Town of Chino Valley

MEETING NOTICE
TOWN COUNCIL

REGULAR MEETING
Tuesday January 8, 2019
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

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.

a. Request for an update on the shooting facility.

b. Question regarding the Town's pursuit of a second supermarket.

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 adopt Ordinance No. 2019-863 amending the Town of Chino Valley Town Code by repealing Chapter 152 Flood Damage Prevention and adopting new Chapter 152 Flood Damage Prevention. (Frank Marbury, Public Works Director/Town Engineer)

b. Consideration and possible action to approve the Intergovernmental Agreement (IGA) between the Chino Valley Unified School District (CVUSD) and the Town of Chino Valley to complete design and construction improvements to transportation conveyance systems related to Del Rio School and Heritage Middle School. Funds to come from Adjacent Ways funding with no cost to the Town other than staff's time to perform engineering and project management. (Frank Marbury, Public Works Director/Town Engineer)

c. Consideration and possible action to accept the November 27, 2018 study session minutes. (Jami Lewis, Town Clerk)

d. Consideration and possible action to accept the December 11, 2018 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 accept the Comprehensive Annual Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2018, as prepared by Henry & Horne, LLP, Certified Public Accountants. (Joe Duffy, Finance Director)

Recommended Action: Accept the Comprehensive Annual Audited Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2018, as prepared by Henry & Horne, LLP, Certified Public Accountants.

b. Consideration and possible action to terminate the Concessionaire Agreement between the Prescott Sportsmen's Club (PSC) and the Town of Chino Valley, dated May 31, 2011, effective immediately. (Cecilia Grittman, Town Manager)

Recommended Action: Terminate the Concessionaire Agreement between the Prescott Sportsmen's Club and the Town of Chino Valley, dated May 31, 2011, effective immediately.

c. Consideration and possible action to adopt Resolution No. 2019-1133 ordering and calling an election to be held in and for the Town of Chino Valley, Arizona on May 21, 2019, to submit to the qualified electors thereof the questions of (1) the proposed amount to be raised by an initial primary (ad valorem) property tax to fund a road construction and maintenance program, and (2) voter authorization for purchase of certain water companies to expand the Town's water utility system. Funds to come from General Fund, Town Clerk Elections expenditure line. (Jami Lewis, Town Clerk)

Recommended Action: Adopt Resolution No. 2019-1133 ordering and calling a special election to be held on May 21, 2019, for the purpose of submitting two questions to the voters related to a property tax levy of $_____ to fund a road construction and maintenance program, and utility system acquisitions.

d. Consideration and possible action to approve a Conditional Use Permit (CUP18-007) for 14.46 acres (approx. 629,877 sq. ft.) of real property, Assessor's Parcel No. 306-18-010K, located approximately 0.25 miles south of the southeast corner of East Perkinsville Road and North Road 1 East at 1525 North Road 1 East to rehabilitate the existing well site within the PL (Public Land) zoning district. (Owner of Record: City of Prescott) (Alex Lerma, Planner)

Recommended Action: Approve Conditional Use Permit (CUP18-007) to allow the rehabilitation of the existing well site including removal of the existing building and construction of a new facility within the PL (Public Land) zoning district.

e. Consideration and possible action to adopt Ordinance 2019-858 to rezone 2.71 acres of real property, Assessor's Parcel No. 306-04-010U, located approximately 375 feet east of the northeast corner of State Route 89 and Road 4 North intersection at 868 East Road 4 North from CH (Commercial Heavy) zoning district to CL (Commercial Light) zoning district. (Owner of Record: Corey and Robin Mendoza) (Alex Lerma, Planner)

Recommended Action: Adopt Ordinance 2019-858 to rezone 2.71 acres of real property from CH (Commercial Heavy) zoning district to CL (Commercial Light) zoning district.

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.

a. An executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the Town Attorney regarding a current zoning case. (Martin Scribner, Interim Development Services Director)

9. ACTION ITEMS RESUMED

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

10. ADJOURNMENT

Dated this 3rd day of January, 2019.

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 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 OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.a.**

Meeting Date:	01/08/2019
Contact Person:	Frank Marbury, Public Works Director/Town Engineer
	Phone: 928-636-7140 x-1226
Department:	Public Works
Item Type:	Consent
Estimated length of staff presentation:	10 minutes
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to adopt Ordinance No. 2019-863 amending the Town of Chino Valley Town Code by repealing Chapter 152 Flood Damage Prevention and adopting new Chapter 152 Flood Damage Prevention.

RECOMMENDED ACTION:

Adopt Ordinance No. 2019-863 amending the Town of Chino Valley Town Code by repealing Chapter 152 Flood Damage Prevention and adopting new Chapter 152 Flood Damage Prevention.

SITUATION AND ANALYSIS:

The Federal Emergency Management Agency (FEMA) is requiring local agencies, as a condition of continued eligibility in the National Flood Insurance Program (NFIP), to adopt or show evidence of adoption of flood plain management regulations that meet the standards of Paragraph 60.3(d) of the NFIP regulations by February 15, 2019. These standards are the minimum requirements and do not supersede any State or local requirements of a more stringent nature.

Communities that fail to enact the necessary floodplain management regulations will be suspended from participation in the NFIP and subject to the prohibitions contained in Section 202(a) of the 1973 Flood Disaster Protection Act as amended.

This is a minor update which mainly makes changes to legal definitions.

Fiscal Impact

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

Attachments

ORD 2019-863 - Flood Damage Prevention
ORD 2019-863 - Text Amdts

ORDINANCE NO. 2019-863

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, RELATED TO REGULATION OF SPECIAL FLOOD HAZARD AREAS WITHIN THE TOWN AND LANDS DETERMINED BY THE TOWN ENGINEER TO BE LOCATED IN FLOOD-PRONE AREAS; DECLARING THE DOCUMENT ENTITLED "TOWN OF CHINO VALLEY CHAPTER 152 FLOOD DAMAGE PREVENTION ORDINANCE DATED JANUARY 8, 2019" AS A PUBLIC RECORD; ADOPTING THE "TOWN OF CHINO VALLEY CHAPTER 152 FLOOD DAMAGE PREVENTION ORDINANCE DATED JANUARY 8, 2019" BY REFERENCE; AMENDING THE TOWN OF CHINO VALLEY TOWN CODE BY REPEALING CHAPTER 152 (FLOOD DAMAGE PREVENTION) AND REPLACING IT WITH A NEW CHAPTER 152 (FLOOD DAMAGE PREVENTION) CONSISTING OF THE "TOWN OF CHINO VALLEY CHAPTER 152 FLOOD DAMAGE PREVENTION ORDINANCE DATED JANUARY 8, 2019"; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR PENALTIES.

WHEREAS, pursuant to ARIZ. REV. STAT. § 48-3610, the Town of Chino Valley (the "Town") has assumed the powers and duties for floodplain management within its corporate limits; and

WHEREAS, the Mayor and Common Council of the Town of Chino Valley desire to update the Town's Flood Prevention Ordinance to comply with federal and state law and requirements.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

Section 1. The document entitled "Town of Chino Valley Chapter 152 Flood Damage Prevention Ordinance dated January 8, 2019" (the "2019 Flood Prevention Ordinance"), of which one paper copy and one electric copy maintained in compliance with ARIZ. REV. STAT. § 44-7041 are on file in the office of the Town Clerk and open for public inspection during normal business hours, is hereby declared to be a public record, and said copies are hereby ordered to remain on file with the Town Clerk.

Section 2. The 2019 Flood Prevention Ordinance is hereby adopted by reference pursuant to ARIZ. REV. STAT. § 9-802.

Section 3. The Town Code of the Town of Chino Valley, Arizona, is hereby amended by repealing existing Chapter 152 (Flood Damage Prevention) in its entirety and by replacing it with the 2019 Flood Prevention Ordinance.

Section 4. All ordinances and parts of ordinances in conflict with the provisions of this Ordinance or any part of the code amendment adopted herein by reference, are hereby repealed.

Section 5. If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the 2019 Flood Prevention Ordinance adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance and the 2019 Flood Prevention Ordinance.

Section 6. Any person found responsible for violating any provision of this Ordinance shall be subject to the civil sanctions and habitual offender provisions set forth in Sections 10.99(A), (B) and (D) of the Town Code of the Town of Chino Valley, Arizona.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 8th day of January, 2019.

_____
Darryl L. Croft, Mayor

ATTEST:

_____
Jami Lewis, Town Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Ordinance No. 2019-863 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on January 8, 2019, and that quorum was present, and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

_____
Jami C. Lewis, Town Clerk

CHAPTER 152: FLOOD DAMAGE PREVENTION ORDINANCE

DATED JANUARY 8, 2019

Section

General Provisions

152.001 Statutory authorization

152.002 Findings of fact

152.003 Statement of purpose

152.004 Methods of reducing flood losses

152.005 Definitions

152.006 Lands to which chapter applies

152.007 Basis of establishing ~~areas of special flood hazard~~ SPECIAL FLOOD HAZARD AREAS

152.008 Compliance

152.009 Abrogation and greater restrictions

152.010 Interpretation

152.011 Warning and disclaimer of liability

152.012 Statutory exemptions

152.013 Declaration of public nuisance

152.014 Abatement of violations

152.015 Unlawful acts

Administration

152.030 Development permit

152.031 Floodplain Administrator

Flood Hazard Reduction

152.045 Standards of construction

152.046 Standards for storage of materials and equipment

152.047 Standards for utilities

152.048 Standards for subdivisions

152.049 Standards for manufactured homes AND RECREATIONAL VEHICLES

152.050 Floodways

Variances

152.065 Appeal Board

152.066 Conditions for variances

152.067 Minor variances

Amendments

152.080 Map amendments

152.081 Ordinance amendments

GENERAL PROVISIONS

§ 152.001 STATUTORY AUTHORIZATION.

The legislature of the State of Arizona has, in A.R.S. § 48-3610, enabled the ~~town~~ TOWN OF CHINO VALLEY to adopt regulations in conformance with A.R.S. § ~~48-3603~~ 48-3609 designed to promote the public health, safety and general welfare of its citizenry.

§ 152.002 FINDINGS OF FACT.

(A) The flood hazard areas of the ~~town~~ TOWN OF CHINO VALLEY are subject to periodic inundation, which may result in loss of life and property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base, all of which adversely affect the public health, safety and general welfare.

(B) These flood losses ~~are~~ MAY BE caused by the cumulative effect of obstructions in ~~areas of special flood hazards~~ SPECIAL FLOOD HAZARD AREAS, which increase flood heights and velocities, and when inadequately anchored, cause damage in other areas. Uses that are inadequately flood-proofed, elevated or otherwise protected from flood damage also contribute to the flood loss.

§ 152.003 STATEMENT OF PURPOSE.

It is the purpose of this chapter to promote the public health, safety and general welfare, and to minimize public and private losses due to flood conditions in specific areas by provisions designed:

(A) To protect human life and health;

(B) To minimize expenditure of public money for costly flood control projects;

(C) To minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;

(D) To minimize prolonged business interruptions;

(E) To minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in ~~areas of special flood hazard~~ SPECIAL FLOOD HAZARD AREAS;

(F) To help maintain a stable tax base by providing for the use and development of areas of special flood hazard so as to minimize future flood blight areas;

~~(G) To insure that potential buyers are notified that property is in an area of special flood hazard;~~

~~(H) To insure that those who occupy the areas of special flood hazard assume responsibility for their actions; and~~

(~~I~~G) To PARTICIPATE AND maintain eligibility for state and federal disaster relief.

§ 152.004 METHODS OF REDUCING FLOOD LOSSES.

In order to accomplish its purposes, this chapter includes methods and provisions for:

(A) Restricting or prohibiting uses which are dangerous to health, safety and property due to water or erosion hazards, or which result in damaging increases in erosion or in flood heights or velocities;

(B) Requiring that uses vulnerable to floods, including facilities that serve such uses, be protected against flood damage at the time of initial construction;

(C) Controlling the alteration of natural floodplains, stream channels and natural protective barriers, which help accommodate or channel flood waters;

(D) Controlling filling, grading, dredging and other development which may increase flood damage; and

(E) Preventing or regulating the construction of flood barriers that will unnaturally divert flood waters or which may increase flood hazards in other areas.

§ 152.005 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

ACCESSORY STRUCTURE. A STRUCTURE THAT IS ON THE SAME PARCEL OF PROPERTY AS A PRINCIPAL STRUCTURE, THE USE OF WHICH IS INCIDENTAL TO THE USE OF THE PRINCIPAL STRUCTURE.

ACCESSORY USE. A use that is incidental and subordinate to the principal use of the parcel of land on which it is located.

APPEAL. A request for a review of the Floodplain Administrator's interpretation of any provision of this chapter or a request for a variance.

AREA OF SHALLOW FLOODING. A designated AO OR AH Zone on the Flood Insurance Rate Map (FIRM). The base flood depths range from 1 to 3 feet; a clearly defined channel does not exist; the path of flooding is unpredictable and indeterminate; and velocity flow may be evident.

~~***AREA OF SPECIAL FLOOD HAZARD.*** The land in the floodplain within a community subject to a 1% or greater chance of flooding in any given year. This area is designated as Zone A, AO, AH and A1-30 on the FIRM and other areas determined by the criteria adopted by the Director of Water Resources.~~

BASE FLOOD. The flood having a 1% chance of being equaled or exceeded in any given year.

BASE FLOOD ELEVATION (BFE). THE COMPUTED ELEVATION TO WHICH FLOODWATER IS ANTICIPATED TO RISE DURING THE BASE FLOOD.

BASEMENT. Any area of the building having its floor sub-grade (below ground level) on all sides.

~~***BREAKAWAY WALL.*** A wall that is not part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building supporting foundation system.~~

COMMUNITY. Any state or area or political subdivision thereof, or any Indian tribe or authorized tribal organization, or authorized native organization that has authority to adopt and enforce floodplain management regulations for the areas within its jurisdiction.

DEVELOPMENT. Any man-made change to improved or unimproved real estate, including but not limited to buildings or other structures, drainage facilities, mining, dredging, filling, grading, paving, excavation or drilling operations, and storage of materials and equipment ~~located within the area of special flood hazard~~ SPECIAL FLOOD HAZARD AREA.

ELEVATION CERTIFICATE. AN ADMINISTRATIVE TOOL OF THE NATIONAL FLOOD INSURANCE PROGRAM (NFIP) THAT IS USED TO PROVIDE ELEVATION INFORMATION NECESSARY TO ENSURE COMPLIANCE WITH COMMUNITY FLOODPLAIN MANAGEMENT ORDINANCES, TO DETERMINE THE PROPER INSURANCE PREMIUM RATE, AND TO SUPPORT A REQUEST FOR A LETTER OF MAP AMENDMENT (LOMA) OR LETTER OF MAP REVISION BASED ON FILL (LOMR-F).

ENCROACHMENT. The advance or infringement of uses, plant growth, fill, excavation, buildings, permanent structures or development into a floodplain that may impede or alter the flow capacity of a floodplain.

EROSION. The process of the GRADUAL wearing away of a ~~land mass~~ LANDMASS. THIS PERIL IS NOT, PER SE, COVERED BY THE NATIONAL FLOOD INSURANCE PROGRAM.

FLOOD or ***FLOODING.*** A general and temporary condition of partial or complete inundation of normally dry land areas from (1) the overflow of flood waters, (2) the unusual and rapid accumulation or runoff of surface waters from any source, and/or (3) the collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels or suddenly caused by an unusually high water level in a natural body of water, accompanied by a severe storm, or by an unanticipated force of nature, such as flash flood or an abnormal tidal surge, or by some similarly unusual and unforeseeable event which results in flooding as defined in this definition.

~~***FLOOD ELEVATION.*** A determination by the administrator of the water surface elevations of the base flood, that is, the flood level that has a 1% or greater chance of occurrence in any given year.~~

~~***FLOOD ELEVATION STUDY.*** An examination, evaluation and determination of flood hazards and, if appropriate, corresponding water surface elevations, or an examination, evaluation and determination of mudslide (i.e., mudflow) and/or flood-related erosion hazards.~~

~~***FLOOD HAZARD BOUNDARY MAP*** or ***FHBM.*** An official map of a community, issued by the Administrator, where the boundaries of the flood, mudslide (i.e., mudflow) related erosion areas having special hazards have been designated as Zones A, M and/or E.~~

FLOOD INSURANCE RATE MAP or ***FIRM.*** The official map OF A COMMUNITY on which ~~the Federal Insurance Administration~~ FEMA has delineated both ~~areas of special flood hazards~~ SPECIAL FLOOD HAZARD AREAS and the risk premium zones applicable to the community.

FLOOD INSURANCE STUDY. The official report provided by ~~the Federal Insurance Administration~~ FEMA that includes flood profiles, the FIRM, ~~the Flood Boundary Floodway Map~~ and the water surface elevation of the base flood.

FLOOD-PROOFED. Any combination of structural and non-structural additions, changes or adjustments to NONRESIDENTIAL structures that reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents BY MEANS OTHER THAN ELEVATION.

FLOODPLAIN or ***FLOOD-PRONE AREA.*** ANY LAND AREA SUSCEPTIBLE TO BEING INUNDATED BY WATER FROM ANY SOURCE (SEE DEFINITION OF "FLOODING"). ~~The areas adjoining the channel of a watercourse including areas where drainage is or may be restricted by man-made structures that have been or may be covered partially or wholly by floodwater from the 100-year flood.~~

FLOODPLAIN ADMINISTRATOR. ~~The designated Administrator of the Flood Control Ordinance 466 of the Town of Chino Valley, which Administrator is hereby authorized by the Town Council to administer and implement the provisions of this chapter.~~ THE TOWN MANAGER OR HIS OR HER DESIGNEE, WHO IS THE COMMUNITY

OFFICIAL DESIGNATED TO ADMINISTER AND ENFORCE THE FLOODPLAIN MANAGEMENT REGULATIONS ~~shall be the administrator~~.

FLOODPLAIN BOARD. The Town Council at such times as they are engaged in the enforcement of this chapter.

FLOODPLAIN MANAGEMENT. ~~The operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works and floodplain management regulations.~~ THE OPERATION OF AN OVERALL PROGRAM OF CORRECTIVE AND PREVENTIVE MEASURES FOR REDUCING FLOOD DAMAGE AND PRESERVING AND ENHANCING, WHERE POSSIBLE, NATURAL RESOURCES IN THE FLOODPLAIN, INCLUDING BUT NOT LIMITED TO EMERGENCY PREPAREDNESS PLANS, FLOOD CONTROL WORKS, FLOODPLAIN MANAGEMENT REGULATIONS, AND OPEN SPACE PLANS.

FLOODPLAIN MANAGEMENT REGULATIONS. THE ORDINANCE AND OTHER ZONING ORDINANCES, SUBDIVISION REGULATIONS, BUILDING CODES, HEALTH REGULATIONS, SPECIAL PURPOSE ORDINANCES (SUCH AS GRADING AND EROSION CONTROL), AND OTHER APPLICATION OF POLICE POWER WHICH CONTROL DEVELOPMENT IN FLOOD PRONE AREAS. THIS TERM DESCRIBES FEDERAL, STATE, OR LOCAL REGULATIONS IN ANY COMBINATION THEREOF, WHICH PROVIDE STANDARDS FOR PREVENTING AND REDUCING FLOOD LOSS AND DAMAGE.

FLOOD ~~PROOFED~~ PROOFING. Any combination of structural and nonstructural additions, changes, or adjustments to NONRESIDENTIAL structures ~~that~~ WHICH reduce or eliminate risk of flood damage to real estate or improved real property, water and sanitary facilities, structures, and their contents BY MEANS OTHER THAN ELEVATION.

FLOOD-RELATED EROSION. THE COLLAPSE OR SUBSIDENCE OF LAND ALONG THE SHORE OF A LAKE OR OTHER BODY OF WATER AS A RESULT OF UNDERMINING CAUSED BY WAVES OR CURRENTS OF WATER EXCEEDING ANTICIPATED CYCLICAL LEVELS OR SUDDENLY CAUSED BY AN UNUSUALLY HIGH WATER LEVEL IN A NATURAL BODY OF WATER, ACCOMPANIED BY A SEVERE STORM, OR BY AN UNANTICIPATED FORCE OF NATURE, SUCH AS A FLASH FLOOD OR AN ABNORMAL TIDAL SURGE, OR BY SOME SIMILARLY UNUSUAL AND UNFORESEEABLE EVENT WHICH RESULTS IN FLOODING.

FLOODWAY. The channel of a river or other watercourse and the adjacent land areas necessary in order to discharge the 100-year flood without cumulatively increasing the water surface elevation MORE THAN A DESIGNATED HEIGHT. ALSO REFERRED TO A "REGULATORY FLOODWAY."

FLOODWAY FRINGE. That area of the floodplain on either side of the ***REGULATORY FLOODWAY*** where encroachment may be permitted.

FUNCTIONALLY DEPENDENT USE. A USE WHICH CANNOT PERFORM ITS INTENDED PURPOSE UNLESS IT IS LOCATED OR CARRIED OUT IN CLOSE PROXIMITY TO WATER. THE TERM INCLUDES ONLY DOCKING FACILITIES, PORT FACILITIES THAT ARE NECESSARY FOR THE LOADING AND UNLOADING OF CARGO OR PASSENGERS, AND SHIP BUILDING AND SHIP REPAIR FACILITIES, AND DOES NOT INCLUDE LONG-TERM STORAGE OR RELATED MANUFACTURING FACILITIES.

