

**MINUTES
COUNCIL HEARS PLANNING & ZONING MATTERS
MAYOR AND COUNCIL
COUNCIL CHAMBERS
WEDNESDAY, JUNE 27, 2012
6:30 P.M.**

**Minutes are a summary of the actions taken. They are not verbatim.
Public input is placed after Council motions to facilitate future research.
Public input, where appropriate, is heard prior to the motion**

1. Call to Order

The meeting was called to order at 6:30 p.m.

2. Roll Call

Mayor Burnside, Vice Mayor Kovacovich, Councilors George (via telephone), Baker and Jones were present; Councilors Whatley and German were absent.

Also Present: Town Manager Russ Martin, Public Works Director Ron Long, Community Development Director Mike Jenkins, and Recording Secretary Margaret Harper.

3. Pledge of Allegiance

The Pledge was led by Baker.

4. Consent Agenda – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) Approval of the Minutes:

1) Work Session – June 13, 2012

b) Set Next Meeting, Date and Time:

1) July 4, 2012 at 6:30 p.m. – Regular Session – **CANCELLED**

2) July 18, 2012 at 6:00 p.m. – Special Session – Budget

3) July 18, 2012 at 6:30 p.m. – Regular Session

4) July 25, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters

On a motion by Kovacovich, seconded by Baker, the Consent Agenda was unanimously approved as presented.

5. Council Informational Reports

There were no Council informational reports.

6. Call to the Public for items not on the agenda.

(Comments from the following individual are summarized.)

Beverly Reidl spoke regarding her ongoing complaint with the Planning & Zoning Commission and the home that was placed at Queens and Olive. She said she had brought some information from the International Association of Certified Home Inspectors, entitled, "Modular vs. Manufactured Homes." Ms. Reidl said that the only explanation she gets from Planning & Zoning regarding a modular home is that "it is built according to the International Residential Building Code." She cited detailed information from the material she brought to support her claim that the home in question is a manufactured home as opposed to a modular home, pointing out the difference between the two, including the permit processes. *(Following the information Ms. Reidl had shared, Mayor Burnside requested that she leave a copy of that material with Town staff.)*

There was no further public input.

7. Discussion, consideration, and possible award of bid and authorization to execute the contract documents for the Hollammon Street Improvement Project, Community Development Block Grant #100-11.

Staff Resource: Ron Long

On a motion by Jones, seconded by Burnside, the Council unanimously awarded the bid and authorization to execute the contract documents for the Hollamon Street Improvement Project, Community Development Block Grant No. 100-11 CDBG, in the amount of \$299,184.24 between the Town of Camp Verde and McDonald Bros. Construction, the second lowest responsive bidder, due to the issues and complaints filed against the R.K. Sanders Construction with the Registrar of Contractors.

Town Manager Martin first reminded the Council that with only five members participating in the meeting, pursuant to the Rules of Procedure, item it will be necessary to have four votes in order to take action on any item.

Public Works Director Ron Long announced that sealed bids were opened yesterday for the subject project; the apparent low bidder was R.K. Sanders, Inc., from Phoenix, Arizona. The next lowest bidder was McDonald Bros. Construction. Information regarding the low bidder has been included in the agenda packet; they meet all the necessary bid requirements. The State Board of Contractors has provided other documentation of interest as well, which may be discussed later.

