in the amount of $500,000, related to police vehicles and equipment would save the Town approximately $17,000 in interest and free up $173,000 in cash each year that could be used to pay cash for items like new police cars and general government equipment.
- **Infrastructure:** Public Works had several road projects and water and sewer extension projects.

Council and Staff discussed Old Home Manor (OHM) in greater detail:

- **Previous discussions:** Council had discussed different development ideas for the OHM area including a large spec building, smaller buildings, and recruiting a large manufacturing company, but a general consensus was necessary to move forward.
- **Utility Subcommittee recommendation:** Utility Subcommittee members stated that they had discussed moving forward with the sewer and water extension, but their recommendation never came to Council. The Subcommittee thought it was feasible to put in the infrastructure for four to six lots that could then be developed by interested parties.
Current plans: Mr. Duffy stated that the Town had the money budgeted to start infrastructure development. Monument signs were in the budget, as was asphalt. Staff needed to provide a step-by-step plan along with the cost for development, but they needed to know about the next step. Staff provided an overview of where gas lines, fiber optics, water, and sewer lines were currently installed near OHM.

Councilmember visions: Council members each expressed their future vision for OHM. Ideas given were: attracting core employers like a large manufacturer to bring jobs and money; focus on economic development since the property tax failed; budget $1 million dollars to develop road, curb, and utilities at six different buildable lots; need to research land disposition options with regard to leasing or selling, and returns on investment; having something for developers to see and attracting a subcontractor for a major manufacturer; putting in core utilities, but not subdivide lots prior to development; needing more than dirt; and putting in RV park.

Council preferred to focus on sewer and water, gas, fiber optic, signs, roads, and identify plots for development. They requested that staff:

- Provide infrastructure numbers to present to Council for approval.
- Research return on investment before putting too much money into OHM.

Frank Marbury presented on East and West Road 2 North:

- **East Road 2 North:** The Roads and Streets Committee recommended concentrating roadwork based on traffic and perceived needs. The road best meeting that criteria was Road 2 North, from State Route 89 to Road 1 East, the busiest road in Town with 7,000 trips per day.
- **Studies:** A recent traffic study recommended two travel lanes and a turn lane. The 2007 transportation study recommended a multi-use path on one side to connect the Peavine Trail to Del Rio School and would loop in the Community Center and Territorial School.
- **Design:** Design would take one year to 18 months and could include some right of way and utility design. Code required a 100-foot right of way but he recommended the three-lane section be done with 80 feet.
- **Costs:** Underground utilities would be possible at an estimated cost of at least $750,000. The cost of moving the current poles was unknown and would need to be researched. Staff estimated drainage costs at $600,000. Construction was estimated at $2 million. The pavement needed to be replaced even if the road was not widened. The total staff estimated cost was $3.2 million. If money was to be borrowed for a project, this one would be a good rate of return.
- **West Road 2 North:** This project would mainly extend utilities from Walgreens to Del Rio School. Estimated total cost was $4.6 million. The cost included utilities and three lane streets. If some of the planned apartments were built and the zoned 180 acres were split and developed in the future, the prospective connection fees could bring in approximately $11 million.

Council and Staff discussed the Road 2 North project in more detail:

- **Development:** Currently, traffic on West Road 2 North was about 4,000, but there was a potential for three large developments.
- **Concern:** Council commented that the post office area was dangerous. Mr. Marbury stated that unfortunately, the traffic study had no remedy for problems with the Safeway/Post
Office driveways.

- **First Steps:** Mr. Marbury related that he would prefer to develop the scope of work for the project with a 15% design concept. A design consultant would be needed to determine the estimated cost of construction.
- **Impact fees:** Staff stated that this was an option to help pay for road improvements and the entire Town could be considered an impact zone for Road 2 North, but there were a lot more rules now than there were several years ago. It was a long process.

Mr. Duffy reported on the debt paydown option. If all the Town did was Old Home Manor, they would not spend it all in the same budget year. Paying off the debt would save only $17,000 total in interest, but would free up approximately $150,000-$175,000 to purchase two police vehicles and one or two other vehicles as needed with cash from this point forward.

Council members believed this was a good idea.

Council and Staff discussed the project options and costs:

- Council preferred to get some cost estimates done for the Police Department, East and West Road 2 North, and OHM.
- Council wanted the OHM numbers soon. Mr. Marbury stated he could possibly provide a proposal in October of what it would take to get a 15% design number for OHM and Road 2 North.
- Council wanted more information on impact fees at a future study session.

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**3) Consideration and discussion regarding a proposal for possible utility extensions in various sections of town. (Frank Marbury, Public Works Director/Town Engineer)**

Director Marbury presented on potential project areas near current utility lines between Road 2 North and Perkinsville that were seeing development now:

- These projects would be paid from enterprise funds.
- East Perkinsville came before the Council during a recent call to the public. Staff had received an estimate from a Contractor that was high and was double the staff’s estimate. Staff would have to break negotiations with the current contractor before pursuing other estimates or bids. The public procurement process would take up to three months.
- Homeowners needed an answer to move forward with their home building. Four homes were under construction on Smith Court, but the contractor’s estimates were triple Staff’s estimate. If staff started over, it would be six months.

Council and Staff discussed this matter in more detail:

- The Town’s goal had been to get more homes on Town utilities and the recharge system, but most felt that if the Town was not ready, it was not fair to hold people up.
- Council discussed the problem with lot splits and connecting to utilities that were not located there already. They need to develop guidelines for the future.
- Staff explained that through Town Code, the Town had the authority to require connecting to Town utilities on anything similar to a subdivision.
- Council questioned enacting a moratorium on lot splits until the Town was prepared for the development. Development Services Director Cook explained that a lot of these issues were arising because of the Unified Development Ordinance’s definition of public way. The Code would need to be changed to deal with that issue. The UDO Subcommittee could get a
code change within three months. This would still allow lot splits, but would require 100 feet of frontage for each lot and as well as a road.

Council preferred that Smith Court and Perkinsville be able to move forward with private wells and sceptics, and Mr. Cook and Mr. Marbury will work on new language for public way and bring it back as soon as possible.

4) ADJOURNMENT

MOVED by Vice-Mayor Jack Miller, seconded by Mayor Darryl Croft to adjourn the meeting at 7:35 p.m.

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

7 - 0 PASSED - Unanimously

ATTEST:

Darryl L. Croft, Mayor

Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 17th day of September, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of October, 2019.

Jami C. Lewis, Town Clerk