GOVERNING BODY. THE LOCAL GOVERNING UNIT, I.E. COUNTY OR MUNICIPALITY, THAT IS EMPOWERED TO ADOPT AND IMPLEMENT REGULATIONS TO PROVIDE FOR THE PUBLIC HEALTH, SAFETY AND GENERAL WELFARE OF ITS CITIZENRY.

HARDSHIP. AS RELATED TO §§152.065 THROUGH 152.068, MEANING THE EXCEPTIONAL HARDSHIP THAT WOULD RESULT FROM A FAILURE TO GRANT THE REQUESTED VARIANCE. THE COUNCIL REQUIRES THAT THE VARIANCE BE EXCEPTIONAL, UNUSUAL, AND PECULIAR TO THE PROPERTY INVOLVED. MERE ECONOMIC OR FINANCIAL HARDSHIP ALONE IS NOT EXCEPTIONAL. INCONVENIENCE, AESTHETIC CONSIDERATIONS, PHYSICAL HANDICAPS, PERSONAL PREFERENCES, OR THE DISAPPROVAL OF ONE'S NEIGHBORS LIKEWISE CANNOT, AS A RULE, QUALIFY AS AN EXCEPTIONAL HARDSHIP. ALL OF THESE PROBLEMS CAN BE RESOLVED THROUGH OTHER MEANS WITHOUT GRANTING A VARIANCE, EVEN IF THE ALTERNATIVE IS MORE EXPENSIVE, OR REQUIRES THE PROPERTY OWNER TO BUILD ELSEWHERE OR PUT THE PARCEL TO A DIFFERENT USE THAN ORIGINALLY INTENDED.

HIGHEST ADJACENT GRADE. The highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

HISTORIC STRUCTURE. Any structure that is:

(1) Listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;

(2) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;

(3) Individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of the Interior; or

(4) Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:

(a) By an approved state program as determined by the Secretary of the Interior; or

(b) Directly by the Secretary of the Interior in states without approved programs.

LEVEE. A man-made structure, usually an earthen embankment, designed and constructed in accordance with sound engineering practices to contain, control, or divert the flow of water so as to provide protection from temporary flooding.

LOWEST FLOOR. The lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, usable solely for parking of vehicles, building access or storage in an area other than a basement area is not considered a building's lowest floor; provided, that the enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of this chapter.

MANUFACTURED HOME. A structure, transportable in ONE ~~1~~ or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term ***MANUFACTURED HOME*** does not include a ***RECREATIONAL VEHICLE.***

MANUFACTURED HOME PARK OR SUBDIVISION. A parcel (or contiguous parcels) of land divided into TWO ~~2~~ or more manufactured home lots for sale or rent.

MARKET VALUE. Determined by estimating the cost to replace the structure in new condition and adjusting that cost figure by the amount of depreciation which has accrued since the structure was constructed. The cost of replacement of the structure shall be based on a square foot cost factor determined by reference to a building cost estimating guide recognized by the building construction industry. The amount of depreciation shall be determined by taking into account the age and physical deterioration of the structure and functional obsolescence as approved by the Floodplain Administrator, but shall not include economic or other forms of external obsolescence. Use of replacement costs or accrued depreciation factors different from those contained in recognized building cost estimating guides may be considered only if such factors are included in a report prepared by an independent professional appraiser and supported by a written explanation of the differences.

MEAN SEA LEVEL. FOR PURPOSES OF THE NATIONAL FLOOD INSURANCE PROGRAM, THE NATIONAL GEODETIC VERTICAL DATUM (NGVD) OF 1929, NORTH AMERICAN VERTICAL DATUM (NAVD) of 1988 OR OTHER DATUM, TO WHICH BASE FLOOD ELEVATIONS SHOWN ON A COMMUNITY'S FLOOD INSURANCE RATE MAP ARE REFERENCED.

~~***ONE HUNDRED YEAR FLOOD.*** The flood having a 1% chance of being equaled or exceeded in any given year (see ***BASE FLOOD.***).~~

~~***MEAN SEA LEVEL.*** For purposes of the National Flood Insurance Program, the National Geodetic Vertical Datum (NGVD) of 1929 or other datum, to which base flood elevations shown on a community's Flood Insurance Rate Map are referenced.~~

NEW CONSTRUCTION. For floodplain management purposes, structures for which the ***START OF CONSTRUCTION*** commenced on or after ~~December 14, 1981~~ JUNE 18, 1975. FOR THE PURPOSES OF DETERMINING INSURANCE RATES, STRUCTURES FOR WHICH THE "START OF CONSTRUCTION" COMMENCED ON

OR AFTER THE EFFECTIVE DATE OF AN INITIAL FLOOD INSURANCE RATE MAP OR AFTER DECEMBER 31, 1974, WHICHEVER IS LATER, AND INCLUDES ANY SUBSEQUENT IMPROVEMENTS TO SUCH STRUCTURES. FOR FLOODPLAIN MANAGEMENT PURPOSES, "NEW CONSTRUCTION" MEANS STRUCTURES FOR WHICH THE "START OF CONSTRUCTION" COMMENCED ON OR AFTER THE EFFECTIVE DATE OF A FLOODPLAIN MANAGEMENT REGULATION ADOPTED BY A COMMUNITY AND INCLUDES ANY SUBSEQUENT IMPROVEMENTS TO SUCH STRUCTURES.

OBSTRUCTION. Includes, but is not limited to, any dam, wall, wharf, embankment, levee, dike, pile, abutment, protection, excavation, channelization, bridge, conduit, culvert, building, wire, fence, rock, gravel, refuse, fill, structure, vegetation, or other material in, along, across or projecting into any watercourse which may alter, impede, retard or change the direction and/or velocity of the flow of water, or due to its location, its propensity to snare or collect debris carried by the flow of water, or its likelihood of being carried downstream.

ONE HUNDRED YEAR FLOOD. THE FLOOD HAVING A 1% CHANCE OF BEING EQUALED OR EXCEEDED IN ANY GIVEN YEAR (SEE ***BASE FLOOD.***).

PERSON. An individual or his agent, firm, partnership, association or corporation, or agent of the aforementioned groups, or this state or its agencies or political subdivisions.

PRINCIPALLY ABOVE GROUND. At least 51% of the actual cash value of the structure, less land value, is above ground.

RECREATIONAL VEHICLE. A vehicle that is:

(1) Built on a single chassis;

(2) ~~319~~ 400 square feet or less when measured at the largest horizontal projection;

(3) Designed to be self-propelled or permanently towable by a light duty truck; and

(4) Designed primarily not for use as a permanent dwelling but as a temporary living quarters for recreational, camping, travel or seasonal use.

REGULATORY FLOOD ELEVATION. An elevation 1 foot above the base flood elevation.

REGULATORY FLOODWAY. The channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood WITHOUT CUMULATIVELY INCREASING THE WATER SURFACE ELEVATION MORE THAN A DESIGNATED HEIGHT.

REMEDY A VIOLATION. To bring the structure or other development into compliance with FEDERAL, state or local floodplain management regulations, or, if this is not possible, to reduce the impacts of its noncompliance. Ways that impacts may be reduced include protecting the structure or other affected development from flood damages, implementing the enforcement provisions of the chapter or otherwise

deterring future similar violations, or reducing federal financial exposure with regard to the structure or other development.

REPETITIVE LOSS STRUCTURE. A structure, covered by a contract for flood insurance issued pursuant to the National Flood Insurance Act of 1968, being 42 U.S.C. §§ 4001 *et seq.*, that has incurred flood-related damage on 2 occasions during any 10 year period ending on the date of the event for which a second claim is made, in which the cost of repairing the flood damage, on average, equaled or exceeded 25% of the market value of the structure at the time of each flood event.

RIVERINE. Relating to, formed by, or resembling a river (including tributaries), stream or brook, among other similar water channels.

SHEET FLOW AREA. See ***AREA OF SHALLOW FLOODING.***

SPECIAL FLOOD HAZARD AREA. An area IN THE FLOODPLAIN SUBJECT TO A 1% OR GREATER CHANCE OF FLOODING IN ANY GIVEN YEAR. ~~having special flood or flood-related erosion hazards, and shown~~ IT IS SHOWN ON A ~~FHBM or~~ FIRM as Zone A, ~~AO~~, AO, ~~A1-30~~, AE, AH or A99. ~~or AH.~~

START OF CONSTRUCTION. INCLUDES SUBSTANTIAL IMPROVEMENT, AND MEANS THE DATE THE BUILDING PERMIT WAS ISSUED, PROVIDED THE ACTUAL START OF CONSTRUCTION, REPAIR, RECONSTRUCTION, REHABILITATION, ADDITION PLACEMENT, OR OTHER IMPROVEMENT WAS WITHIN 180 DAYS OF THE PERMIT DATE. THE ACTUAL START MEANS EITHER THE FIRST PLACEMENT OF PERMANENT CONSTRUCTION OF A STRUCTURE ON A SITE, SUCH AS THE POURING OF SLAB OR FOOTINGS, THE INSTALLATION OF PILES, THE CONSTRUCTION OF COLUMNS, OR ANY WORK BEYOND THE STAGE OF EXCAVATION; OR THE PLACEMENT OF A MANUFACTURED HOME ON A FOUNDATION. PERMANENT CONSTRUCTION DOES NOT INCLUDE LAND PREPARATION, SUCH AS CLEARING, GRADING AND FILLING; NOR DOES IT INCLUDE THE INSTALLATION OF STREETS AND/OR WALKWAYS; NOR DOES IT INCLUDE EXCAVATION FOR A BASEMENT, FOOTINGS, PIERS, OR FOUNDATIONS OR THE ERECTION OF TEMPORARY FORMS; NOR DOES IT INCLUDE THE INSTALLATION ON THE PROPERTY OF ACCESSORY BUILDINGS, SUCH AS GARAGES OR SHEDS NOT OCCUPIED AS DWELLING UNITS OR NOT PART OF THE MAIN STRUCTURE. FOR A SUBSTANTIAL IMPROVEMENT, THE ACTUAL START OF CONSTRUCTION MEANS THE FIRST ALTERATION OF ANY WALL, CEILING, FLOOR, OR OTHER STRUCTURAL PART OF A BUILDING, WHETHER OR NOT THAT ALTERATION AFFECTS THE EXTERNAL DIMENSIONS OF THE BUILDING. ~~Includes substantial improvement, and means the actual start of construction, repair, reconstruction, rehabilitation, addition, placement or other improvement. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation~~

~~for a basement, footings, piers, or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual **START OF CONSTRUCTION** means the first alteration of any wall, ceiling, floor or other structural part of a building, whether or not that alteration affects the external dimensions of the building.~~

STRUCTURE. ~~The result of arranging materials and parts together and attached to a lot (such as buildings, tanks and fences), but not including tents or vehicles.~~ A WALLED AND ROOFED BUILDING THAT IS PRINCIPALLY ABOVE GROUND; THIS INCLUDES A GAS OR LIQUID STORAGE TANK OR A MANUFACTURED HOME.

SUBSTANTIAL DAMAGE. Damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50% of the market value of the structure before the damage occurred.

SUBSTANTIAL IMPROVEMENT. Any reconstruction, rehabilitation, addition or other improvement of a structure, the TOTAL cost of which equals or exceeds 50% of the market value of the structure before the ***START OF CONSTRUCTION.*** of the improvement. ~~The value of all improvements made after December 14, 1981, shall be considered.~~ This term includes structures that have incurred ***SUBSTANTIAL DAMAGE,*** regardless of the actual repair work performed. The term does not, however, include either:

(~~1~~A) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions; or

(~~2~~B) Any alteration of a ***HISTORIC STRUCTURE,*** provided that the alteration will not preclude the structure's continued designation as a ***HISTORIC STRUCTURE.***

VARIANCE. MEANS A GRANT OF RELIEF BY A COMMUNITY FROM THE TERMS OF A FLOODPLAIN MANAGEMENT REGULATION. ~~A grant of relief from the requirements of this chapter that permits construction in a manner that would otherwise be prohibited by this chapter.~~

VIOLATION. The failure of a structure or other development to be fully compliant with the community's floodplain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in this chapter is presumed to be in violation until such time as that documentation is provided.

WATER SURFACE ELEVATION. The height, in relation to the National Geodetic Vertical Datum (NGVD) of 1929 NORTH AMERICAN VERTICAL DATUM (NAVD) OF 1988 (or other datum, where specified), of floods of various magnitudes and frequencies in the floodplains of riverine areas.

WATERCOURSE. A lake, river, creek, stream, wash, arroyo, channel or other topographic feature on or over which waters flow at least periodically. Watercourse includes specifically designated areas in which substantial flood damage may occur.

ZONE A. NO BASE FLOOD ELEVATIONS DETERMINED.
ZONE AE. BASE FLOOD ELEVATIONS DETERMINED.

ZONE AH. FLOOD DEPTHS OF 1 TO 3 FEET (USUALLY AREAS OF PONDING); BASE FLOOD ELEVATIONS DETERMINED.

ZONE AO. FLOOD DEPTHS OF 1 TO 3 FEET (USUALLY SHEET FLOW ON SLOPING TERRAIN); AVERAGE DEPTHS DETERMINED. FOR AREAS OF ALLUVIAL FAN FLOODING, VELOCITIES ALSO DETERMINED.

ZONE A99. AREA TO BE PROTECTED FROM 1% ANNUAL CHANCE FLOOD BY A FEDERAL FLOOD PROTECTION SYSTEM UNDER CONSTRUCTION; NO BASE FLOOD ELEVATIONS DETERMINED.

§ 152.006 LANDS TO WHICH CHAPTER APPLIES.

This chapter shall apply to all ~~areas of special flood hazards~~ SPECIAL FLOOD HAZARD AREAS within the boundaries of the ~~town~~ TOWN OF CHINO VALLEY AND ALL LANDS DETERMINED BY THE TOWN ENGINEER TO BE LOCATED IN FLOOD-PRONE AREAS.

§ 152.007 BASIS OF ESTABLISHING THE AREAS OF SPECIAL FLOOD HAZARD.

(A) The ~~areas of special flood hazard~~ SPECIAL FLOOD HAZARD AREAS identified by~~the Federal Insurance Administration of~~ the Federal Emergency Management Agency (FEMA) in a scientific and engineering report entitled "Flood Insurance Study for YAVAPAI COUNTY, ARIZONA, AND INCORPORATED AREAS," ~~the Town of Chino Valley~~," dated ~~August 19, 1985~~ SEPTEMBER 3, 2010 with accompanying Flood Insurance Rate Maps DATED SEPTEMBER 3, 2010 ~~and Flood Boundary and Floodway Maps~~, ~~and all new~~ and subsequent amendments and/or revisions, are hereby adopted by reference and declared to be a part of this chapter. These Flood Insurance Studies are on file at the town's community development department and public library. The Flood Insurance Study and attendant mapping is the minimum area of applicability of this chapter and may be supplemented by studies for other areas which allow implementation of this chapter and which are recommended to the floodplain board by the Floodplain Administrator.

(B) THE FLOODPLAIN BOARD, WITHIN ITS AREA OF JURISDICTION, SHALL DELINEATE (OR MAY, BY RULE, REQUIRE DEVELOPERS OF LAND TO DELINEATE) FOR AREAS WHERE DEVELOPMENT IS ONGOING OR IMMINENT, AND THEREAFTER AS DEVELOPMENT BECOMES IMMINENT, FLOODPLAINS CONSISTENT WITH THE CRITERIA DEVELOPED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE DIRECTOR OF THE ARIZONA DEPARTMENT

OF WATER RESOURCES. THE FIS AND FIRM PANELS ARE ON FILE AT1942 VOSS DRIVE, CHINO VALLEY, ARIZONA 86323.

~~The town, within its area of jurisdiction shall delineate, or may by rule, require developers of land to delineate floodplains for areas where development is ongoing or imminent and thereafter as development becomes imminent, consistent with the criteria developed by the Federal Emergency Management Agency and the Director of Water Resources.~~

§ 152.008 COMPLIANCE.

All development of land, construction of residential, commercial or industrial structures or future development within delineated floodplain areas is subject to the terms of this chapter and other applicable regulations.

§ 152.009 ABROGATION AND GREATER RESTRICTIONS.

This chapter is not intended to repeal, abrogate or impair any existing easements, covenants or deed restrictions. However, where this chapter and another ordinance, easement, covenant or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

§ 152.010 INTERPRETATION.

In the interpretation and application of this chapter, all provisions shall be:

(A) Considered as minimum requirements;

(B) Liberally construed in favor of the governing body; and

(C) Deemed neither to limit nor repeal any other powers granted under state statutes.

§ 152.011 WARNING AND DISCLAIMER OF LIABILITY.

The degree of flood protection required by this chapter is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur on rare occasions. Flood heights may be increased by man-made or natural causes. This chapter does not imply that land outside the ~~areas of special flood hazards~~ SPECIAL FLOOD HAZARD AREAS or uses permitted within such areas will be free from flooding or flood damages. This chapter shall not create liability on the part of the ~~town~~ TOWN OF CHINO VALLEY, any officer or employee thereof, THE STATE OF ARIZONA or the Federal ~~Insurance~~ EMERGENCY MANAGEMENT ~~Administration~~ AGENCY, for any flood damages that result from reliance on the chapter or any administrative decision lawfully made thereunder.

§ 152.012 STATUTORY EXEMPTIONS.

(A) In accordance with A.R.S. § 48-3609(~~H~~), unless expressly provided, this and any regulation adopted pursuant to this chapter do not affect:

(1) EXISTING legal uses of property ~~existing prior to December 14, 1981~~ or the right to continuation of such legal use. However, if a nonconforming use of land or a building or structure is discontinued for ~~6~~ 12 months or destroyed to the extent of 50% of its MARKET value, as determined by a competent appraiser, any further use shall comply with this article and regulations of the ~~Flood Control District~~ TOWN OF CHINO VALLEY.

(2) Reasonable repair or alteration of property for the purposes for which the property was legally used on ~~December 14, 1981~~ AUGUST 3, 1984, or any regulations affecting such property takes effect, except that any alteration, addition or repair to a nonconforming building or structure which would result in increasing its flood damage potential by 50% or more shall be either flood-proofed or elevated to or above the regulatory flood elevation.

(3) Reasonable repair of structures constructed with the written authorization required by A.R.S. § 48-3613.

(4) Facilities constructed or installed pursuant to a C~~c~~ertificate of E~~e~~nvironmental C~~c~~ompatibility issued pursuant to A.R.S. ~~§ A.R.S. 40-360 *et seq.* (~~Title 40, Chapter 2, Article 6.2~~)~~ AND

(B) In accordance with A.R.S. § 48-3613, written authorization shall not be required, nor shall the Floodplain Administrator prohibit:

(1) The construction of bridges, culverts, dikes and other structures necessary to the construction of public highways, roads and streets intersecting or crossing a watercourse.

(2) The construction of storage dams for watering livestock or wildlife, structures on banks of a watercourse to prevent erosion of or damage to adjoining land if the structure will not divert, retard or obstruct the natural channel of the watercourse or dams for the conservation of floodwaters as permitted by A.R.S. § TITLE 45, CHAPTER 6.

(3) Construction of tailing dams and waste disposal areas for use in connection with mining and metallurgical operations. This paragraph does not exempt those sand and gravel operations which will divert, retard or obstruct the flow of waters in any watercourse from complying with and acquiring authorization from the Board pursuant to regulations adopted by the Board under this chapter.

(4) Other construction if it is determined by the Administrator that written authorization is unnecessary.

(5) Any flood control district, county, city, town or other political subdivision from exercising powers granted to it under ~~this chapter~~ A.R.S. ~~ARIZONA REVISED STATUTES,~~ TITLE 48, CHAPTER 21, ARTICLE 1.

(6) The construction of streams, waterways, lakes and other auxiliary facilities in conjunction with development of public parks and recreation facilities by a public agency or political subdivision.

(7) The construction and erection of poles, towers, foundations, support structures, guy wires and other facilities related to power transmission as constructed by any utility whether a public service corporation or a political subdivision.

(C) Before any construction authorized by ~~division~~ A.R.S. § 48-3613(B) above may begin, the responsible person must submit plans for the construction to the Administrator for review and comment PURSUANT TO A.R.S. § 48-3613(C)

(D) IN ACCORDANCE WITH A.R.S. § 48-3613(D), ~~I~~in addition to other penalties or remedies otherwise provided by law, ~~the~~ THIS state, a political subdivision or a person who may be damaged or has been damaged as a result of the unauthorized diversion, retardation or obstruction of a watercourse has the right to commence, maintain and prosecute any appropriate action or pursue any remedy to enjoin, abate or otherwise prevent any person from violating or continuing to violate this section or regulations adopted pursuant to ~~this chapter~~ A.R.S. § TITLE 48, CHAPTER 21, ARTICLE 1. If a person is found to be in violation of this section, the court shall require the violator to either comply with this section if authorized by the board or remove the obstruction and restore the watercourse to its original state. The court may also award such monetary damages as are appropriate to the injured parties resulting from the violation including reasonable costs and attorney fees.

§ 152.013 DECLARATION OF PUBLIC NUISANCE.

~~Every new structure, building, fill, excavation or~~ ALL development located or maintained within any ~~area of special flood hazard~~ SPECIAL FLOOD HAZARD AREA AFTER AUGUST 8, 1973 in violation of this chapter is a public nuisance per se and may be abated, prevented or restrained by action of this political subdivision.

§ 152.014 ABATEMENT OF VIOLATIONS.