The Council discussed with Long the question of possibly being able to favor a local contractor on the basis of closeness of bids, and other issues that could apply, since there are some complaints regarding the lowest bidder on this project. Long said that when it is a sealed bid, using Federal dollars, the mandate in Arizona Revised Statutes is that the bid should be awarded to the "lowest, most responsive, and responsible bidder." The Town does reserve the right to question their ability to do the job. Long outlined the qualifications that are reviewed, including whether they are properly licensed to do the work, and have not been barred by the State from bidding, for example. This bidder, R.K. Sanders, does have some lesser issues regarding some open and closed cases with the State Board of Contractors. Long noted that the difference in the two bids was approximately \$2,800, or a 1% difference. As for any prior resolution allowing favoring a local contractor, Long pointed out that the Council can always weigh the facts to make a decision on which contractor to select; he confirmed that the second bidder does not have any of the issues that are against the lowest bidder, and that staff is somewhat concerned about using a contractor with those issues. Long said that he feels Council needs to consider whether the problems noted are of enough concern to go to the next lowest bidder. As for the possibility of opening up further problems by selecting the local bidder over the low bidder, Long noted that there is a 10 calendar day period within which to protest that choice, and there will have to be an explanation of why the low bidder was turned down. He added that there is no strong evidence that they had done anything illegal, but there is evidence that shows that there have been issues on their jobs with their subcontractors, making payments to subs and for materials, enough to make the Association of General Contractors list of cases; eight cases in four years. In response to a further question, Long replied that the lowest bidder would only be buying materials locally, whereas the local contractor would be using all resources located in the Verde Valley.

In further discussion with Long, with input from Adm. Asst. Deborah Ranney, the Council was informed that the complaints consist of four open complaints and four closed ones. Sanders has been requested to provide additional documentation on the four open complaints; he stated that he has settled two of them. All of the complaints were for nonpayment. Long described the work involved in the subject project, estimating that two to three subcontractors might be used. Long added that Sanders has a General Commercial license, C-1, and is qualified to do all the work, including concrete and asphalt. Burnside cautioned the Council that even though there is a local contractor that has bid the job, at all times it is necessary to follow the protocol, making sure to check the evidence and the data presented in determining whether this is the best qualified bidder. Burnside reviewed the history of the low bidder that included a revocation of a license, with a new license issued in 2007; in that last period he has incurred eight complaints that are shown. In response to a question, Ranney confirmed that the top three bidders have submitted sufficient documentation to meet the criteria. Long described the process of opening the bids and confirming the necessary qualifications, which was done; however, he asked if the Council was comfortable with awarding a bid to a contractor that has the record discussed. Referring again

to the complaints, and agencies' references that were submitted, Ranney said that she had made further inquiries, and she has been informed that there also had been administrative issues in following up and watching the progress of the work. Long confirmed that the top bidder was the only one of all of them who had had any complaints.

The Council members discussed further the concern regarding the complaints lodged against the low bidder. Burnside recommended that the R.K. Sanders bid not be accepted due to the complaints shown on the Registrar of Contractors list; McDonald Bros. are next in line on the dollar amount, have had no complaints, and have fulfilled all other requirements, as had Ganem Companies as well. Burnside recommended that McDonald Bros. be selected. The threat of a lawsuit should not be a deterrent; everyone has the right to protest, and they should also have the right to not incur violations in doing their job as general contractors. Kovacovich said he would agree, if the complaints are substantial enough to back up such a decision, but would not want to delay the award awaiting further information. Ranney said that all of the eight complaints were for non-payment to subcontractors and a material supplier. George said he would be willing to go with an award to McDonald Bros. Baker agreed with the Mayor, preferring to go with the next lowest bidder, and referring to the number of complaints that had been discussed, as well as the possibility of the administrative issues being of importance with a CDGG grant. Jones also agreed.

8. **Public Hearing, followed by discussion, consideration, and possible approval of Ordinance 2012-A384, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona: a Text Amendment to the Town of Camp Verde Planning & Zoning Ordinance Part 2, Section 203 (Use Districts), 203.G (C2), 203.H (C3), 203.J (M1), and 203.K (M2). This amendment will add language under "Permitted Uses and Structures" to include microbreweries and wineries** Staff Resource: Mike Jenkins
On a motion by Burnside, seconded by Jones, the Council unanimously approved the amendments to the Planning Ordinance to include as a Permitted Use Microbreweries and Wineries in the C2, C3, M1 and M2 Zoning Districts with the following restrictions:

C2 District:All such manufacturing and processing activity shall be conducted within a completely enclosed building along with all materials used for manufacture-processing; products ready for shipping must be stored within a closed building. A microbrewery in the C2 District may process and produce up to 150,000 U.S. gallons of beer per year. A winery in the C2 District may process and produce up to 18,000 U.S. gallons of wine per year. **C3 District:** All such manufacturing and processing activity shall be conducted within a completely enclosed building along with all materials used for the manufacture-processing; products ready for shipping must be stored within a closed building. A microbrewery in the C3 District may process and produce up to 300,000 U.S. gallons of beer per year. A winery in the C3 District may process and produce up to 36,000 U.S. gallons of wine per year. **M1 and M2 Districts:** Microbreweries or wineries for the manufacture and processing of beer or wine respectively for wholesale distribution, which creates the approval of the Ordinance 2012-A384.