(A) After discovery of a violation of this chapter, the Floodplain Administrator shall take such steps as he or she deems necessary to abate the violation as provided by this chapter and state law. The Floodplain Administrator shall give first priority to those violations which he or she deems pose the greatest potential for loss of life and property, or as directed by the Town Manager upon consultation with the Town Engineer.

(B) In the event the Floodplain Administrator is unable to promptly cure a violation, a declaration for denial for insurance shall be submitted to the Administrator of Federal Insurance Administrator pursuant to § 1316 of the National Flood Insurance Act of 1968, being 42 U.S.C. § 4023, as amended.

§ 152.015 UNLAWFUL ACTS.

(A) It is unlawful for any person to ENGAGE IN ANY DEVELOPMENT OR TO divert, retard or obstruct the flow of waters in any watercourse ~~whenever such diversion, retardation or obstruction~~ IF IT creates a hazard to life or property WITHOUT SECURING THE WRITTEN AUTHORIZATION REQUIRED BY A.R.S. § 48-3613. Where the watercourse is a delineated floodplain, it is unlawful to ENGAGE IN ANY

DEVELOPMENT ~~excavate or build any structure~~ affecting the flow of waters without securing written authorization of the Floodplain Administrator.

(B) Any person FOUND GUILTY OF violating the provisions of this CHAPTER ~~section~~ shall be guilty of a Class 2 Misdemeanor.

§ 152.016 SEVERABILITY.

(A) THIS ORDINANCE AND THE VARIOUS PARTS THEREOF ARE HEREBY DECLARED TO BE SEVERABLE. SHOULD ANY SECTION OF THIS CHAPTER BE DECLARED BY THE COURTS TO BE UNCONSTITUTIONAL OR INVALID, SUCH DECISION SHALL NOT AFFECT THE VALIDITY OF THE CHAPTER AS A WHOLE, OR ANY PORTION THEREOF OTHER THAN THE SECTION SO DECLARED TO BE UNCONSTITUTIONAL OR INVALID.

ADMINISTRATION

§ 152.030 DEVELOPMENT PERMIT.

(A) A development permit shall be obtained before construction or development, including placement of manufactured homes, ~~begins~~ within any ~~area of special flood hazard~~ SPECIAL FLOOD HAZARD AREA. Each application for a development permit or extension of a development permit shall be made on forms furnished by the Floodplain Administrator.

(B) The Floodplain Administrator may require at a minimum, the applicant to submit:

(1) Engineered plans, in duplicate, drawn to scale, showing the nature and location of the area, regulatory flood elevations, dimensions and contours or key elevations, watercourses, and the locations of existing and proposed structures, fill, storage of materials, and drainage facilities. All elevations or vertical distances must reference an established datum or base elevation.

(2) Description of the extent to which any watercourse will be altered or relocated as a result of the proposed development and cumulative development.

(3) When structures are involved:

(a) Structures shall be designed and constructed so as to offer the minimum obstruction to the flow of flood waters. Foundation systems shall be designed and certified by a registered professional engineer.

(b) Proposed elevation in relation to mean sea level, of the lowest floor (including basement) of all structures, plus elevation of existing grade, in relation to mean sea level, all elevations shall be certified by a registered civil engineer or a registered land surveyor, registered in the State of Arizona.

(c) Proposed elevation in relation to mean sea level to which each NON-RESIDENTIAL structure shall be flood- proofed.

(d) Certification by a registered professional engineer or architect that the flood-proofing methods for each NON-RESIDENTIAL structure meet the flood-proofing criteria in § 152.045(C)(3).

(e) BASE FLOOD ELEVATION DATA FOR SUBDIVISION PROPOSALS OR OTHER DEVELOPMENT GREATER THAN 50 LOTS OR 5 ACRES, WHICHEVER IS THE LESSER; AND

(f) DESCRIPTION OF THE EXTENT TO WHICH ANY WATERCOURSE WILL BE ALTERED OR RELOCATED AS A RESULT OF PROPOSED DEVELOPMENT.

(4) More extensive submissions if the proposed development is in a designated floodway or in an area that will act as a floodway during a major flood. Developers in these areas, including gravel and sand excavators, shall submit a plan, a time schedule and a report, all signed by a registered civil engineer. The plan, in duplicate, shall be to a scale of 1 inch equals 100 feet or greater and shall contain contours with a contour interval of 2 feet or less.

(C) In the case of gravel and sand excavation, the plan shall indicate the locations and depths of excavations, and the locations of trees and banks and how they will be protected or disposed of, and the time schedule shall indicate approximate volumes to be removed on a quarterly basis up to the end of the operation. The report shall deal with the hydrology, hydraulics and sediment aspects of the development, shall demonstrate that no increase in flood levels during the occurrence of the base flood discharge would occur, shall address concerns over loss of life and property damage, shall treat bank erosion and channel aggradation and degradation, and shall contain water surface profile studies and quantitative or semi-quantitative sediment analyses if required to support the conclusions in the report. A registered civil engineer may make a written request to waive certain of the items, accompanied by explanations. It is stressed that encroachments in floodways are prohibited, as per § 152.050, and that only in rare cases would exceptions be made.

§ 152.031 FLOODPLAIN ADMINISTRATOR. Duties of the Floodplain Administrator shall include, but not be limited to:

(A) Review all development permits to determine that:

(1) The permit requirements of this chapter have been satisfied.

(2) ALL REQUIRED STATE AND FEDERAL PERMITS HAVE BEEN OBTAINED.

(~~2~~3) The site is reasonably safe from flooding.

(4) In areas where a floodway has not been designated, the proposed development does not adversely affect the carrying capacity of areas where Base Flood Elevations have been determined.

(~~3~~5) The proposed development does not adversely affect the water and sediment carrying capacity of the floodway. For purposes of this chapter, "adversely affects" means that the cumulative effect of the proposed development, and all other existing and anticipated developments shall not increase the water surface elevation of the base flood more than 1 foot at any point, and shall not risk aggravating bed and bank scour which could directly or indirectly endanger human life or cause property damage.

(B) REVIEW ALL DEVELOPMENT PERMITS FOR IMPROVEMENTS AND/OR DAMAGES TO EXISTING STRUCTURES TO DETERMINE IF THE APPLICATION OF THE SUBSTANTIAL IMPROVEMENT RULES APPLY, INCLUDING ESTABLISHING A DEFINITION OF MARKET VALUE DETERMINATION AND VERIFYING THAT THE ESTIMATED IMPROVEMENT AND/OR REPAIR COSTS ARE LESS THAN 50% OF THE MARKET VALUE OF THE STRUCTURE.

(~~B~~C) When base flood elevation data has not been provided in accordance with § 152.007, the Floodplain Administrator shall obtain, review, and reasonably utilize any base flood elevation data available from a federal, state or other source, in order to administer §§ 152.045 *et seq.* Any such information shall be consistent with the requirements of the Federal Emergency Management Agency and the Director of Water Resources AND MAY BE SUBMITTED TO THE BOARD FOR ADOPTION.

(~~C~~D) Obtain and maintain for public inspection and make available as needed for flood insurance policies:

(1) The CERTIFICATION OF ~~certified~~ elevation required in § 152.045(C)(1) AND 152.049(A)(1),(2);

~~(2) The certification required in § 152.045(C)(2);~~

(2~~3~~) The CERTIFICATION OF flood-proofing ~~certification~~ required in § 152.045(C)(3);

(3~~4~~) The CERTIFICATION OF elevation required in § 152.048 (A)(2); and

(4~~5~~) Permit records for repair of flood-related damage to structures on a cumulative basis FOR REPETITIVE LOSS STRUCTURE PURPOSES over the life of the structure.

(5) CERTIFICATION OF ELEVATION REQUIRED BY ~~SUBSECTION~~SECTION 152.031 (~~D~~E)(1).

(6) CERTIFICATION REQUIRED BY SECTION 153.045(B)(4)

(7) RECORDS OF ALL VARIANCE ACTIONS, INCLUDING JUSTIFICATION FOR THEIR ISSUANCE.

(~~D~~E) NOTIFICATION REQUIREMENTS

(1) Whenever a watercourse is to be altered or relocated:

(~~1~~a) Notify adjacent communities and the Arizona Department of Water Resources prior to such alteration or relocation of a watercourse, and submit evidence

of the notification to the ~~Federal Insurance Administration~~ FEMA through appropriate notification means;

(~~2~~b) ~~Require~~ ASSURE that the flood carrying capacity of the altered or relocated portion of the watercourse is maintained.

(2) BASE FLOOD ELEVATION AND RATE OF FLOW DUE TO PHYSICAL ALTERATIONS:

(a) BASE FLOOD ELEVATIONS MAY INCREASE OR DECREASE RESULTING FROM PHYSICAL CHANGES AFFECTING FLOODING CONDITIONS. AS SOON AS PRACTICABLE, BUT NOT LATER THAN SIX MONTHS AFTER THE DATE SUCH INFORMATION BECOMES AVAILABLE, THE FLOODPLAIN ADMINISTRATOR SHALL NOTIFY THE FEDERAL EMERGENCY MANAGEMENT AGENCY OF THE CHANGES BY SUBMITTING TECHNICAL OR SCIENTIFIC DATA IN ACCORDANCE WITH VOLUME 44 CODE OF FEDERAL REGULATIONS SECTION 65.3. SUCH A SUBMISSION IS NECESSARY SO THAT UPON CONFIRMATION OF THOSE PHYSICAL CHANGES AFFECTING FLOODING CONDITIONS, RISK PREMIUM RATES AND FLOODPLAIN MANAGEMENT REQUIREMENTS WILL BE BASED UPON CURRENT DATA.

(~~E~~b) Within 120 days after completion of construction of any flood control protective works which changes the rate of flow during the BASE flood or the configuration of the floodplain upstream or downstream from or adjacent to the project, the person or agency responsible for installation of the project shall provide to the governing bodies of all jurisdictions affected by the project a new delineation of all floodplains affected by the project. The new delineation shall be done according to the criteria adopted by the Director of Water Resources.

(3) THE FEDERAL EMERGENCY MANAGEMENT AGENCY OF ACQUISITION BY MEANS OF ANNEXATION, INCORPORATION OR OTHERWISE, OF ADDITIONAL AREAS OF JURISDICTION.

(F) Advise in writing and provide a copy of any development plan, to any neighboring city, town or county Floodplain Administrator having assumed jurisdiction over its floodplains in accordance with A.R.S. § 48-3610, of any application for a floodplain use permit (development permit) or variance to develop land in a floodplain or floodway within 1 mile of the corporate limits of such city or town or unincorporated village or urbanized area. The town Floodplain Administrator shall also advise such city or town and county Floodplain Administrator in writing and provide a copy of any development plan of any major development proposed within a floodplain or floodway which could affect floodplains, floodways, or watercourses within such county, city or town area of jurisdiction. Written notice and a copy of the plan of development shall be sent to such county, city or town no later than 3 working days after having been received by the town Floodplain Administrator.

(G) Make interpretations where needed, as to the exact location of the boundaries of the ~~areas of special flood hazards~~ SPECIAL FLOOD HAZARD AREAS (for example,

where there appears to be a conflict between a mapped boundary and actual field conditions). The person contesting the location of the boundary shall be given a reasonable opportunity to appeal the interpretation as provided in §§ 152.065*et seq*.

(H) Take actions on violations of this chapter as required in § 152.014.

(I) Establish a reasonable fee schedule, including higher fees for late compliance, all fee structures to be approved by the Town Council.

FLOOD HAZARD REDUCTION

§ 152.045 STANDARDS OF CONSTRUCTION.

In all ~~areas of special flood hazards~~ SPECIAL FLOOD HAZARD AREAS the following standards are required:

(A) *Anchoring.*

(1) All new construction and substantial improvements shall be anchored to prevent flotation, collapse or lateral movement of the structure RESULTING FROM HYDRODYNAMIC LOADS AND HYDROSTATIC LOADS INCLUDING THE EFFECTS OF BUOYANCY. A foundation design and certification by a registered professional engineer may be required to ensure the standards of this division.

(2) All manufactured homes shall meet the anchoring standards of § 152.049(B).

(B) *Construction materials and methods.*

(1) All new construction and substantial improvements shall be constructed with materials and utility equipment resistant to flood damage.

(2) All new construction and substantial improvements shall be constructed using methods and practices that minimize flood damage.

(3) All new construction, substantial improvement and other proposed new development shall be constructed with electrical, heating, ventilation, plumbing and air conditioning equipment and other service facilities that are designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding.

(4) Require within Zones AH or AO that adequate drainage paths around structures on slopes guide floodwaters around and away from proposed or existing structures.

(C) *Elevation and flood-proofing.*

(1) New construction and substantial improvement of any RESIDENTIAL structure shall have the lowest floor, including basement, elevated to or above the regulatory flood elevation. ~~Nonresidential structures may meet the standards in § 152.045(C)(3).~~Upon the completion of the structure, the elevation of the lowest floor

including basement shall be certified by a registered professional engineer or surveyor and provided to the Floodplain Administrator.

(2) New construction and substantial improvement of any RESIDENTIAL structure in Zone AO shall have the lowest floor, including basement, higher than the highest adjacent grade at least 1 foot higher than the depth number on the FIRM, or at least 2 feet if no depth number is specified. ~~Nonresidential structures may meet the standards in § 152.045(C).~~ Upon THE completion of the structure, THE ELEVATION OF THE LOWEST FLOOR INCLUDING BASEMENT SHALL BE CERTIFIED BY a registered professional engineer OR SURVEYOR AND PROVIDED ~~shall certify~~ to the Floodplain Administrator that the elevation of the structure meets this standard.

(3) Nonresidential construction AND NEW AND SUBSTANTIAL IMPROVEMENT shall either be elevated in conformance with § 152.045(C)(1) or (2) or together with attendant utility and sanitary facilities:

(a) Be flood-proofed so that below the regulatory flood level the structure is watertight with walls substantially impermeable to the passage of water; NONRESIDENTIAL STRUCTURES MAY MEET THE STANDARDS IN § 152.045(C)(3).

(b) Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy; and

(c) Be certified by a registered professional engineer or architect that the standards of this subsection are satisfied. Such certifications shall be provided to the Floodplain Administrator.

(4) Require for all new construction and substantial improvements of non-residential structures~~,~~ OR ~~that~~ fully enclosed areas below the lowest floor, that are useable solely for parking of vehicles, building access or storage in an area other than a basement and which are subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement must either be DESIGNED OR certified by a registered ~~professional~~ engineer or architect OR ~~to~~ meet or exceed the following minimum criteria.

(a) A minimum of 2 openings having a total net area of not less than 1 square inch for every square foot of enclosed area subject to flooding shall be provided.

(b) The bottom of all openings shall be no higher than 1 foot above grade.

(c) Openings may be equipped with screens, louvers, valves or other coverings or devices provided that they permit the automatic entry and exit of floodwaters, AS CERTIFIED BY THE OWNER'S ENGINEER.

(5) Manufactured homes shall meet the above standards and also the standards in § ~~152.050~~ 152.049.

(6) Fill, if used to elevate structures, must meet all of the following standards.

(a) The top of such fill shall be at no point lower than the Regulatory Flood Elevation.

(b) The fill shall extend at least 15 feet beyond the walls or supporting frame of the structure.

(c) Fill must be placed and compacted in accordance with the ~~Uniform Building Code~~ INTERNATIONAL BUILDING CODE, 2012 EDITION.

(d) Fill shall not interfere with local drainage or tributary flow to the channel of any watercourse.

(e) Fill proposed in excess of the volume and extent required herein must be shown to have no detrimental effect and the amount of fill cannot be greater than is necessary to achieve the purpose for which it is intended as demonstrated by a plan submitted by the applicant indicating the uses to which the filled land will be put and the final dimensions and extent of the proposed fill. Fill shall not include junk, trash, wood or other buoyant or hazardous material and shall be protected as needed against scour and erosion by riprap or other protective measures as approved by the Floodplain Administrator.

§ 152.046 STANDARDS FOR STORAGE OF MATERIALS AND EQUIPMENT.

(A) The storage or processing of materials that ~~are, in time of flooding, buoyant, flammable, explosive or~~ could be injurious to human, animal or plant life IF RELEASED DUE TO DAMAGE FROM FLOODING is prohibited IN SPECIAL FLOOD HAZARD AREAS.

(B) Storage of other material or equipment may be allowed if not subject to major damage by floods, and if firmly anchored to prevent flotation, or if readily removable from the area within the time available after flood warning.

§ 152.047 STANDARDS ~~FOR UTILITIES~~ FOR WATER SUPPLY AND WASTE DISPOSAL SYSTEMS.

(A) All new or replacement water supply and sanitary sewage systems shall be designed to minimize or eliminate infiltration of flood waters into the system and discharge from systems into flood waters.

(B) On-site waste disposal systems shall be located to avoid impairment to them or contamination from them during flooding.

(C) Waste disposal systems shall not be installed WHOLLY OR PARTIALLY in a regulatory floodway.

§ 152.048 STANDARDS FOR SUBDIVISIONS.

(A) All ~~preliminary~~ NEW subdivision proposals AND OTHER PROPOSED DEVELOPMENT (INCLUDING PROPOSALS FOR MOBILE HOME PARKS OR SUBDIVISIONS) GREATER THAN FIFTY LOTS OR FIVE ACRES, WHICHEVER IS THE LESSER, shall

(1) identify the flood hazard area and the elevation of the base flood.

(~~B~~2) ~~If flood hazard areas exist,~~ FOR all final subdivision plans and plats, ~~will~~ provide the elevation(s) of proposed structure(s) and pads. If the site is filled above the base flood, the final lowest floor and pad elevation shall be certified by a registered professional engineer or surveyor and provided to the Floodplain Administrator.

(~~C~~B) All subdivision proposals AND OTHER PROPOSED DEVELOPMENT shall be consistent with the need to minimize flood damage.

(D) All subdivision proposals AND OTHER PROPOSED DEVELOPMENT shall have public utilities and facilities such as sewer, gas, electrical and water systems located and constructed to minimize flood damage.

(E) All subdivisions AND OTHER PROPOSED DEVELOPMENT shall provide adequate drainage to reduce exposure to flood hazards, including easements dimensioned to facilitate construction and maintenance of drainage facilities, and shall not concentrate or increase flows without providing remedial works.

(F) All subdivision plan AND OTHER PROPOSED DEVELOPMENT submittals shall include the information, and shall be in the form required by the Floodplain Administrator.

§ 152.049 STANDARDS FOR MANUFACTURED HOMES AND RECREATIONAL VEHICLES.

(A) All new and replacement manufactured homes~~,~~ AND additions to manufactured homes ~~and recreational vehicles which are left on site for more than 180 days or are not licensed and ready for highway use~~ shall:

(~~A~~1) Be elevated so that the bottom of the structural frame or the lowest point of any attached appliances, whichever is lower, is at or above the regulatory flood elevation; and

(~~B~~2) Be securely anchored to an adequately anchored foundation system designed by a registered professional engineer, to resist flotation, collapse or lateral movement. Methods of anchoring may include, but are not to be limited to, use of over-the-top or frame ties to ground anchors. This requirement is in addition to applicable state and LOCAL ANCHORING REQUIREMENTS FOR RESISTING WIND FORCES.

(B) ALL RECREATIONAL VEHICLES PLACED ON SITE SHALL:

(1) BE ON SITE FOR FEWER THAN 180 CONSECUTIVE DAYS,

(2) BE FULLY LICENSED AND READY FOR HIGHWAY USE. A RECREATIONAL VEHICLE IS READY FOR HIGHWAY USE IF IT IS ON ITS WHEELS OR JACKING SYSTEM, IS ATTACHED TO THE SITE ONLY BY QUICK DISCONNECT TYPE UTILITIES AND SECURITY DEVICES, AND HAS NO PERMANENTLY ATTACHED ADDITIONS; OR

(3) MEET THE PERMIT REQUIREMENTS OF SECTION 152.030 AND THE ELEVATION AND ANCHORING REQUIREMENTS FOR MANUFACTURED HOMES IN PARAGRAPH (A)(2) OF THIS SECTION.

§ 152.050 FLOODWAYS.

(A) Located within SPECIAL FLOOD HAZARD AREAS established in § 152.007 are areas designated as floodways.

(B) Since the floodway is an extremely hazardous area due to the velocity of floodwaters which carry debris, potential projectiles, and erosion potential, the following provisions apply:

(1) (a) Encroachments in floodways are prohibited, including fill, new construction, substantial improvements, and other development, unless certification by a registered professional engineer is provided demonstrating that encroachments shall not result in any increase in flood levels and that the structural integrity of the development is not susceptible to the base flood velocities, bed scour and other physical mechanisms during the occurrence of the base flood discharge.

(b) The certified demonstration must meet the procedures as set forth in § 152.030, and if approved by the Floodplain Administrator a development permit may be obtained.

(2) (a) The minimum setback from the edge of a floodway, or from the edge of a bank of a watercourse if no floodway is to be defined, shall be 20 feet.

(b) Along reaches of streams or watercourses where hazards from eroding banks and/or channel meandering are considered by the district administrator to be severe, special engineering studies shall be made by the property owner or developer and requirements for setbacks from banks of streams or watercourses and/or other protection measures shall be established in accordance with findings that are concurred with by the Floodplain Administrator.

(3) No activity is permitted within a floodway that might cause lateral migration of waters at high or low stages or channel bed degradation or aggradation without a development permit.

(4) If § 152.050 is satisfied, all new construction and substantial improvements shall comply with all other applicable flood hazard reduction provisions of §§ 152.045 *et seq*.

VARIANCE PROCEDURE

§ 152.065 NATURE OF VARIANCES

(A) THE VARIANCE CRITERIA SET FORTH IN §§152.065~~6~~ THROUGH 152.068 ARE BASED ON THE GENERAL PRINCIPLE OF ZONING LAW THAT VARIANCES

PERTAIN TO A PIECE OF PROPERTY AND ARE NOT PERSONAL IN NATURE. A VARIANCE MAY BE GRANTED FOR A PARCEL OF PROPERTY WITH PHYSICAL CHARACTERISTICS SO UNUSUAL THAT COMPLYING WITH THE REQUIREMENTS OF THIS ~~ORDINANCE~~ CHAPTER WOULD CREATE AN EXCEPTIONAL HARDSHIP TO THE APPLICANT OR THE SURROUNDING PROPERTY OWNERS. THE CHARACTERISTICS MUST BE UNIQUE TO THE PROPERTY AND NOT BE SHARED BY ADJACENT PARCELS. THE UNIQUE CHARACTERISTIC MUST PERTAIN TO THE LAND ITSELF, NOT TO THE STRUCTURE, ITS INHABITANTS OR THE PROPERTY OWNERS.

(B) IT IS THE DUTY OF THE TOWN COUNCIL TO HELP PROTECT ITS CITIZENS FROM FLOODING. THIS NEED IS SO COMPELLING AND THE IMPLICATIONS OF THE COST OF INSURING A STRUCTURE BUILT BELOW THE REGULATORY FLOOD ELEVATION ARE SO SERIOUS THAT VARIANCES FROM THE FLOOD ELEVATION OR FROM OTHER REQUIREMENTS IN THE FLOOD ORDINANCE ARE QUITE RARE. THE LONG-TERM GOAL OF PREVENTING AND REDUCING FLOOD LOSS AND DAMAGE CAN ONLY BE MET IF VARIANCES ARE STRICTLY LIMITED. THEREFORE, THE VARIANCE GUIDELINES PROVIDED IN THIS ORDINANCE ARE MORE DETAILED AND CONTAIN MULTIPLE PROVISIONS THAT MUST BE MET BEFORE A VARIANCE CAN BE PROPERLY GRANTED. THE CRITERIA ARE DESIGNED TO SCREEN OUT THOSE SITUATIONS IN WHICH ALTERNATIVES OTHER THAN A VARIANCE ARE MORE APPROPRIATE.

§ ~~152.065~~ 152.066 APPEAL BOARD.

(A) The ~~Board of Adjustment (~~Floodplain Board~~) of the town~~ shall hear and decide appeals and requests for variances from the requirements of this chapter.

(B) The Floodplain Board shall hear and decide appeals when it is alleged there is an error in any requirement, decision or determination made by the Floodplain Administrator in the enforcement or administration of this chapter.

(C) In ~~passing upon the~~ CONSIDERING SUCH applications, the Floodplain Board shall consider all technical evaluations, including an opinion of the Town Engineer, all relevant factors, standards specified in other sections of this chapter, and:

(1) The danger that materials may be swept onto other lands to the injury of others;

(2) The danger of life and property due to flooding or erosion damage;

(3) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;

(4) The importance of the services provided by the proposed facility to the community;

(5) The necessity to the facility of a waterfront location, where applicable;

(6) The availability of alternative locations for the proposed use which are not subject to flooding or erosion damage;

(7) The compatibility of the proposed use with existing and anticipated development;

(8) The relationship of the proposed use to the comprehensive plan and floodplain management program for that area;

(9) The safety of access to the property in time of flood for ordinary and emergency vehicles;

(10) The expected heights, velocity, duration, rate of rise, and sediment transport of the flood waters expected at the site; and

(11) The costs of providing governmental services during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical and water system, and streets and bridges.

(D) Generally, variances may be issued for new construction and substantial improvements to be erected on a lot of 1/2 acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing items § ~~152.065(C)(1) through (11)~~ 152.030 AND § 152.045 OF THIS CHAPTER have been fully considered. As the lot size increases beyond 1/2 acre, the technical justification required for issuing the variance increases.

(E) Upon consideration of the factors of §§ 152.065 *et seq.* and the purposes of this chapter, the Floodplain Board may attach such conditions to the granting of variances as it deems necessary to further the purposes of this chapter.

(F) The Floodplain Administrator shall maintain the records of all appeal actions and report any variances to the Federal Emergency Management Agency upon request.

§ ~~152.066~~ 152.067 CONDITIONS FOR VARIANCES.

(A) Variances may be issued for the repair, rehabilitation or restoration of structures listed in the National Register of Historic Places or the State Inventory of Historic Places, upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.

(B) Variances shall not be issued within any designated floodway if any increase in flood levels during the base flood discharge would result ~~in a high risk of loss of life or property damage~~.

(C) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

(D) Variances shall only be issued upon:

(1) A showing of good and sufficient cause;

(2) A determination that failure to grant the variance would result in exceptional hardship to the applicant; and

(3) A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of, the public or conflict with existing local laws or ordinances.

(E) Any applicant to whom a variance is granted shall be given written notice over the signature of a community official that:

(1) The issuance of a variance to construct a structure below the base flood level will result in increased premium rates for flood insurance up to amounts as high as $25 for $100 of insurance coverage; and

(2) The construction below the ~~base~~ REGULATORY flood ~~level~~ ELEVATION increases risks to life and property.

(F) The notification shall be maintained with a record of all variance actions as required in § 152.065(E). The notice will also state that the land upon which the variance is granted shall be ineligible for exchange of land pursuant to any flood relocation and land exchange program. A copy of the notice shall be recorded by the Floodplain Board in the office of the Yavapai County Recorder and shall be recorded in a manner so that it appears in the chain of title of the affected parcel of land.

§ ~~152.067~~ 152.068 MINOR VARIANCES.

The Floodplain Board may identify uses which are not allowed by this chapter but which are minor in nature. The Floodplain Board may adopt written policies detailing specific conditions in addition to the conditions listed in § 152.066 under which minor variances may be granted. The Floodplain Administrator may grant minor variances if all necessary conditions have been satisfied. The denial of a minor variance may be appealed to the Floodplain Board.

AMENDMENTS

§ 152.080 MAP AMENDMENTS.

(A) The Town Council may direct the Floodplain Administrator to study areas of special flood hazard that may be in error either because of changed conditions or engineering error. Any person may submit engineering reports consistent with criteria developed by the Director of the Arizona Department of Water Resources to demonstrate error. The Floodplain Administrator may submit any proposed changes to the Arizona Department of Water Resources and the Federal Insurance Administration, including supporting engineering.

(B) Where areas of special flood hazard have not been delineated and development is ongoing or imminent, the planning and zoning commission shall direct the Floodplain Administrator or developers of land to prepare and submit reports to the Floodplain

Administrator. If it appears that the report(s) are consistent with the criteria developed by the Director of the Arizona Department of Water Resources, they shall be adopted and submitted to the Arizona Department of Water Resources and the Federal Insurance Administration.

§ 152.081 ORDINANCE AMENDMENTS.

Amendments to this chapter may be adopted after a public hearing at which any person has an opportunity to be heard. At least 30 days before the hearing, a notice of the time and place of hearing shall be published in a newspaper of general circulation within the county. A notice of the hearing and the proposed ordinance changes shall be submitted to the Director of the Arizona Division of Emergency Management (DEM) at least 30 days prior to the hearing. A copy of any adopted ordinance change shall be filed within 5 days from adoption with the Director of the Arizona Division of Emergency Management (DEM) and with each neighboring political subdivision, County Floodplain Administrator and municipal corporation within 1 mile of the boundary of the town.

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.b.**

Meeting Date:	01/08/2019
Contact Person:	Frank Marbury, Public Works Director/Town Engineer
	Phone: 928-636-7140 x-1226
Department:	Public Works
Item Type:	Consent
Estimated length of staff presentation:	None
Physical location of item:	Road 2 North & Road 1 West

AGENDA ITEM TITLE:

Consideration and possible action to approve the Intergovernmental Agreement (IGA) between the Chino Valley Unified School District (CVUSD) and the Town of Chino Valley for the completion of improvements to transportation conveyance systems related to Del Rio School and Heritage Middle School using Adjacent Ways funding.

RECOMMENDED ACTION:

Approve the Intergovernmental Agreement (IGA) between the Chino Valley Unified School District (CVUSD) and the Town of Chino Valley for design and construction management of improvements to transportation conveyance systems related to Del Rio School and Heritage Middle School at no cost to the Town but staff's time to perform engineering and project management.

SITUATION AND ANALYSIS:

On March 14, 2017, the Town entered into an agreement with CVUSD to design and construct the Intersection of West Road 2 North and North Road 1 West along with a driveway and bus lanes along West Road 2 North. The agreement expired June 30, 2018, but CVUSD desires to complete the project by constructing the driveway and bus lane improvements.

The Town controls and maintains public rights-of-way immediately adjacent to the frontage of the Del Rio School and the Heritage Middle School along with other on-site roadways, parking lots, and other transportation conveyance systems and have experienced that these systems do not currently adequately serve the needs of the Del Rio School and the Heritage Middle School. The District is authorized, subject to approval by the Arizona School Facilities Board ("SFB"), to expend Adjacent Ways funds under A.R.S. Section 15-995 for improvements to public streets, rights-of-way, and school properties adjacent to same, including sidewalks, sewers, utility lines, fence relocation, parking lot adjustments, roadway transportation systems, reconstruction of parking lots used for ingress and egress of buses and fire equipment, curb gutter and sidewalk additional roadway travel lanes, and bus bays.

The purpose of this Agreement is for the completion of the improvements of adjacent ways to the Del Rio School and Heritage Middle School, including but not limited to roadway improvements to on-site roadways, parking lots, and other transportation conveyance systems, construction paving roadways,

parking lot adjustments, reconstruction of parking lots used for ingress and egress of buses and fire equipment, additional roadway travel lanes, bus bays, utility relocation. The initial term of this Agreement is for a period of two (2) years, commencing on January 14, 2019 and ending on January 14, 2021, subject to prior termination as set forth herein.

The Town shall procure and pay for all materials required for the Project and furnish labor at no cost to the District. The District shall reimburse the Town for costs of the materials used in the Project, not to exceed One Hundred Thousand Dollars and No/Cents ($100,000.00) for fiscal year 2018-2019 and not to exceed One Hundred Thousand Dollars and no/Cents ($100,000.00) for fiscal year 2019-2020 & 2020-2021.

Fiscal Impact

Fiscal Impact?: Yes
If Yes, Budget Code: 07-70-5428
Available: $200,000
Funding Source:
Funds to come from the Chino Valley School District Adjacent Ways Program

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Attachments

RES 2019-1134 - IGA

RESOLUTION NO. 2019-1134

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, YAVAPAI COUNTY, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CHINO VALLEY UNIFIED SCHOOL DISTRICT FOR ADJACENT WAYS IMPROVEMENTS.

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

SECTION 1. The Intergovernmental Agreement with the Chino Valley Unified School District for Adjacent Ways improvements (the "Agreement") is hereby approved substantially in the form and substance attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 8th day of January, 2019.

_____
Darryl L. Croft, Mayor

ATTEST:

_____
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 2019-1134 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on January 8, 2019, 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

EXHIBIT A
TO
RESOLUTION NO. 2019-1134

[Agreement]

See following pages.

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement") is made January 8, 2019, by and between the CHINO VALLEY UNIFIED SCHOOL DISTRICT, a public school district and a political subdivision of the State of Arizona ("District") and the TOWN OF CHINO VALLEY, an Arizona municipal corporation ("Town").

RECITALS

A. The District and the Town have the authority to enter into this Agreement pursuant to ARIZ. REV. STAT. §§ 11-952 and 9-240(3).

B. The District is located within the corporate limits of the Town.

C. Property owners within the corporate limits of the Town pay school district and Adjacent Ways taxes to support the District.

D. The Town controls and maintains public rights-of-way immediately adjacent to the frontage of the Del Rio School and the Heritage Middle School, along with other on-site roadways, parking lots, and other transportation conveyance systems necessary for bus and fire equipment access. The Town has determined these systems do not currently adequately serve the needs of the Del Rio School and the Heritage Middle School.

E. The District is authorized, subject to approval by the Arizona School Facilities Board ("SFB"), to expend Adjacent Ways funds under ARIZ. REV. STAT. § 15-995 for improvements to public streets, rights-of-way, and school properties adjacent to same, including sidewalks, sewers, utility lines, fence relocation, parking lot adjustments, roadway transportation systems, reconstruction of parking lots used for ingress and egress of buses and fire equipment, curb gutter and sidewalk additional roadway travel lanes, and bus bays.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Purpose. This Agreement is for the improvement of adjacent ways to the Del Rio School and Heritage Middle School, including but not limited to roadway improvements to on-site roadways, parking lots, and other transportation conveyance systems, construction paving roadways, parking lot adjustments, reconstruction of parking lots used for ingress and egress of buses and fire equipment, additional roadway travel lanes, bus bays, utility relocation (the "Project").

2. Term; Renewal. The initial term of this Agreement is for a period of two years, commencing on January 14, 2019, and ending on January 14, 2021, subject to prior termination as set forth herein. This Agreement may be extended beyond the initial term by written agreement of both parties if said Project is not completed within the time specified herein. In that event, the Agreement shall terminate upon the expiration of any written extension, which shall not be later than the completion of the Project specified herein.

3. Financing. The District funding for this Project is contingent upon securing adjacent ways funding, including SFB approval for fiscal years 2018-2019, 2019-2020 and 2020-2021, and District Governing Board (the "Board") approval for the 2020-2021 fiscal year. Should the District fail to receive the adjacent ways funding described herein for the above or any other reason, the District shall be excused from making the payments noted in the Agreement and the Agreement shall terminate without further obligation or act of either party.

3.1 Labor and Materials Responsibility. The Town shall procure and pay for all materials required for the Project and furnish labor at no cost to the District. The District shall reimburse the Town for costs of the materials used in the Project, not to exceed $100,000.00 each year for fiscal years 2018-2019, 2019-2020 and 2020-2021.

3.2 2018-2019 Funding. Payment for fiscal year 2018-2019 has been approved by the Board and shall, upon approval by the SFB pursuant to ARIZ. REV. STAT. § 15-995 and receipt of said funds by the District, be paid by the District to the Town in a single Payment based upon the results of bid documents and change orders, within 30 days of receipt by the District of an invoice from the Town.

3.3 2019-2021 Funding. Payment for fiscal years 2019-2020 and 2020-2021 is contingent upon Board approval of the adjacent way levy, approval by the SFB pursuant to ARIZ. REV. STAT. § 15-995 and receipt of said funds by the District. If the Board fails to approve payment of the adjacent way levy, the SFB fails to approve use of the funds for the Project or the District fails to receive the funds, this Agreement shall terminate without further obligation or act of either party. Prior to approval by the Board and the SFB in fiscal years 2019-2020 and 2020-2021, the Town shall not be obligated to pay for materials required for the Project in each respective fiscal year.

3.4 Town Use of Funds. The Town shall use the District Adjacent Ways funds exclusively for payment of costs referenced above.

3.5 Contract Administration. The Town shall be responsible for the contracting and administration necessary to complete the Project and all costs of the same, pending reimbursement from the District. The Town's budget for the cost of the fiscal year

2018-2019 portion of the Project has already been implemented within the balance of the budget for road improvement expenses and will be maintained in the ordinary course of such roadway improvements.

4. Disposition of Property upon Termination. There will be no property in need of disposing upon termination of the Agreement.

5. Severability. If any part or parts of this Agreement are held to be void or unenforceable by a court of competent jurisdiction, the remaining parts of the Agreement shall remain in full force and effect.

6. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matters herein, and it may be amended, modified or waived only by an instrument in writing, signed by both parties.

7. Conflict of Interest. This Agreement is subject to cancellation by either party pursuant to ARIZ. REV. STAT § 38-511.

8. Indemnification. To the extent permitted by law, the Town and the District each agree to hold the other party harmless and indemnify the other for any loss, liability, or damages arising from any action, omission, or negligence of the indemnifying party's employees, officers, or agents, relating to and arising out of the performance of this Intergovernmental Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the date set forth below.

CHINO VALLEY UNIFIED SCHOOL DISTRICT

_____ _____

Penny Hubble, President
Chino Valley Unified School District
Governing Board

Date

TOWN OF CHINO VALLEY

_____ _____

Darryl Croft, Mayor

Date

_____ _____

Jami Lewis, Town Clerk

Date

In accordance with the requirements of ARIZ. REV. STAT. § 11-952, the undersigned attorneys acknowledge that (i) they have reviewed the above Agreement on behalf of their respective clients and that (ii) as to their respective clients only, each attorney has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

_____ _____

Hufford, Horstman, Mongini,
Parnell & Tucker, P.C.
Attorney for District

Andrew J. McGuire,
Gust Rosenfeld, PLC
Town Attorney

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.c.**

Meeting Date: 01/08/2019

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

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to accept the November 27, 2018 study session minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the November 27, 2018 study session minutes.

Attachments

November 27, 2018 Minutes

D R A F T

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

TUESDAY NOVEMBER 27, 2018
6:00 P.M.

The Town Council of the Town of Chino Valley met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, November 27, 2018.

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

Staff Present: Town Manager Cecilia Grittman; Town Attorney Andrew McGuire (electronically); Economic Development Project Manager John Coomer; Finance Director Joe Duffy; Human Resources Director Laura Kyriakakis; Police Chief Chuck Wynn; Police Lieutenant Vince Schaan; Public Works Director/Town Engineer Frank Marbury; Development Services Director Jason Sanks; Planner Alex Lerma; Community Services Director Scott Bruner; Administrative Technician Kathy Frohock (videographer); Deputy Town Clerk Vickie Nipper; Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Croft called the meeting to order at 6:02 p.m.

2) Presentation by Dr. Robin Sobotta, Airport Director, regarding the current status and future plans for the Prescott Municipal Airport. (Cecilia Grittman, Town Manager)

Dr. Sobotta spoke about the current and future status of the airport. Key points were:

- The inaugural flight of United Express, operated by Skywest Airlines, was on August 29, 2018.
- The airport's goal was to reach 10,000 boardings by the end of the year in order to qualify for $1 million annually in entitlement funds for local capital projects.
- The Airport was the 40th busiest in the Country, with five flight schools, and 260,000 annual operations; the air carrier was only one-half of one percent of such operations.
- The Airport's current strategic initiatives included lengthening a runway, replacing the existing airport terminal, and achieving long term tenancy for the U.S. Forest Service. The second item was underway and the third had been accomplished.

Mayor Croft asked Dr. Sobotta to keep the Council apprised.

3) Presentation and discussion regarding Center Street Duplex, a 2.85-acre site located 0.25 mile east of the southeast corner of West Center Street and South State Route 89 intersection. The applicant is proposing to rezone the property from SR-2.5 (Single Family Residential-2.5 Acre Minimum) to MR-1 (Multi-Family Residential-1 Acre Minimum) to allow development for nine (9) duplex properties or eighteen (18) individual residences. (Owner of Record: Jared Clatterbuck) (Alex Lerma, Planner).

Mr. Lerma presented on this item:

- This item had previously gone before Planning and Zoning and the applicant revised their site plan based on the comments received.
- The applicant was requesting the zone change in order to develop the property into nine duplex properties for a total of 18 individual residences.
- A proposed private drive would be 26-28 feet wide and would have gutter and sidewalk. Guest parking would consist of 12 parking spaces.
- A water distribution system would be onsite, consisting of a well pump and a water storage tank. Sewer would be connected to the Town system.

Mr. Lerma and Council discussed the following:

- *Water*: The area was in Prescott's water service area, but Prescott would only serve two houses. The Town's water system was approximately one mile or more away.
- *Parking*: The guest parking was for all 18 residences. Each unit had 4 parking spaces—two in the garage and two in the driveway.
- This item would go to Planning and Zoning as a study session item and still needed to undergo the citizen review process.

Applicant Jared Clattterbuck and Council discussed the following:

- There was a similar development behind Olsen's on Serenity. Mr. Clatterbuck thought there was a need for this type of development and he might build it himself. The development would become personal rental income with the involvement of a local property manager.
- The well was already installed, and each unit would have a two car garage and a backyard. The development would not be gated but would install gates if necessary.

4) Consideration and possible review and discussion regarding rosters for Council subcommittees and entity appointments. (Jami Lewis, Town Clerk)

Mayor Croft reviewed both updated rosters line by line to obtain input from Council and staff. Suggested changes were:

- Correct Council Economic Development Subcommittee Annie Perkins as Chair.
- Appoint Lon Turner to Upper Verde River Watershed Protection Coalition (UVRWPC), with Corey Mendoza as alternate.
- Direct staff to select an alternate for the UPRWPC Technical Advisory Committee.
- Appoint Jack Miller to Northern Arizona Municipal Water User's Association (NAMWUA), with Corey Mendoza as alternate.
- Direct Town Manager and Mayor to discuss and recommend representative and alternate for NAMWUA Technical Advisory Committee.
- Appoint Jack Miller as NACOG Regional Council alternate.
- Appoint Jack Miller as Greater Arizona Mayors Association alternate.
- Appoint Cloyce Kelly as YRMC Council of Electors alternate.

- Appoint Annie Perkins as Chamber of Commerce alternate.
- Direct Town Manager and HR Director to discuss and recommend representative and alternate to Arizona Municipal Risk Retention Pool.
- Appoint Cloyce Kelly as Prescott Regional Airport Master Plan Committee-Planning Advisor Committee alternate.