Community Development Director Mike Jenkins said that at the Planning & Zoning Commission meeting of June 7, 2012, the Commission unanimously recommended to approve the subject text changes. The changes, under each of the zoning Districts, will add the permitted use of microbreweries and wineries for the manufacturing and processing of beer and wine, respectively, for on-site consumption or wholesale distribution. Jenkins outlined and explained the limitations imposed in each District, and reviewed the research staff has done regarding how other communities have handled allowing microbreweries and wineries. Jenkins said he believes, together with the Economic Development Director, that it is time to allow something like this within the community. With little further discussion, Council took action, concurring with the recommendation of the Planning & Zoning Commission.

- 8.a **DISCUSSION, CONSIDERATION AND POSSIBLE SELECTION OF TWO CANDIDATES WHO ARE SEEKING ELECTION TO THE ARIZONA MUNICIPAL RISK RETENTION POOL BOARD OF TRUSTEES TO FILL TWO, FOUR-YEAR TERMS THAT EXPIRE IN 2016 AND AUTHORIZATION FOR THE MANAGER (COUNCIL APPOINTED DESIGNATED VOTING REPRESENTATIVE) TO COMPLETE THE CORRESPONDING 2012**

TRUSTEE BALLOT BASED ON COUNCIL'S SELECTION. CANDIDATES IN RANDOM ORDER INCLUDE: KAREN DAINES, CITY OF SEDONA, JESUS "RUDY" RODRIQUEZ CITY OF COTTONWOOD, JACKIE WALKER, CITY OF KINGMAN, JEAN POE, TOWN OF BUCKEYE, TERRY A. MCDONALD, CITY OF EL MIRAGE, AND ALLEN MUMA, TOWN OF JEROME. Staff Resource: Russ Martin.

Staff was directed to vote for Candidates Jesus "Rudy" Rodriguez, City of Cottonwood, and Jean Poe, Town of Buckeye to complete the 2012 Trustee Ballot for election to the Arizona Municipal Risk Retention Pool Board of Trustees.

Martin referred to the six candidates, three of whom are with communities within the Verde Valley; he said he has no particular recommendation, and is looking for direction from the Council. In response to a request from Burnside, Councilor Baker shared her personal knowledge of the excellent qualifications of the candidates from Cottonwood and the Town of Buckeye, Jesus Rodriguez and Jean Poe, and recommended that the Manager vote for those two. After further discussion, there was unanimous agreement to follow the recommendation of Baker.

9. **Call to the Public for items not on the agenda.**


There was no public input.

10. **Manager/Staff Report**

Martin reported that staff is in the process of listing two properties, the Park property along McCracken, for the recommended \$139,000; and the house on Horseshoe Bend for the recommended \$39,900. The library dedicated parcel in the Cliffs area is being finalized with Camp Verde Realty. Next week, Steve Ganis will be in charge in the absence of the Manager, as will Marshal Gardner. Yesterday the new Library Director began her employment with the Town; exciting times are ahead for the community. Martin reminded everyone of the Fourth of July Celebration event by the American Legion, and suggested that people show up tomorrow at 4:00 to wish Mr. Huff and Mr. Watkins well for their retirement.

11. **Adjournment**

On a motion by Baker, seconded by Jones, the meeting was adjourned at 7:33 p.m.



Bob Burnside, Mayor 7.25.12




Margaret Harper, Recording Secretary

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Regular Session of the Town Council of Camp Verde, Arizona, held on the 27th day of June 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 26 day of July, 2012.



Debbie Barber, Town Clerk