5) Council may vote to recess the study session and hold an executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the Town Attorney regarding non-subdivision land splits. (Andrew McGuire, Town Attorney)

MOVED by Vice-Mayor Lon Turner, seconded by Councilmember Jack Miller to go into executive session 6:44 p.m.

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

PASSED - Unanimously

6) Consideration and possible discussion regarding non-subdivision land splits. (Frank Marbury, Public Works Director/Town Engineer; Martin Scribner, Development Services Director)

Mayor Croft reconvened the regular meeting at 7:38 p.m. and stated that the Town Council had not made any decisions.

7) ADJOURNMENT

MOVED by Councilmember Jack Miller, seconded by Councilmember Cloyce Kelly to adjourn the meeting at 7:39 p.m.

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

PASSED - Unanimously

_____
Darryl L. Croft, Mayor

ATTEST:

_____
Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 27th day of November, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of January, 2018.

_____
Jami C. Lewis, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **6.d.**

Meeting Date: 01/08/2019

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

Department: Town Clerk

Item Type: Consent

AGENDA ITEM TITLE:

Consideration and possible action to accept the December 11, 2018 regular meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:

Accept the December 11, 2018 regular meeting minutes.

Attachments

December 11, 2018 minutes

D R A F T

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

TUESDAY DECEMBER 11, 2018
6:00 P.M.

The Town Council of the Town of Chino Valley met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, December 11, 2018.

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

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

Staff Present: Town Manager Cecilia Grittman; Town Attorney Andrew McGuire (electronically); Human Resources Director Laura Kyriakakis; Economic Development Project Manager John Coomer; Finance Director Joe Duffy; Public Works Director/Town Engineer Frank Marbury; Planner Alex Lerma; Interim Development Services Director Martin Scribner; Community Services Director Scott Bruner; Police Chief Chuck Wynn; Youth Services/Librarian Manager Darlene Westcott; Administrative Technician Kathy Frohock (videographer); Deputy Town Clerk Vickie Nipper

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

a) Recognition of Lon Turner for his year of service as Vice-Mayor of Chino Valley. (Cecilia Grittman, Town Manager)

Mayor Croft and Town Manager Grittman presented a Mayor's Recognition Award to Vice-Mayor Lon Turner for his dedication and service to the Town.

b) Administer Oaths of Office to Mayor-Elect Darryl Croft and Councilmembers-Elect Mike Best, Cloyce Kelly, Corey Mendoza, and Lon Turner. (Cecilia Grittman, Town Manager)

Town Manager/Deputy Town Clerk Grittman administered the Oath of Office to Mayor-Elect Darryl Croft and Councilmembers-Elect Mike Best, Cloyce Kelly, Corey Mendoza and Lon Turner.

c) Council will recess for a brief reception to welcome the re-elected Mayor and Councilmembers.

Mayor Croft recessed the meeting at 6:21 p.m. for the reception and reconvened at 6:31 p.m.

d) Consideration and possible action to nominate and elect a Councilmember to serve as Vice-Mayor.

Recommended Action: The new Mayor shall nominate, and the new Council shall select, a Councilmember to serve as Vice-Mayor.

MOVED by Mayor Darryl Croft, seconded by Councilmember Corey Mendoza to nominate Jack Miller as Vice Mayor.

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

PASSED - Unanimously

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a) Annual Report by the Chino Valley Equestrian Association regarding the status of the Chino Valley Equestrian Park located on Town property.

Ruth Mayday presented the Association's annual report with regard to:

- Equestrian clinics, classes, events, fund raisers, and races held over the past year to support and raise money for the facility;
- Equipment and facility upgrades and improvements;
- Board members, membership, and volunteers; and
- Donations and contributions received from the community.

Councilmembers thanked the Association and encouraged the community to support the Equestrian Park. Councilmember Best invited the Association to appoint a representative to the 50th year anniversary committee.

b) Report by Council-appointed representative Chris Marley regarding the current status of the Northern Arizona Municipal Water Users Association (NAMWUA), Upper Verde River Water Protection Coalition (UVRWPC), and Groundwater Users Advisory Committee (GUAC).

No report was given.

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.

Larry Gold requested an update on the shooting facility. Mayor Croft invited him to talk with the Town Manager and himself regarding the status.

John Garden asked if the Council was still pursuing a second supermarket for the Town. Mayor Croft explained that he was not able to fully answer the question, but the Town was continuing the pursuit.

James Charbonne started speaking on the proposed property tax. Town Manager Grittman explained that since the item was already on the agenda, he could not address it under Call to the Public. Mayor Croft informed him that a public meeting was being held on the matter tomorrow evening.

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) Comments regarding storage of garbage cans; garbage collection and the Town's noise ordinance; odor issues from too many cattle on some properties; and fire hazards from lack of property maintenance in some areas. (Joe Duffy, Finance Director)

Mayor Croft reported that:

- The Town Code did not address the issue of trash cans and dumpsters and had no regulations on where those items were to be stored on private property; and garbage containers needed to be large enough to handle livestock refuse.
- Garbage trucks were exempt from operating during the quiet hours of 12:00 a.m. to 5:00 a.m.
- The number of farm animals on residential property was not addressed or restricted in the Unified Development Ordinance and were allowed on AR-5 to SR-1 properties. Any complaints needed to be addressed to the local Code Compliance department.
- The land management code was being updated and would address the amount of private property adjacent or adjoining to the right of ways that would need to be mowed for aesthetic reasons and to provide defensible space between properties.

b) Request that Council do everything possible to keep the Town's public shooting range open to the public.

Mayor Croft reported that the Town Council was interested in keeping the shooting range open to the public. The Town had a concession agreement with the Prescott Sportsman’s Club to operate the range, but the member-driven club had some disputes. The Town’s primary concern was for the safety of the public and the Town was not satisfied that the club had a legitimate range director or manager that would be responsible for safety at the range. The Council will continue working on the issue with the club and were confident the range would be open in the future with some form of management.

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.

Mayor Croft acknowledged Santa and Mrs. Claus for their services at the Memory Park Christmas event, Native Air Helicopter for their Santa delivery services, Chino Valley Chamber of Commerce for their work on the event, and Cyndi Thomas and staff for setting it up.

Councilmember Best reported that he wanted to read some of the survey responses from Del Rio Elementary School students regarding the Town's upcoming 50th birthday party, but due to time constraints, he would post them instead.

Councilmember Perkins also acknowledged all those who planned the Memory Park Christmas.

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

Town Manager Grittman reported on:

- The December to Remember event and expressed gratitude to staff and the Chamber for its success.
- The CYMPO grant that the Town had applied for to build out Highway 89 to the north—the Town's application was not approved, but Yavapai County was the only Arizona entity awarded a grant which will fund the Middle Verde Valley to SR 260 in Verde Valley.

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 Councilmember Jack Miller, seconded by Councilmember Mike Best to accept the consent agenda items.

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

PASSED - Unanimously

a) Consideration and possible action to approve expenditure of $48,000 Governor's Office of Highway Safety grant funds to purchase an unmarked, aggressive driving vehicle for use in traffic details. Also request authorization for expenditure of no more than $10,000 from the general fund which was budgeted in this year's fiscal budget. (Chuck Wynn, Police Chief)

b) Consideration and possible action to continue receiving interim consultant services for the Development Services Director position, through Interim Public Management (IPM). (Laura Kyriakakis, Human Resources Director)

c) Consideration and possible action to update the appointment of Councilmembers and staff to various regional and state entity committees. (Jami Lewis, Town Clerk)

d) Consideration and possible action to update the Council Subcommittee roster. (Jami Lewis, Town Clerk)

e) Consideration and possible action to adopt the 2019 Base Council Meeting Schedule. (Jami Lewis, Town Clerk)

f) Consideration and possible action to accept the November 13, 2018 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) Presentation of Mayor's Recognition Award, recognizing Darlene J. Westcott, "Librarian Extraordinaire," for 23 years of dedicated service to Chino Valley's children and families; and for consideration and possible action, to adopt Resolution No. 18-1132 naming certain Town facilities as the Darlene J. Westcott Children's Library. (Mayor Croft and Scott Bruner, Community Services Director)

Recommended Action: Adopt Resolution No. 18-1132 naming certain Town facilities as the Darlene J. Westcott Children's Library.

Mayor Croft and Community Services Director Bruner presented a Mayor's Recognition Award to Ms. Westcott for her many years of service and dedication to the Town, the local library and the children and families of the community. They announced an upcoming retirement party honoring Ms. Westcott, and Ms. Westcott thanked the Council and the Town.

Mayor Croft recessed the meeting at 6:50 p.m. so folks could congratulate Ms. Westcott and reconvened at 7:05 p.m.

MOVED by Councilmember Jack Miller, seconded by Councilmember Mike Best to adopt Resolution No. 18-1132 naming certain Town facilities as the Darlene J. Westcott Children's Library.

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

PASSED - Unanimously

b) Consideration and possible action to adopt Ordinance 18-852, rezoning 7.06 acres of real property from AR-5 (Agricultural Residential-5 acre minimum) zoning district to SR-2 (Single Family Residential-2 acre minimum) zoning district. The property, Assessor's Parcel No. 306-21-119, is generally located approximately 900 feet east of Sycamore Vista Drive and 638 feet north of West Center Street. (Owner of Record: Horst A. Gempe) (Alex Lerma, Planner)

Recommended Action: Approve to adopt Ordinance 18-852, rezoning 7.06 acres of real property from AR-5 (Agricultural Residential- 5 acre minimum) zoning district to SR-2 (Single Family Residential- 2 acre minimum) zoning district.

Alex Lerma presented on this item:

- *Request*: The applicant wanted to subdivide the property and place mobile homes on the new lots. He would extend the current 25-foot easement to a 50-foot easement per the UDO requirement.
- *Current condition*: The property was 138 feet from Center Street Road and did not abut a public street, but was accessed through an easement. The property was adjacent to the Mesa View South, Chino Valley Estates and Mollie Rae Subdivisions. The surrounding properties' zones were consistent with the rezone request.
- *Public comment*: At two neighborhood meetings and two public hearings before the Planning and Zoning Commission ("Commission") and by letter, neighbors' concerns pertained to site design review, easement width, proposed manufactured homes, the risk of seven lots, and the access road along the back of the property allowing headlights to shine into homes. The zoning itself did not appear to be an issue.
- *Legal counsel*: After the first public hearing, legal counsel advised that the Town could not ask the applicant to extend the easement since it involved property that was not affected by the rezone application. Staff could suggest different zoning, but it would be the applicant's decision. The applicant subsequently amended the application rezone request from SR-1 to SR-2, resulting in only a possible three lots.
- *Recommendation*: Staff believed the request was in conformance with the General Plan's land use designation of Medium Density Residential 1-acre minimum, and SR-2 was a transitional zoning between AR-5 and SR-1. The Commission forwarded a recommendation of approval by a vote of 5-2.

Council comments:

- Some councilmembers opposed the item, expressing concern about water, access, septic saturation, and drainage run off, as well as the 25-foot easement causing problems in the future.
- Other councilmembers supported the matter, citing the property owner's rights, as well as the request being legal and in conformance with the General Plan.

MOVED by Councilmember Jack Miller, seconded by Councilmember Corey Mendoza to adopt Ordinance 18-852, rezoning 7.06 acres of real property from AR-5 (Agricultural Residential-5 acre minimum) zoning district to SR-2 (Single Family Residential-2 acre minimum) zoning district.

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

PASSED - Unanimously

c) Consideration and possible action to approve Ordinance 18-858 to rezone 2.71 acres of real property, Assessor Parcel No. 306-04-010U, located approximately 375 feet east of the northeast corner of State Route 89 and Road 4 North intersection at 868 East Road 4 North from CH (Commercial Heavy) zoning district to CL (Commercial Light) zoning district. (Owner of Record: Corey and Robin Mendoza) (Alex Lerma, Planner)

Recommended Action: Approve to adopt Ordinance 18-858 to rezone 2.71 acres of real property from CH (Commercial Heavy) zoning district to CL (Commercial Light) zoning district for Assessor Parcel No. 306-04-010U.

Councilmember Mendoza requested that this item be rescheduled.

MOVED by Councilmember Corey Mendoza, seconded by Councilmember Mike Best to move Item 7c to the first meeting in January.

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

PASSED - Unanimously

d) Consideration and possible action to approve and authorize Mayor Croft to sign the Fourth Amendment to Lease Agreement and the Memorandum of Fourth Amendment to Lease Agreement with Sun State Towers III, LLC, both related to a revised legal description, access easements and utility easements for the Wireless Communications Tower at Town Hall. (Frank Marbury, Public Works Director/Town Engineer)

Recommended Action: Approve and authorize Mayor Croft to sign the Fourth Amendment to Lease Agreement and the Memorandum of Fourth Amendment to Lease Agreement with Sun State Towers III, LLC.

Mr. Marbury reported on the following:

- This was an amendment to the Sun State Lease for the tower outside Town Hall to redraw some utility easement lines.
- The amendment benefited the Town and the Lessee, as the new easement will follow the property line more closely and the ingress easement was realigned to line up with the gates to provide legal access.

MOVED by Councilmember Jack Miller, seconded by Councilmember Mike Best to approve and authorize Mayor Croft to sign the Fourth Amendment to Lease Agreement and the Memorandum of Fourth Amendment to Lease Agreement with Sun State Towers III, LLC, both related to a revised legal description, access easements and utility easements for the Wireless Communications Tower at Town Hall.

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

PASSED - Unanimously

e) Presentation regarding staff performing Community Dialog regarding the proposed Road Maintenance Program and its possible funding by a property tax, as well as communicating the proposed ballot measure to buy water companies. Staff will be offering feedback to the Council about the Community Dialog sessions in preparation for Council's January 8, 2019 Council Meeting where it is anticipated the Council will "Call for an Election." (Cecilia Grittman, Town Manager)

Town Manager Grittman acknowledged staff for developing the informational literature for the public and reported that:

- During various community outreach programs, the consistent community concern had been the roads.
- The Roads and Streets Committee began working on a solution for a road maintenance program and made a recommendation to the Council, which directed staff to get public feedback on the issue.
- Town officials met with over 21 different organizations and groups—over 200 citizens. Overall, the public's feedback and dialogue had been positive. Concerns expressed pertained primarily to lack of trust that the government would do what it proposed; some folks not being able to afford an additional tax; and confusion about the roads the Town maintained. Of low concern was the proposed 20-year levy being too long and when each road would be done.
- Staff was now recommending that on January 8, Council call a Special Election on May 21, 2019 for the purpose of asking voters to approve a property tax levy of $1.5 million for 20 years for the sole purpose of road maintenance and construction. A 20-year program will allow for three complete cycles of maintenance. This was the same recommendation made by the Roads and Streets Committee.
- Council will have the option on January 8 to choose the levy amount. If approved, the Town will maintain all levied money in a restricted account with controls to ensure it was only used for road maintenance and construction.

Finance Director Duffy provided further details:

- Staff had used tax percentages of 1.5% and 2.0% based on assessed value to determine the two possible levy amounts of $1.2 million and $1.5 million. The voters have to approve an initial levy amount, not a tax percentage, as the Town did not have an option to levy a tax percentage. The recommended $1.5 million would provide an additional $300,000 that would be reserved for large road projects.
- To address inflation, the Town was allowed to add new homes into the levy, and the Council could increase the levy up to 2% per year. However, the Town intended to keep the levy static, and the only increases would be from new growth.
- Mr. Duffy reviewed how the percentage and levy amounts were determined and how the proposed tax levy will be assessed.

Council asked about feedback on the water purchases ballot measure. Ms. Grittman and Mayor Croft reported that:

- All comments had been positive and agreeable. The only confusion was that some people thought the property tax was going to pay for possible water company purchases, so staff created a separate brochure for each ballot measure.
- The public also asked how this item would affect a property owner's well. The answer was that it would have no effect on wells.

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.

a) An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding a contract (concessionaire management agreement) with Prescott Sportsmen's Club related to management of the Chino Valley Shooting Facility that is the subject of negotiations. (Cecilia Grittman, Town Manager)

MOVED by Councilmember Jack Miller, seconded by Councilmember Mike Best to go into executive session at 7:35 p.m.

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

PASSED - Unanimously

9) ACTION ITEMS RESUMED

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

Mayor Croft reconvened the regular meeting at 8:14 p.m. and reported that Council discussed an issue with the Town Attorney but did not make a decision.

10) ADJOURNMENT

MOVED by Councilmember Annie Perkins, seconded by Councilmember Cloyce Kelly to adjourn the meeting at 8:15 p.m.

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

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 11th day of December, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of January, 2019.

_____
Jami C. Lewis, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **7.a.**

Meeting Date:	01/08/2019
Contact Person:	Joe Duffy, Finance Director
	Phone: 928-636-2646 x-1211
Department:	Finance
Item Type:	Action-Presentation
Estimated length of staff presentation:	10 minutes
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to accept the Comprehensive Annual Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2018, as prepared by Henry & Horne, LLP, Certified Public Accountants. (Joe Duffy, Finance Director)

RECOMMENDED ACTION:

Accept the Comprehensive Annual Audited Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2018, as prepared by Henry & Horne, LLP, Certified Public Accountants.

SITUATION AND ANALYSIS:

Henry & Horne, LLP was retained by the Town to complete the audit for the fiscal year ended June 30, 2018.

The audit has been completed, and the final reports have been issued.

Other Pertinent Documents Available Upon Request:

A printed copy of the report is being provided to Council and pertinent staff separately. The report is be available on the Town's website at http://www.chinoaz.net.

Fiscal Impact

Fiscal Impact?:	None
If Yes, Budget Code:	
Available:	
Funding Source:	

Attachments

Financial Report June 30, 2018

TOWN OF CHINO VALLEY, ARIZONA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TOWN OF CHINO VALLEY, ARIZONA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared by the Finance Department

Joe R. Duffy, CPA, Finance Director

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Introductory Section

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

Finance Department
202 N. State Route 89
Chino Valley, AZ 86323

(928) 636-2646
(928) 636-2144
www.chinoaz.net

November 15, 2018

Honorable Mayor, Town Council and Town Manager:

The Comprehensive Annual Financial Report (CAFR) of the Town of Chino Valley, Arizona (the Town), for the fiscal year ended June 30, 2018 is submitted herewith. This report was prepared by the Town's Finance Department, in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed in pronouncement of the Governmental Accounting Standards Board (GASB).

The report consists of management's representations concerning the finances of the Town of Chino Valley. Consequently, management assumes full responsibility for the accuracy of the data, and the completeness and fairness of all of the information presented in this report. To provide a reasonable basis for making these representations, the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement.

The Town of Chino Valleys' financial statements have been audited by Henry & Horne, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to prove reasonable assurance that the financial statements of the Town of Chino Valley for the fiscal year ended June 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement preparation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Chino Valley's statements for the fiscal year ended June 30, 2018 are presented fairly in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

REPORTING ENTITY

For financial report purposes, the Town is a primary government. The citizens elect its governing Mayor and Council in a general election. The report includes all organizations and activities for which the elected officials exercise financial control. The Town has no component units. The Town interacts or contracts with various other governmental entities, but is not financially accountable for those entities.

PROFILE OF THE TOWN OF CHINO VALLEY

Chino Valley is located in the heart of Yavapai County along State Route 89 and is situated at an elevation of 4,700 feet, approximately 90 miles northwest of Phoenix and 15 miles north of Prescott. The Town provides a full range of municipal services, including police protection, the construction and maintenance of streets and infrastructure; as well as recreational and cultural activities. The Town's two enterprise funds provide water and wastewater services. The Town also operates a Library and Senior Center.

Incorporated in 1970, Chino Valley received its name in 1854 from U.S. Army Cavalry Lt. Amiel W. Whipple. He was traveling through the area and took note of the plentiful grama grass growing in the region. The Mexican word for this grass was "chino"—thus the community's name. From January through May of 1864, the site of the first Territorial Capital of Arizona was established at Del Rio Springs in Chino Valley. Later that year, the Territorial Capital was moved to Prescott.

It was a railroad that brought much activity to Chino Valley. Jerome Junction was established in 1895, becoming a major center of goings-on from 1900 until 1925, when it was moved farther north. Afterward, from the 1920s to the late 1940s, most of the families of Chino Valley took up farming and ranching. In the 1950s and 1960s, dairy farming became a large source of revenue.

Chino Valley has experienced much growth since its early beginnings. Affordable housing, large plots of land and significant availability of services continue to draw residents and businesses to the area.

STATE ROUTE HIGHWAY 89

Currently more than 23,000 vehicles per day travel State Route Highway 89 through Chino Valley. The Town, in conjunction with Yavapai County and Arizona Department of Transportation are in the process of planning improvements such as traffic control devices, frontage roads, widening and roundabouts on State Route Highway 89.
A major project completed last year was the development of the Chino Valley Regional Business Park at Old Home Manor. The project included a new access road, water and sewer infrastructure for the business park. The Regional Business Park is anticipated to encourage additional investment and economic activity within the area.

The Town of Chino Valley operates under a Council-Manager form of government. Under this organization structure, the Mayor and Council appoint a Town Manager to act as the chief operating officer. The Mayor and Town Council set policy direction and the Town Manager implements those policies in an efficient and effective manner. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council as well as overseeing the day-to-day operation.

FINANCIAL INFORMATION

Internal Controls

The Town is responsible for establishing and maintaining a system of internal budgetary controls, which are designed to ensure compliance with legal provisions of the annual budget adopted by the Town Council.

Internal account controls are designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use of disposition, and (2) reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

The system of internal controls is subject to periodic evaluation by management and is also considered by the independent auditors in connections with the annual audit of the Town's financial statements. All internal control evaluations occur within the above framework. The Town's internal accounting controls are considered to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The Town of Chino Valley, like many cities and towns in the State of Arizona, is subject to numerous budget and related requirements. Article IX, Section 20(1) of the Arizona Constitution sets limits on the Town's legal budget capacity.
The Town operates under the Home Rule Option that must be adopted by the local voters every four years. Home Rule allows the Mayor and Council, as part of the annual budget process to adopt an Alternative Expenditure Limitation equal to the total amount of budgeted expenditures/expenses as it appears on the annual budget to be adopted each year after a public hearing at which the citizens of the Town may comment. The Town adopted the Local Alternative Expenditure Limitation in August 2016 to be used through June 2021.

Under the Local Alternative Expenditure Limitation, the Town is allowed to adjust the state imposed expenditure base from $8,617,101 to $23,100,000 for fiscal year 2017-2018.

The Town maintains budgetary controls, which are designed to ensure compliance with legal provisions of the annual operating budget adopted by the Town Council. An operating budget is legally adopted by ordinance each fiscal year for the general fund, debt service, enterprise funds and several special revenue funds. In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget for the fiscal year commencing the following July 1 to the Town Council. After final adoption, transfers between budget appropriations for non-exempt areas may be made by the Town Council.

The Town is subject to the State of Arizona's Spending Limitations Law for Cities and Towns. This law does not permit the Town to spend more than budgeted revenues plus the carry-over unrestricted cash balance from the prior fiscal year. The limitation applies to the total of the combined funds. The Town complied with this law during the fiscal year.

Economic Conditions and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Chino Valley operates.

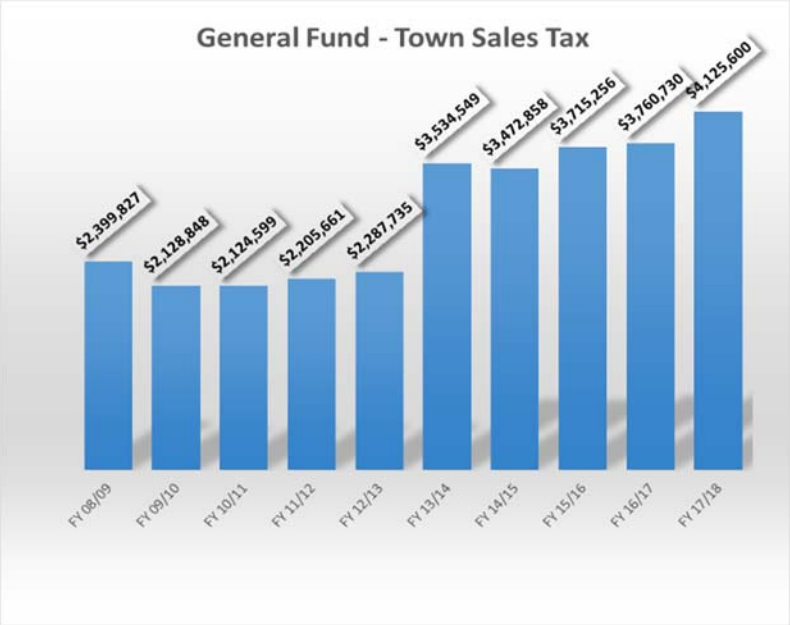
The economy of Chino Valley is a diverse combination of agriculture, manufacturing, commercial, government and service activities. Local indicators are pointing to stability, after several turbulent years during the economic downturn. All local excise taxes, state-shared revenue, state income tax and highway user revenue have increased over the last couple of years.

In 2000, Chino Valley's population was 7,901; in 2010 the new census revealed a population of 10,825. Chino Valley experienced strong growth from 2000 to 2010, with an estimated population of 11,429 in 2008. Growth was driven by three new major housing subdivisions. Chino Valley has recovered from the economic and housing downturn with a significant increase in new housing over the last two fiscal years.

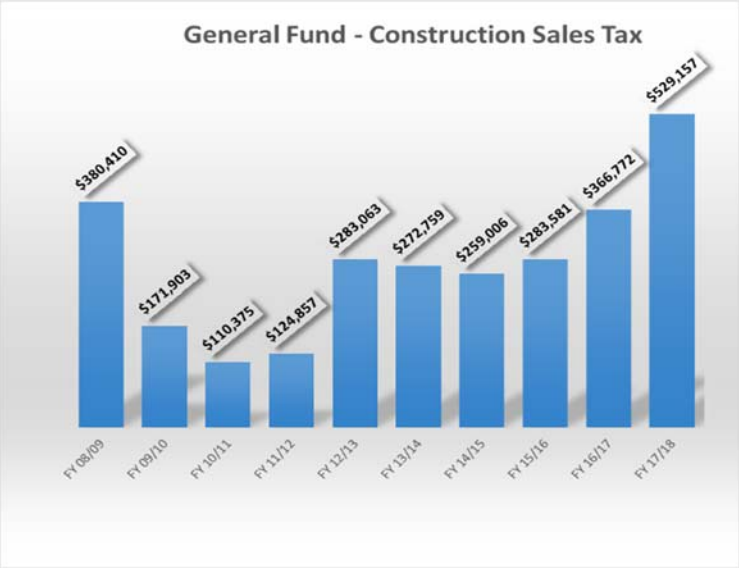
Local Sales Tax, also known as Town Sales Tax, indicators have been mixed since 2009. Local Sales Taxes are comprised of retail, construction, manufacturing, restaurant/bar, hotel/motel, and other taxing categories. In 2008/2009, Town Sales Tax rose to a high of $2,399,827 then fell to a low of $2,124,599 in FY 2010/2011. The fluctuation is directly related to the growth and eventual decline in the local housing market.

The Town's Sales Tax collections have shown steady growth since 2011. Total Sales Tax declined slightly in fiscal year 2015 compared to fiscal year 2014 due to a one-time payment to settle a long standing past due amount.

Through fiscal year 2013, the Town's sales tax rate was 3%. 1% of the 3% is transferred to the Capital Improvement fund while 2% remains in the general fund. In fiscal year 2014 the tax rate was increased to 4%. 3% is retained in the General Fund and 1% in transferred to the Capital Improvement Fund.



Construction Sales Tax was a significant portion of the Town's tax collections during the housing boom from 2004 to 2008. Construction sales tax is also the most volatile and unstable although it has been relatively stable since 2012/2013, but has increased significantly over the last two fiscal year. The graph below shows the fluctiontions in construction sales tax from 2008/2009 to 2017/2018.



The Town conservatively budgets the amount of construction sales tax each year taking into account the volitility and one time nature of the tax.

The Town of Chino Valley does not collect a property tax.

LONG-TERM FINANCIAL PLANNING

The Town's responsiveness to emerging economic challenges and its careful long-range planning have been a key factor in maintaining Chino Valley's fiscal health. During Fiscal Year 2017 the Town adopted a Stategic Financial Plan to establish the fiscal priorities and measures needed to ensure the long term fiscal health of the community. The Town undertook the development of a new budget format in conformity with the Government Finance Officers Association (GFOA) recommended practices in an effort to improve communication of the Town's financial condition to the community.

The Town of Chino Valley is dedicated to enhancing the quality of life for its citizens and to provide municipal services in the most effective and efficient manner while exercising fiscal responsibility. The Town completed several major capital projects this past year including the following:

- The Town completed development of Chino Valley Regional Business Park at Old Home Manor. The total project was completed for $ 2,171,000.
- The Town began the expansion of Memory Park. When completed the larger park will have playgound equipment, art and new restrooms.
- The Town also began the extension of Road One East the new round a bout on the south end of Town.

The Town made several improvments to the shooting range, senior center, animal control facility and acquired several pieces of equipment including several new police cars.

OTHER INFORMATION

Independent Audit

The accounting firm of Henry & Horne, LLP was selected by the Town to perform the annual independent audit. The annual audit is designed to meet the requirement of the Single Audit Act of 1984 and OMB Circular A-133. The independent auditor's report and federal compliance reports are included in the Financial Sections of this report.

Acknowledgements

The preparation of the comprehensive Annual Financial Report was made possible by the dedicated staff of the Finance Department and the assistance of all the Town's departments. I also want to thank the Town Manager for his dedicated commitment to enhancing the financial performance of the Town, and to the Mayor and Council in maintaining the excellent financial status of the Town in a responsible manner.

Respectfully submitted,

Joe R. Duffy, CPA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Chino Valley

Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

TOWN OF CHINO VALLEY, ARIZONA

LIST OF PRINCIPAL OFFICIALS

Town Council

Darryl L. Croft, Mayor

Lon Turner, Vice Mayor

Mike Best, Council Member

Cloyce Kelly, Council Member

Annie Lane, Council Member

Corey Mendoza, Council Member

Jack Miller, Council Member

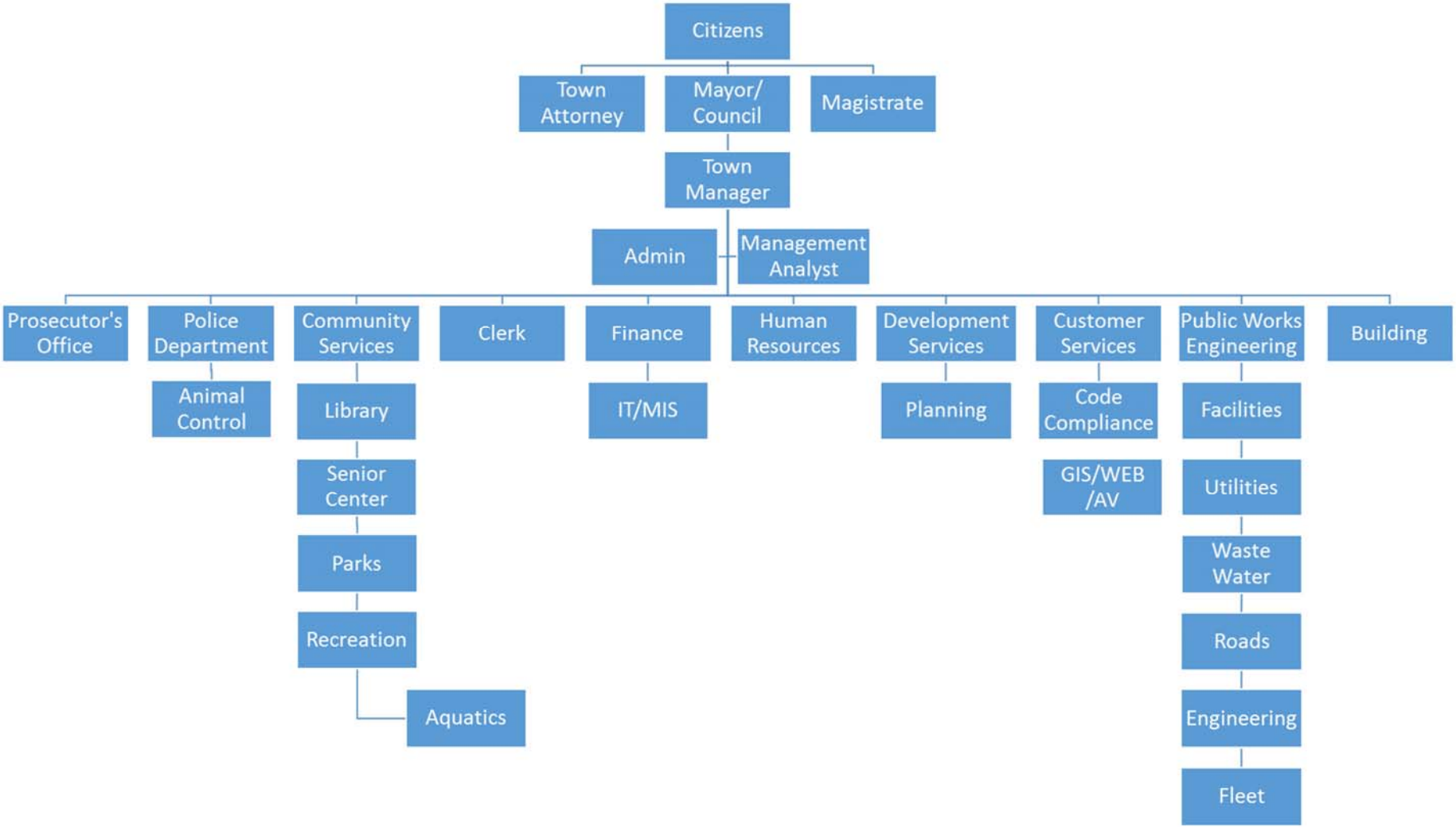
Town Manager

Cecilia Grittman

Finance Director

Joe R. Duffy, CPA

Town of Chino Valley Organizational Chart



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CHINO VALLEY, ARIZONA

Financial Section

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Council
Town of Chino Valley
Chino Valley, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Chino Valley, Arizona, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Chino Valley, Arizona, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Grants Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Chino Valley, Arizona's basic financial statements. The introductory section, the financial information listed as other supplementary information in the financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The financial information listed as other supplementary information in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial information listed as other supplementary information in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters (Continued)

Other Information (Continued)

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Compliance Over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the Town of Chino Valley, Arizona failed to use highway user revenue fund monies received by the Town pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the Town of Chino Valley solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town of Chino Valley's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, management, and other responsible parties with the Town and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2018 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Chino Valley, Arizona's, internal control over financial reporting and compliance.

Henry & Horne LLP

Casa Grande, Arizona
November 15, 2018

Financial Section

MANAGEMENT'S DISCUSSION & ANALYSIS

TOWN OF
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CHINO VALLEY, ARIZONA

TOWN OF CHINO VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018

As management of the Town of Chino Valley, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page i of this report.

FINANCIAL ANALYSIS

- Total assets exceed total liabilities (net position) by $20.19 million at the close of the fiscal year.
- Total net position, excluding the impact of GASB Statement 68, increased by $2.6 million.
- Governmental taxes and other governmental revenues exceeded expenses by $2,134,796.
- Business-type revenues exceeded total business-type expenses, including transfers by $509,253.
- Total revenues from all sources were $16.41 million.
- The total cost of all Town programs was $13.8 million.
- The General Fund reported excess revenue over expenditures and transfers of $1,124,275.
- At the end of the current fiscal year, fund balance for the General Fund was $7.3 million or 84% of total General Fund expenditures, excluding transfers.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the Town of Chino Valley's basic financial statements. The Town of Chino Valley's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Chino Valley's finances, in a manner similar to a private-sector business. The *statement of net position* presents financial information on all of the Town of Chino Valley's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Chino Valley is improving or deteriorating.

The *statement of activities* presents information showing how the Town of Chino Valley's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Chino Valley that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Chino Valley include general government, public safety, streets, culture and recreation, and health and welfare. The business-type activities of the Town of Chino Valley include water and sewer.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Chino Valley, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Chino Valley can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Town of Chino Valley maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other ten governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The Town of Chino Valley adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-32 of this report.

Proprietary Funds. The Town of Chino Valley maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Chino Valley uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water fund and sewer fund, both of which are considered to be major funds of the Town of Chino Valley.

The basic proprietary fund financial statements can be found on pages 35-39 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. The Town did not have any fiduciary funds to report at year end.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-78 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town of Chino Valley's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 81-88 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and non-major governmental fund budgetary comparisons are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 93-102 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Town's financial position. The Town's combined assets exceed liabilities by $22.19 million as of June 30, 2018 as shown in the following condensed statement of net position. The Town has chosen to account for its water and sewer operations in an enterprise fund which is shown as Business Activities.

Town of Chino Valley, Arizona
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total Government	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Current and other assets	$ 11,194,936	$ 9,627,668	$ 657,190	$ (269,798)	$ 11,852,126	$ 9,357,870
Capital assets	16,962,822	16,277,397	27,267,707	28,497,900	44,230,529	44,775,297
Total assets	28,157,758	25,905,065	27,924,897	28,228,102	56,082,655	54,133,167
Deferred outflows of resources	2,728,760	2,742,412	60,386	117,973	2,789,146	2,860,385
Long-term liabilities outstanding	19,595,636	19,387,253	12,299,564	12,976,787	31,895,200	32,364,040
Other liabilities	786,601	747,934	3,218,510	3,394,396	4,005,111	4,142,330
Total liabilities	20,382,237	20,135,187	15,518,074	16,371,183	35,900,311	36,506,370
Deferred inflows of resources	787,757	869,452	46,341	63,277	834,098	932,729
Net position:						
Net investment in capital assets	6,693,892	6,027,754	15,502,227	16,106,276	22,196,119	22,134,030
Restricted	2,355,810	1,769,920	730,932	588,280	3,086,742	2,358,200
Unrestricted	666,822	(154,836)	(3,812,291)	(4,782,941)	(3,145,469)	(4,937,777)
Total net position	$ 9,716,524	$ 7,642,838	$ 12,420,868	$ 11,911,615	$ 22,137,392	$ 19,554,453

Governmental Activities

The cost of all Governmental activities, excluding transfers, this year was $10.9 million which is 2% lower than last fiscal year. As shown on the statement of Changes in Net Position below, $1,200,336 was paid for by those who directly benefited from the programs; $2,112,992 was subsidized by grants received from other governmental organizations for both capital and operating activities. Overall governmental program revenues, including intergovernmental aid, donations, and fees for services were $3.3 million. General taxes and investment earnings totaled $9.75 million.

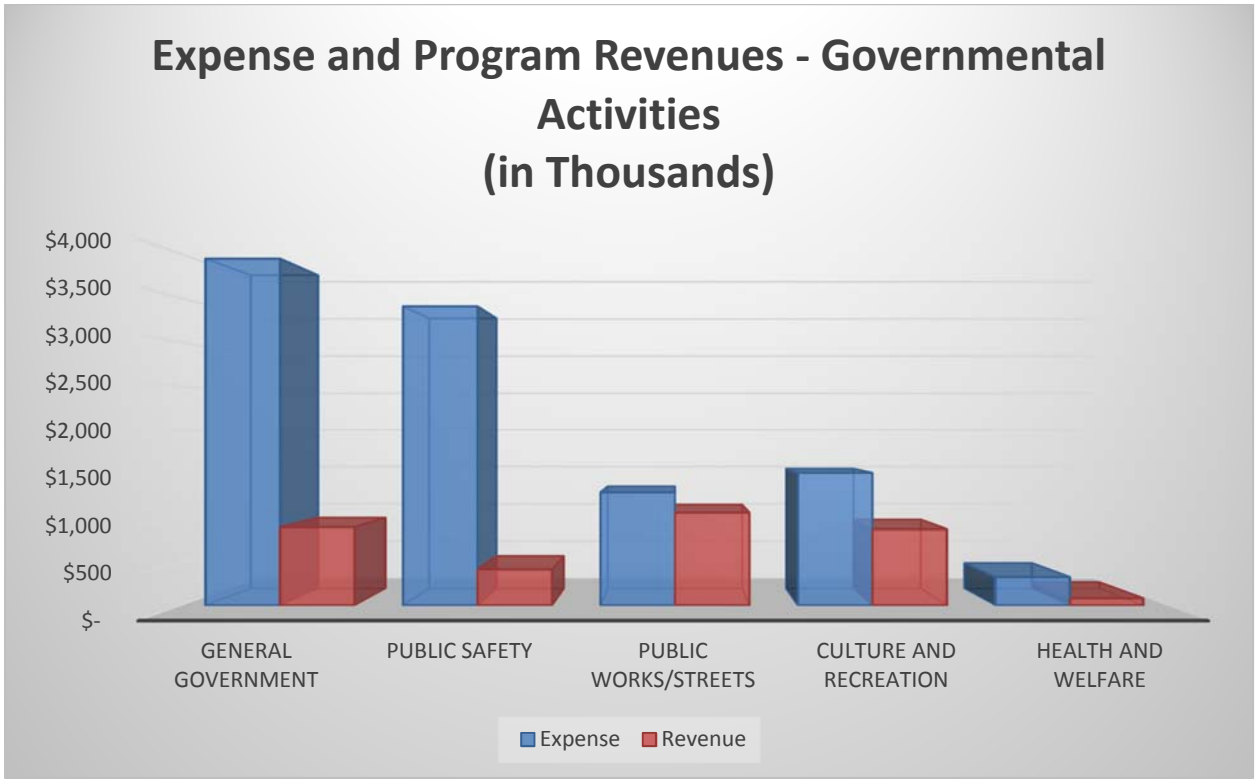
The Town's programs include: General Government, Public Safety, Public Works/Streets, Culture & Recreation, Health & Welfare, Water, and Sewer Services. Each programs' net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the extent to which the Town's general taxes support each of the Town's programs.

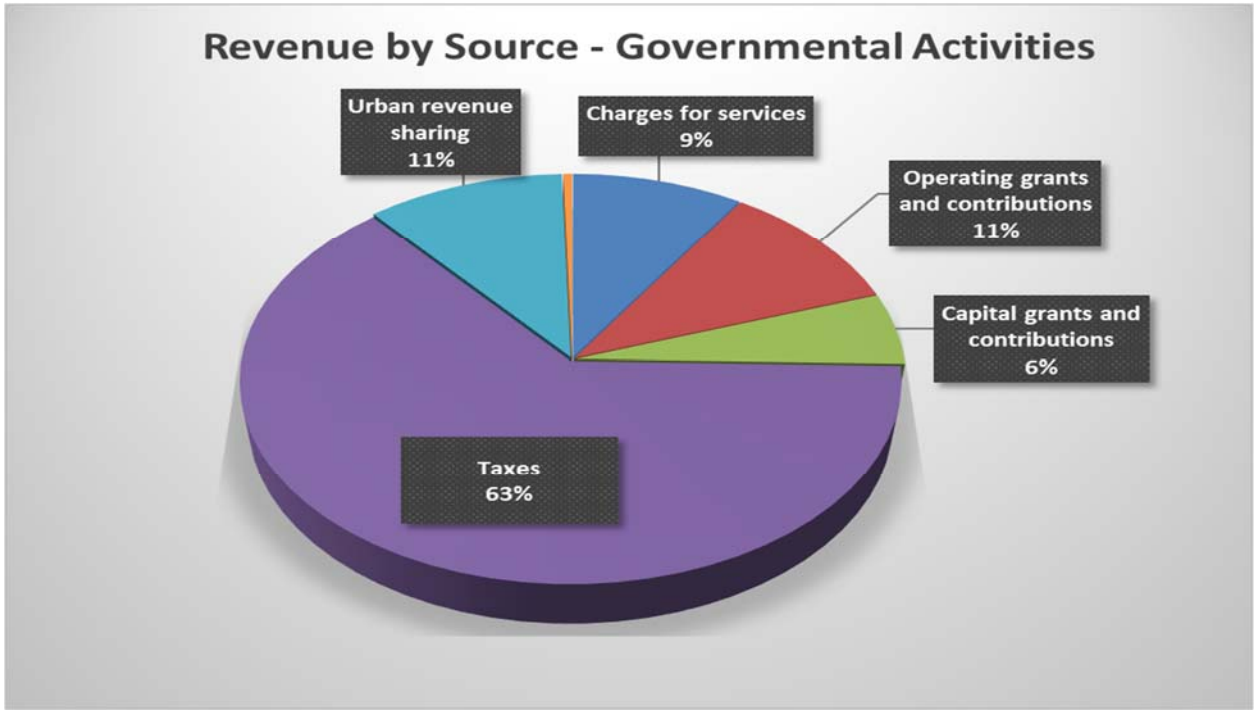
Total resources available during the year to finance governmental operations were $20.61 million, consisting of net position at July 1, 2017 of $7.6 million, program revenues of $3.31 million and General Revenues of $9.7 million. Total Governmental Activities during the year were $10.9 million along with transfers to proprietary funds of $25,000; thus Governmental Net Position was increased by $1,285,016 million to $7.6 million.

Town of Chino Valley, Arizona
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Government	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Revenues:						
Program revenues:						
Charges for services	$ 1,200,336	$ 970,661	$ 2,072,467	$ 1,914,500	$ 3,272,803	$ 2,885,161
Operating grants and contributions	1,377,047	1,212,190	-	-	1,377,047	1,212,190
Capital grants and contributions	735,945	1,465,687	1,209,443	570,089	1,945,388	2,035,776
General revenues:						
Taxes	8,291,331	7,458,025	-	-	8,291,331	7,458,025
Urban revenue sharing	1,393,419	1,362,532	-	-	1,393,419	1,362,532
Other revenue/(expense)	62,015	22,124	60,987	2,724	123,002	24,848
Total revenues	13,060,093	12,491,219	3,342,897	2,487,313	16,402,990	14,978,532
Expenses:						
General government	3,949,112	4,284,837	-	-	3,949,112	4,284,837
Public safety	3,407,618	3,628,745	-	-	3,407,618	3,628,745
Public works/Streets	1,284,759	966,821	-	-	1,284,759	966,821
Culture and recreation	1,506,765	1,439,661	-	-	1,506,765	1,439,661
Health and welfare	326,057	330,967	-	-	326,057	330,967
Interest on long-term debt	487,096	480,172	-	-	487,096	480,172
Water	-	-	669,992	666,234	669,992	666,234
Sewer	-	-	2,223,493	2,156,401	2,223,493	2,156,401
Total expenses	10,961,407	11,131,203	2,893,485	2,822,635	13,854,892	13,953,838
Increase / (decrease) in net position before special items and transfers	2,098,686	1,360,016	449,412	(335,322)	2,548,098	1,024,694
Special items	-	-	34,841	277,659	34,841	277,659
Transfers in (out)	(25,000)	(75,000)	25,000	75,000	-	-
Change in net position	2,073,686	1,285,016	509,253	17,337	2,582,939	1,302,353
Net position, beginning	7,642,838	6,357,822	11,911,615	11,894,278	19,554,453	18,252,100
Ending net position	$ 9,716,524	$ 7,642,838	$ 12,420,868	$ 11,911,615	$ 22,137,392	$ 19,554,453

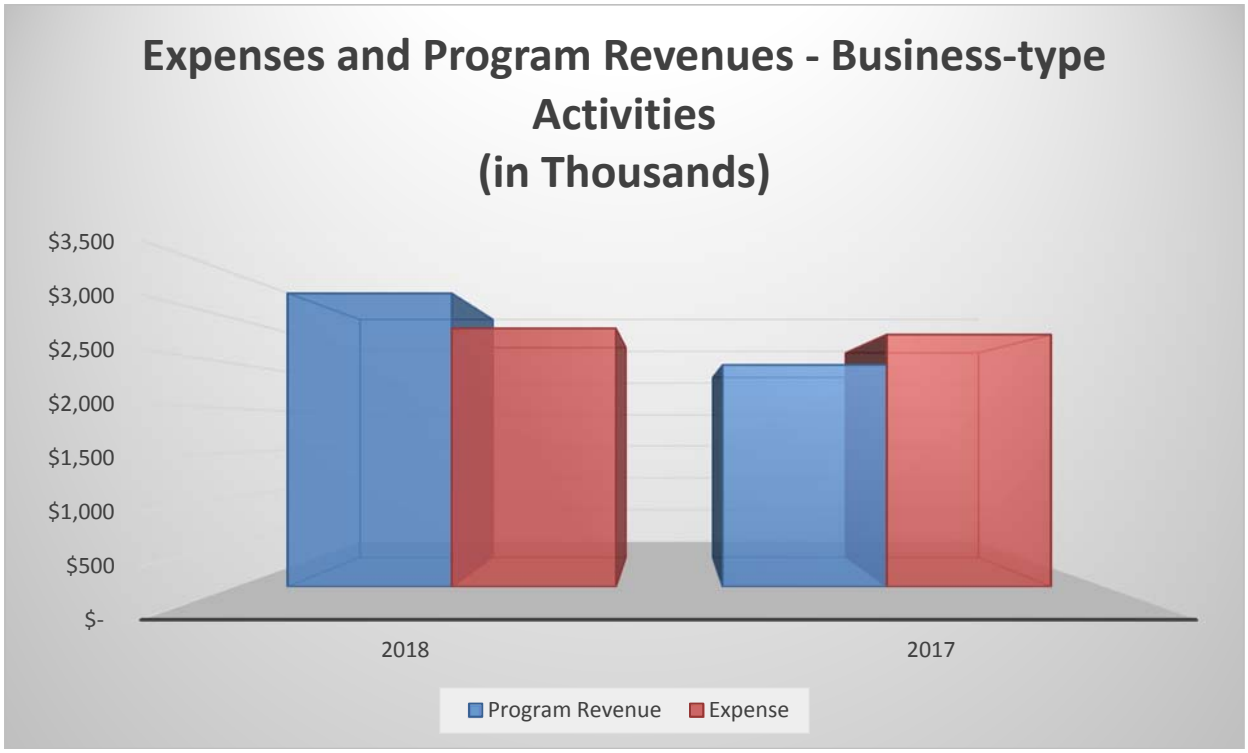
The following graphs compare program expenses to program revenues and provide a breakdown of revenues by source for all government activities.

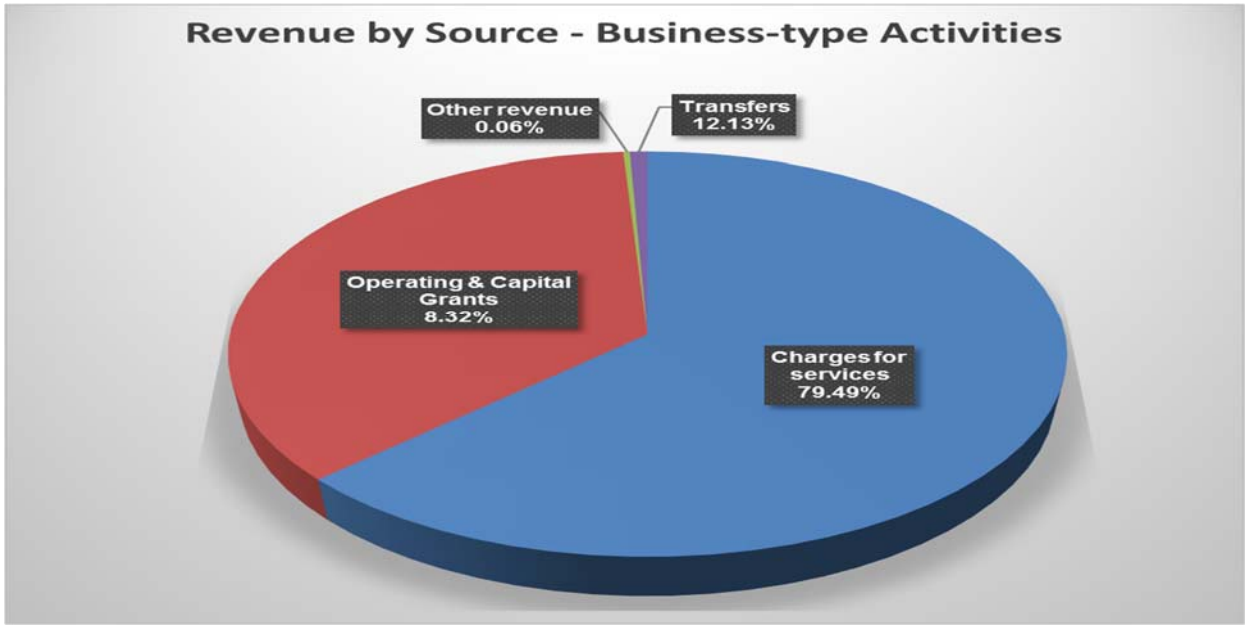




Business Type Activities

Net position of the Business Type activities at June 30, 2018, as reflected in the Statement of Net Position was $12.4 million. The cost of providing all Proprietary (Business Type) activities this year was $2.9 million. As shown in the statement of Changes in Net Position, the amounts paid by users of the system were $2.1 million and there was $1,209,443 subsidized by capital grants and contributions. Interest earnings were $9,361 and transfers from governmental funds were $25,000. The Net Position increased by $509,253.





Financial Analysis of the Government's Funds

As noted earlier, the Town of Chino Valley uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the Town of Chino Valley's governmental funds is to provide information on near-term inflows, outflows, and balances of spend-able resources. Such information is useful in assessing the Town of Chino Valley's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Chino Valley's governmental funds reported combined ending fund balances of $10,469,445 an increase of $2,164,260 in comparison with the prior year. Approximately, 62% of this total amount, $6,592,376 constitutes unassigned fund balance, which is available for new spending at the government's discretion. The remainder of the fund balance is restricted or assigned 1) to pay debt service, 2) to pay for capital improvements or 3) for a variety of other restricted purposes.

The general fund is the chief operating fund of the Town of Chino Valley. At the end of the current fiscal year, unassigned fund balance in the general fund was $6,591,840, while total fund balance is $7,309,768. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 75% of total general fund expenditures, while total fund balance represents 84% of the same amount.

During the year, the Town of Chino Valley's General fund balance increased by $1,124,275. The key factor in this increase was the Town's continued expenditure control efforts and realized increases in Intergovernmental Revenues and Charges for Service. The Grants fund balance increased by $577,789 due to recognition of grant revenue that had been deferred in the prior year in which the expenditures were recognized. The Debt Service fund balance decreased $1,232 as the transfers in approximated the debt payments made during the year. The Capital Improvement fund increased $202,040 due to the improved sales tax revenues from the prior year.

The non-major funds of the Town consist of the Highway User Revenue fund, CDBG, Grants fund, Street Lighting Improvement District fund, Debt service fund and development impact fee funds (Police, Parks/Recreations, and Roads) all of which are restricted or assigned for specific purposes.

Proprietary Funds: The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements, but provide additional detail since each major enterprise fund is shown directly on the fund statements.

Net position of the proprietary funds was $12.42 million as of June 30, 2018. Operating revenues in fiscal year 2018 were $593,395 for water and $1,479,072 for sewer while operating expenses were $647,603 for water and $1,962,405 for sewer, resulting in operating losses of $54,208 for water and $483,333 for sewer. The water and sewer operating expenses increased from the prior year mainly due to increased maintenance and repair costs. The water net operating loss was offset by transfers in from governmental funds and buy in and connection fees.

General Fund Budgetary Highlights

Actual expenditures, excluding transfers, for the General Fund at year-end were $602,282 less than final appropriations. The budget to actual variance in appropriations was principally due to continued reductions in general government expenses including capital asset replacement and non-departmental expenses that were less than anticipated and the preservation of the remaining contingencies and reserves budgets. There were amendments made during the year between general fund departments to prevent budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the Town are those assets that are used in performance of Town functions including infrastructure assets. Capital Assets include equipment, buildings, land, park facilities and roads. At the end of fiscal year 2018, net capital assets of the government activities totaled $16.96 million and the net capital assets of the business-type activities totaled $27.2 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See note 4 to the financial statements)

Debt

At year-end, the Town had $19.5 million in governmental type debt, and $12.2 million in proprietary debt. The debt is a liability of the government and amounts to $2,724 per capita. During the current fiscal year, the Town's total debt increased by $592,270 and had no change in their credit rating. (See note 5 to the financial statements)

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In building the Town Budget for fiscal year 2018/2019, the Town Council and management considered the slight increase in state shared revenues, and the adopted utility rate increases and established expenditure budgets accordingly. The town instituted a merit system for town staff.

Chino Valley's housing development has increased modestly suggesting the economic recovery has begun. The Town anticipates steady revenue increases in most areas and continues to proactively review expenses for potential savings.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Chino Valley, Finance Department, 202 N. State Route 89, Chino Valley, AZ 86323. You can also call 928-636-2646 or visit our website at www.chinoaz.net.

Financial Section

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements - include the Statement of Net Position and Statement of Activities and use the accrual basis of accounting for financial reporting.

Governmental Funds Financial Statements - include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the major governmental funds that use the modified accrual basis of reporting. Also includes the reconciliations to the government-wide financial statements and the Budget and Actual statements for the General Fund and all major Special Revenue Funds.

Proprietary Funds Financial Statements - include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows for the business-type activities that use the accrual basis of accounting for financial reporting.

Notes to the Financial Statements

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

TOWN OF CHINO VALLEY, ARIZONA
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government		
ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 8,729,396	$ -	$ 8,729,396
Receivables (net of allowances)	1,490,651	234,024	1,724,675
Internal balances	307,766	(307,766)	-
Prepaid items/inventory	19,796	-	19,796
Restricted cash and cash equivalents	647,327	730,932	1,378,259
Capital assets:			
Nondepreciable capital assets	2,851,431	3,940,799	6,792,230
Depreciable capital assets (net of accumulated depreciation)	14,111,391	23,326,908	37,438,299
Total assets	28,157,758	27,924,897	56,082,655
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	458,771	-	458,771
Deferred outflows of resources related to pensions	1,196,078	29,824	1,225,902
Deferred outflows of employer contributions to pensions	1,073,911	30,562	1,104,473
Total deferred outflows of resources	2,728,760	60,386	2,789,146
LIABILITIES			
Accounts payable and other current liabilities	344,615	179,392	524,007
Accrued wages and benefits	187,920	10,574	198,494
Interest payable	192,956	141,174	334,130
Unearned revenue	-	2,887,370	2,887,370
Liabilities payable from restricted assets	61,110	-	61,110
Noncurrent liabilities:			
Due within one year:			
Compensated absences	250,000	11,000	261,000
Capital leases payable	286,879	44,500	331,379
Loans/ developer agreements payable	-	655,792	655,792
Bonds payable	470,000	50,000	520,000
Due in more than one year:			
Compensated absences	224,694	20,554	245,248
Capital leases payable	479,097	80,590	559,687
Loans/ developer agreements payable	-	10,513,847	10,513,847
Bonds payable	9,730,797	420,751	10,151,548
Net pension liability	8,154,169	502,530	8,656,699
Total liabilities	20,382,237	15,518,074	35,900,311
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	787,757	46,341	834,098
Total deferred inflows of resources	787,757	46,341	834,098
NET POSITION			
Net investment in capital assets	6,693,892	15,502,227	22,196,119
Restricted for:			
Highways and streets	995,716	-	995,716
Capital projects	749,647	-	749,647
Debt service	455,795	730,932	1,186,727
Public safety	143,051	-	143,051
Other purposes	11,601	-	11,601
Unrestricted (deficit)	666,822	(3,812,291)	(3,145,469)
Total net position	$ 9,716,524	$ 12,420,868	$ 22,137,392

See accompanying notes.

TOWN OF CHINO VALLEY, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities				
General government	$ 3,949,112	$ 871,586	$ 20,735	$ -
Public safety	3,407,618	229,547	124,880	60,267
Public works/streets	1,284,759	3,373	1,051,348	-
Culture and recreation	1,506,765	89,211	103,588	675,678
Health and welfare	326,057	6,619	76,496	-
Interest on long-term debt	487,096	-	-	-
Total governmental activities	10,961,407	1,200,336	1,377,047	735,945
Business-type activities				
Water	669,992	594,252	-	380,000
Sewer	2,223,493	1,479,072	-	829,443
Total business-type activities	2,893,485	2,073,324	-	1,209,443
Total primary government	$ 13,854,892	$ 3,273,660	$ 1,377,047	$ 1,945,388

General revenues
Taxes:
City sales tax
Franchise tax
Property tax
Auto-in-lieu (unrestricted)
State sales taxes (unrestricted)
Urban revenue sharing (unrestricted)
Unrestricted investment earnings
Miscellaneous
Transfers in (out)

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

See accompanying notes.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (3,056,791)	$ -	$ (3,056,791)
(2,992,924)	-	(2,992,924)
(230,038)	-	(230,038)
(638,288)	-	(638,288)
(242,942)	-	(242,942)
(487,096)	-	(487,096)
(7,648,079)	-	(7,648,079)
-	304,260	304,260
-	85,022	85,022
-	389,282	389,282
(7,648,079)	389,282	(7,258,797)
6,312,095	-	6,312,095
124,327	-	124,327
3,999	-	3,999
766,485	-	766,485
1,084,425	-	1,084,425
1,393,419	-	1,393,419
62,015	8,504	70,519
-	86,467	86,467
(25,000)	25,000	-
9,721,765	119,971	9,841,736
2,073,686	509,253	2,582,939
7,642,838	11,911,615	19,554,453
$ 9,716,524	$ 12,420,868	$ 22,137,392

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

Government Funds Financial Statements

Major Funds

General Fund

This fund is the general operating fund of the Town. It accounts for all financial resources of the Town, except those required to be accounted for in other funds.

Grants Fund

This fund accounts for miscellaneous federal and state grants and other contributions that are restricted for specific use other than CDBG Grants.

Debt Service Fund

This fund accounts for the accumulation of resources for, and the payment of current and future debt service requirements for governmental debt principal and interest.

Capital Improvement Fund

This fund accounts for sales tax revenues and bond proceeds used for the acquisition and construction of major capital facilities and other internally designated purposes.

Non - Major Funds

Other governmental funds are the non-major funds and are special revenue, debt service and capital project funds.

TOWN OF CHINO VALLEY, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

ASSETS	General	Grants	Debt Service	Capital Improvement
Cash and cash equivalents	$ 6,353,022	$ -	$ 301,606	$ 752,458
Receivables, net:				
Accounts receivable	130,545	-	-	-
Intergovernmental	931,499	166,745	-	171,859
Due from other funds	343,594	-	-	-
Prepaids	19,796	-	-	-
Restricted cash and investments	-	-	347,145	300,182
Total assets	$ 7,778,456	$ 166,745	$ 648,751	$ 1,224,499
LIABILITIES				
Accounts payable	$ 216,989	$ 8,326	$ -	$ 41,757
Court bonds	2,005	-	-	-
Accrued wages and benefits	177,136	-	-	-
Accrued liabilities	70,798	292	-	-
Matured interest payable	-	-	192,956	-
Customer deposits	1,760	-	-	-
Liabilities payable from restricted assets	-	-	-	61,110
Due to other funds	-	35,828	-	-
Total liabilities	468,688	44,446	192,956	102,867
FUND BALANCES				
Nonspendable				
Due from other funds	307,766	-	-	-
Prepaid items	19,796	-	-	-
Restricted				
Highways and streets	42,450	65,000	-	-
Capital improvements	-	-	-	239,072
Culture and recreation	-	11,601	-	-
Debt service	-	-	455,795	-
Public safety	97,889	45,698	-	-
Assigned				
Capital improvements	250,027	-	-	882,560
Unassigned	6,591,840	-	-	-
Total fund balances	7,309,768	122,299	455,795	1,121,632
Total liabilities and fund balances	$ 7,778,456	$ 166,745	$ 648,751	$ 1,224,499

See accompanying notes.

Non-Major Governmental Funds	Total Governmental Funds
$ 1,322,310	$ 8,729,396
41	130,586
89,962	1,360,065
-	343,594
-	19,796
-	647,327
$ 1,412,313	$ 11,230,764
$ 2,632	$ 269,704
-	2,005
10,784	187,920
56	71,146
-	192,956
-	1,760
	61,110
-	35,828
13,472	822,429
-	307,766
-	19,796
888,266	995,716
510,575	749,647
-	11,601
-	455,795
-	143,051
-	1,132,587
-	6,592,376
1,398,841	10,408,335
$ 1,412,313	$ 11,230,764

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

TOWN OF CHINO VALLEY, ARIZONA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2018

Total governmental funds balances		$ 10,408,335
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Governmental capital assets	$ 28,825,162	
Accumulated depreciation	(11,862,340)	16,962,822
Some liabilities, including net pension liabilities, capital leases, loans payable, and bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability	(8,154,169)	
Capital leases payable	(765,976)	
Bonds payable	(10,317,000)	
Issuance discount	116,203	
Compensated absences	(474,694)	(19,595,636)
Deferred outflows and inflows of resources related to pensions and deferred charges on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred amount on refunding	458,771	
Deferred outflows of resources related to pensions	1,196,078	
Deferred outflows of employer contributions	1,073,911	
Deferred inflows of resources related to pensions	(787,757)	1,941,003
Total net position of governmental activities		$ 9,716,524

See accompanying notes.

TOWN OF CHINO VALLEY, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

REVENUES	General	Grants	Debt Service	Capital Improvement
Taxes	$ 4,858,398	$ -	$ -	$ 1,578,024
Licenses, permits and fees	707,122	-	-	-
Intergovernmental revenues	3,425,178	1,487,243	-	14,216
Charges for services	124,458	-	-	-
Fines and forfeitures	275,315	-	-	-
Interest income	47,857	-	7	3,066
Other revenues	69,851	17,433	-	-
Total revenues	9,508,179	1,504,676	7	1,595,306
EXPENDITURES				
Current:				
General government	3,920,816	16,878	-	-
Public safety	3,181,239	140,924	-	-
Public works/streets	-	-	-	-
Culture and recreation	1,017,914	37,130	-	-
Health and welfare	321,974	39,137	-	-
Capital outlay	166,973	692,818	-	979,730
Debt service:				
Principal retirement	111,545	-	309,000	-
Interest and fiscal charges	7,657	-	390,239	-
Debt issuance cost	-	-	-	2,000
Total expenditures	8,728,118	926,887	699,239	981,730
Excess (deficiency) of revenues over (under) expenditures	780,061	577,789	(699,232)	613,576
OTHER FINANCING SOURCES (USES)				
Capital lease agreement	-	-	-	711,464
Sale of capital assets	19,214	-	-	-
Transfers in	400,000	-	698,000	-
Transfers out	(75,000)	-	-	(1,123,000)
Total other financing sources and (uses)	344,214	-	698,000	(411,536)
Net change in fund balances	1,124,275	577,789	(1,232)	202,040
Fund balances - beginning of year	6,185,493	(455,490)	457,027	919,592
Fund balances - end of year	$ 7,309,768	$ 122,299	$ 455,795	$ 1,121,632

See accompanying notes.

Non-Major Governmental Funds	Total Governmental Funds
$ 3,999	$ 6,440,421
2,643	709,765
941,628	5,868,265
-	124,458
-	275,315
11,085	62,015
1,007	88,291
960,362	13,568,530
-	3,937,694
-	3,322,163
756,057	756,057
-	1,055,044
-	361,111
77,072	1,916,593
114,246	534,791
5,965	403,861
-	2,000
953,340	12,289,314
7,022	1,279,216
-	711,464
118,256	137,470
75,000	1,173,000
-	(1,198,000)
193,256	823,934
200,278	2,103,150
1,198,563	8,305,185
$ 1,398,841	$ 10,408,335

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

TOWN OF CHINO VALLEY, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 2,103,150
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period.		
Capital outlay	$ 1,761,690	
Depreciation expense	(983,888)	777,802
Governmental funds report the gross proceeds from the sale of capital assets as revenue. However, in the statement of activities, the gain on the sale of capital assets is reported net of its net book value		(92,377)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(575,000)
Town pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Town pension contributions	1,073,911	
Pension expense	(926,899)	147,012
Debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Activities.		(711,464)
Repayment of long-term debt (e.g., bonds, leases) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		534,790
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Deferred amounts on refunding	(73,077)	
Bond discounts	(8,608)	(81,685)
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(28,993)
Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for outstanding debt for the statement of activities, but is expensed when due for the governmental fund statements.		451
Change in net position of governmental activities		$ 2,073,686

See accompanying notes.

TOWN OF CHINO VALLEY, ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2018

REVENUES	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Taxes				
City sales tax	$ 4,290,000	$ 4,290,000	$ 4,734,071	$ 444,071
Franchise taxes	123,000	123,000	124,327	1,327
Total taxes	4,413,000	4,413,000	4,858,398	445,398
Licenses and permits	407,000	407,000	707,122	300,122
Intergovernmental:				
State shared sales tax	1,058,000	1,058,000	1,084,425	26,425
State shared income tax	1,398,000	1,398,000	1,393,419	(4,581)
Vehicle license tax	727,500	727,500	766,485	38,985
Grants	52,000	52,000	75,926	23,926
Other intergovernmental	117,500	117,500	104,923	(12,577)
Total intergovernmental	3,353,000	3,353,000	3,425,178	72,178
Charges for services	124,000	124,000	124,458	458
Fines and forfeitures	231,400	231,400	275,315	43,915
Interest	11,100	11,100	47,857	36,757
Other Revenues				
Donations	2,500	2,500	1,158	(1,342)
Charges for administrative services	1,500	1,500	1,516	16
Miscellaneous	1,000	1,000	67,177	66,177
Total other revenues	5,000	5,000	69,851	64,851
TOTAL REVENUES	8,544,500	8,544,500	9,508,179	963,679
EXPENDITURES				
General government				
Legal services	116,100	116,100	113,048	3,052
Town clerk	193,800	193,800	176,982	16,818
Town Manager	313,000	313,000	287,493	25,507
Human resources	233,000	233,000	216,671	16,329
Municipal court	287,900	287,900	272,642	15,258
Finance	356,200	359,200	358,370	830
Customer service	237,600	237,600	176,827	60,773
Information systems	249,400	249,400	200,602	48,798
Mayor & council	40,700	40,700	34,183	6,517
Planning	208,500	208,500	193,973	14,527
Building inspection	186,700	186,700	183,172	3,528
Facilities maintenance	366,100	366,100	355,944	10,156
Fleet maintenance	279,200	279,200	246,168	33,032
Engineering	216,500	216,500	170,113	46,387
Contingencies	440,000	440,000	422,006	17,994
Court collection and improvements	30,000	30,000	20,475	9,525
Capital assets replacements	110,000	110,000	10,615	99,385
Nondepartmental	611,500	569,500	481,532	87,968
Total general government	4,476,200	4,437,200	3,920,816	516,384

	Budgeted Amounts			Variance with Final Budget-Positive
	Original	Final	Actual Amounts	(Negative)
Public safety				
Police	3,147,400	3,147,400	3,059,654	87,746
Animal control	129,100	129,100	121,585	7,515
Total public safety	3,276,500	3,276,500	3,181,239	95,261
Culture and recreation				
Recreation	112,700	112,700	105,795	6,905
Library	329,700	334,700	331,216	3,484
Parks maintenance	363,500	367,500	374,269	(6,769)
Aquatics center	195,800	213,800	206,634	7,166
Total culture and recreation	1,001,700	1,028,700	1,017,914	10,786
Health and welfare				
Senior center	297,400	309,400	321,974	(12,574)
Capital outlay	172,000	172,000	166,973	5,027
Debt service:				
Principal retirement	109,600	109,600	111,545	(1,945)
Interest and fiscal charges	-	-	7,657	(7,657)
Total debt service	109,600	109,600	119,202	(9,602)
TOTAL EXPENDITURES	9,333,400	9,333,400	8,728,118	605,282
Excess (deficiency) of revenues over (under) expenditures	(788,900)	(788,900)	780,061	1,568,961
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,000	1,000	19,214	18,214
Transfers in	400,000	400,000	400,000	-
Transfers out	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses)	326,000	326,000	344,214	18,214
Net change in fund balance	(462,900)	(462,900)	1,124,275	1,587,175
Fund balance - beginning of year	6,185,493	6,185,493	6,185,493	-
Fund balance - end of year	$ 5,722,593	$ 5,722,593	$ 7,309,768	$ 1,587,175

TOWN OF CHINO VALLEY, ARIZONA
GRANTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget- Positive
REVENUES	Original	Final	Actual Amounts	(Negative)
Intergovernmental revenues	$ 3,500,000	$ 3,500,000	$ 1,487,243	$ (2,012,757)
Other revenues	-	-	17,433	17,433
Total revenues	3,500,000	3,500,000	1,504,676	(1,995,324)
EXPENDITURES				
Current:				
General government	50,000	50,000	16,878	33,122
Public safety	100,000	100,000	140,924	(40,924)
Culture and recreation	100,000	100,000	37,130	62,870
Health and welfare	25,000	25,000	39,137	(14,137)
Capital outlay	3,225,000	3,225,000	692,818	2,532,182
Total expenditures	3,500,000	3,500,000	926,887	2,573,113
Net change in fund balance	-	-	577,789	577,789
Fund balance - beginning of year	(455,490)	(455,490)	(455,490)	-
Fund balance - end of year	$ (455,490)	$ (455,490)	$ 122,299	$ 577,789

See accompanying notes.

Proprietary Fund Financial Statements

Enterprise Fund

Water Fund

This fund is used to account for the activities of the Town's water utility operations.

Sewer Fund

This fund is used to account for the activities of the Town's sewer utility operations.

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

TOWN OF CHINO VALLEY, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	Business-type Activities-Enterprise Funds		
ASSETS	Water	Sewer	Total
Current assets			
Receivables (net of allowance)	$ 65,810	$ 87,814	$ 153,624
Total current assets	65,810	87,814	153,624
Noncurrent assets			
Restricted cash and investments	-	730,932	730,932
Hookups receivable	-	80,400	80,400
Land	3,211,136	-	3,211,136
Construction-in-progress	30,555	30,555	61,110
Water rights	668,553	-	668,553
Treatment facilities	6,433	9,791,955	9,798,388
Water distribution system	3,361,625	-	3,361,625
Sewer collection system	-	22,181,928	22,181,928
Machinery and equipment	277,175	716,821	993,996
Accumulated depreciation	(1,935,968)	(11,073,061)	(13,009,029)
Total noncurrent assets	5,619,509	22,459,530	28,079,039
Total assets	5,685,319	22,547,344	28,232,663
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	30,575	29,811	60,386
LIABILITIES			
Current liabilities			
Accounts payable	3,480	87,132	90,612
Accrued wages and benefits	2,955	7,619	10,574
Accrued liabilities	6,033	-	6,033
Interest payable	10,831	130,343	141,174
Due to other funds	233,932	73,834	307,766
Customer deposits	22,028	60,719	82,747
Unearned revenue	-	2,887,370	2,887,370
Compensated absences	5,500	5,500	11,000
Capital leases - current portion	22,250	22,250	44,500
Loans payable - current portion	-	655,792	655,792
Bonds payable - current portion	50,000	-	50,000
Total current liabilities	357,009	3,930,559	4,287,568
Noncurrent liabilities			
Compensated absences	10,277	10,277	20,554
Developer agreement payable	420,733	-	420,733
Capital leases, net of current portion	40,295	40,295	80,590
Loans payable, net of current portion	-	10,093,114	10,093,114
Bonds payable, net of current portion	420,751	-	420,751
Net pension liability	254,873	247,657	502,530
Total noncurrent liabilities	1,146,929	10,391,343	11,538,272
Total liabilities	1,503,938	14,321,902	15,825,840
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	24,246	22,095	46,341
NET POSITION			
Net investment in capital assets	4,665,480	10,836,747	15,502,227
Restricted for debt service	-	730,932	730,932
Unrestricted	(477,770)	(3,334,521)	(3,812,291)
Total net position	$ 4,187,710	$ 8,233,158	$ 12,420,868

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TOWN OF CHINO VALLEY, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2018

	Business-type Activities-Enterprise Funds		
	Water	Sewer	Total
Operating revenues			
Charges for services	$ 527,115	$ 1,479,072	$ 2,006,187
Other revenues	66,280	-	66,280
Total operating revenue	593,395	1,479,072	2,072,467
Operating expenses			
Salaries	101,476	184,530	286,006
Employee benefits	39,129	54,265	93,394
Service, supplies and other	150,752	320,492	471,244
Repairs and maintenance	43,608	116,653	160,261
Utilities	73,459	113,058	186,517
Legal and professional	17,629	8,623	26,252
Contract service	10,598	-	10,598
Training and travel	1,450	3,039	4,489
Office expenses	1,158	-	1,158
Dues and subscriptions	460	6,000	6,460
Depreciation	187,984	1,155,745	1,343,729
Miscellaneous	19,900	-	19,900
Total operating expenses	647,603	1,962,405	2,610,008
Operating income (loss)	(54,208)	(483,333)	(537,541)
Non-operating Revenues (Expenses)			
Interest income	-	8,504	8,504
Interest expense and fiscal charges	(21,532)	(261,088)	(282,620)
Miscellaneous nonoperating revenues	-	86,467	86,467
Total nonoperating revenue (expense)	(21,532)	(166,117)	(187,649)
Income (loss) before contributions and transfers	(75,740)	(649,450)	(725,190)
Buy-in and connection fees	380,000	829,443	1,209,443
Transfers in	25,000	-	25,000
Change in net position	329,260	179,993	509,253
Net position, beginning of year	3,858,450	8,053,165	11,911,615
Net position-end of year	$ 4,187,710	$ 8,233,158	$ 12,420,868

See accompanying notes.

TOWN OF CHINO VALLEY, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2018

	Business-type Activities-Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES	Water	Sewer	Total
Cash received from customers, service fees	$ 525,614	$ 1,321,700	$ 1,847,314
Cash received from customers, others	66,280	-	66,280
Cash paid to suppliers	(319,418)	(566,875)	(886,293)
Cash paid to employees	(141,634)	(249,558)	(391,192)
Cash flows provided (used) by operating activities	130,842	505,267	636,109
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Nonoperating receipts	-	86,467	86,467
Interfund borrowing	(444,228)	(514,468)	(958,696)
Interfund transfers	25,000	-	25,000
Cash flows provided (used) by noncapital and related financing activities	(419,228)	(428,001)	(847,229)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(56,767)	(56,769)	(113,536)
Capital debt proceeds	56,768	56,768	113,536
Principal paid on long term debt	(69,133)	(594,953)	(664,086)
Interest paid on long-term debt	(22,482)	(262,548)	(285,030)
Receipts from buy-in and connection fees	380,000	914,384	1,294,384
Cash flows provided (used) by capital and related financing activities	288,386	56,882	345,268
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from investment earnings	-	8,504	8,504
Cash flows provided (used) by investing activities	-	8,504	8,504
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	142,652	142,652
Cash and cash equivalents at beginning of year	-	588,280	588,280
Cash and cash equivalents at end of year	$ -	$ 730,932	$ 730,932

See accompanying notes.

	Business-type Activities-Enterprise Funds		
	Water	Sewer	Total
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Net operating loss	$ (54,208)	$ (483,333)	$ (537,541)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation/amortization expense	187,984	1,155,745	1,343,729
Provision for bad debt	-	49,289	49,289
Changes in operating assets and liabilities			
(Increase)/decrease in:			
Accounts receivable	5,771	(41,135)	(35,364)
Deferred outflows of resources related to pensions	24,161	33,426	57,587
Increase/(decrease) in:			
Accounts payable	63	990	1,053
Accrued wages and benefits	(1,861)	497	(1,364)
Accrued liabilities	(467)	-	(467)
Customer deposits	(7,272)	11,577	4,305
Unearned revenue	-	(177,103)	(177,103)
Compensated absences	1,051	(7,741)	(6,690)
Net pension liability	(17,647)	(26,742)	(44,389)
Deferred inflows of resources related to pensions	(6,733)	(10,203)	(16,936)
Net cash provided (used) by operating activities:	$ 130,842	$ 505,267	$ 636,109
Noncash investing, capital, and financing activities:			
De-obligated principal	$ -	$ 75,494	$ 75,494
Amortization of bond premium	100	-	100

TOWN OF
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Notes to the Financial Statements

TOWN OF
Looking to the Future
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Chino Valley, Arizona (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the Town's more significant accounting policies follows.

A. Reporting Entity

The Town of Chino Valley, Arizona is a municipal government that is governed by an elected mayor, vice mayor, and five-member governing council (council). The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town.

The following is a brief review of the component units included in defining the Town's reporting entity. There are no discretely presented component units and one blended component unit.

Individual Component Units – Blended

The Town of Chino Valley, Arizona Municipal Property Corporation's (MPC) board of directors consists of three members which are appointed by the Town of Chino Valley, Arizona's Town Council. The MPC, which is a nonprofit corporation incorporated under the laws of the State of Arizona, was formed for the sole purpose of assisting the Town in obtaining financing for various projects of the Town. The Town has a "moral obligation" for the repayment of the MPC's bonds. For financial reporting purposes, transactions of the MPC are combined together and included as if they were part of the Town's operations.

B. Basis of Presentation – Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Government-Wide Financial Statements (Continued)

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Interfund services provided and used are not eliminated in the process of consolidation for the government-wide financial statements.

C. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Town's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The Grants Special Revenue Fund accounts for miscellaneous federal and state grants and other contributions that are restricted for specific use other than CDBG grants.

The Debt Service Fund accounts for the accumulation of resources for, and the payment of current and future debt service requirements for governmental debt principal and interest.

The Capital Improvement Capital Projects Fund accounts for sales tax revenues and bond proceeds used for capital projects and other internally designated purposes.

The Town reports the following major proprietary funds:

The Water Fund accounts for the activities of pumping, treating and distribution of water. The Sewer Fund accounts for the activities of wastewater collection and treatment. During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Fund Financial Statements (Continued)

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Sales taxes, franchise taxes, intergovernmental grants and aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary funds are reported using the *economic resources measurement focus* and the accrual basis of accounting.

E. Deposits and Investments

Cash includes cash on hand, demand deposits with banks and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and investments are pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Interest earned from investments purchased with such pooled monies is allocated to each of the funds based on the average daily cash balances. State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of the deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, towns, or duly organized school districts, improvement districts in this state and the State Treasurer's Local Government Investment Pool. All investments are stated at fair value.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Internal balances" in the Statement of Net Position and as "Due to" or "Due from" other funds in the fund financial statements. All trade accounts receivable in the proprietary funds are shown net of an allowance for doubtful accounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories and Prepaid Items

Purchases of inventory items are recorded at the time of purchase (purchases method) as expenditures in the funds from which the purchases were made; and because the amounts on hand at June 30, 2018, were immaterial, they are not included in the balance sheet.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed (consumption method) rather than when purchased.

H. Restricted Assets

Certain proceeds of the Town's bonds and loans are classified as restricted assets on the statement of net position because their use is limited by applicable bond or loan covenants.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the Town as assets with an individual cost of more than $5,000 and an estimated useful life in excess of one year. Capitalized assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Land, construction in progress, and water rights are not depreciated. The other property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 to 25 years
Buildings and improvements	10 to 25 years
Water and Wastewater systems	25 to 50 years
Furniture, equipment and vehicles	5 to 15 years
Infrastructure	10 to 25 years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance.

Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Manager is authorized to assign amounts to a specific purpose in accordance with the Town's budget policy. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

N. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination. For governmental funds, amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements unless they have matured, for example, as a result of employee resignations and retirements. Vested or accumulated vacation and sick leave in the proprietary fund are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

P. Proprietary Funds Operating and Non-Operating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year end. The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget for the fiscal year commencing the following July 1 to the Town Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.

2. Public hearings are conducted to obtain taxpayer comment.

3. Prior to the third Monday in August, the expenditure limitation for the Town is legally enacted through passage of an ordinance. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the State each year. This report, issued under a separate cover, reconciles total Town expenditures from the audited financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).

4. The Town follows a voter-approved alternative expenditure limitation that was extended on August 16, 2016.

5. Expenditures may not legally exceed the expenditure limitation of all fund types as a whole. For management purposes, the Town adopts a budget by department for the General Fund and in total by fund for other funds. The Town Manager, subject to Town Council approval, may at any time transfer any unencumbered appropriation balance or portion thereof between a department or activity. The adopted budget cannot be amended in any way without Town Council approval.

6. The Town has adopted budgets in accordance with A.R.S. requirements and utilizes the budgets as a management control device during the year for the General, Special Revenue, Debt Service and Capital Projects Funds. The budgets are prepared on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Budgets and Budgetary Accounting (Continued)

The Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the Town to spend more than budgeted revenues plus the carry-over unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The Town complied with this law during the year.

Supplementary budgetary appropriations were necessary during the year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

NOTE 2 CASH AND INVESTMENTS

The following table summarizes the Town's cash and investments at June 30, 2018:

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 8,729,396	$ -	$ 8,729,396
Restricted cash and cash equivalents	647,327	730,932	1,378,259
Total	$ 9,376,723	$ 730,932	$ 10,107,655

Deposits

Cash in bank - At June 30, 2018, the Town had $3,200 of cash on hand. The carrying amount of the Town's cash in bank totaled $2,325,619 and the bank balance was $2,455,743. Of the bank balance, $272,315 was covered by federal depository insurance, and $2,183,645 was covered by collateral held in the pledging bank's trust department not in the Town's name.

Restricted cash and cash equivalents - At June 30, 2018, the Town had restricted cash and cash equivalents of $1,378,259. Of this balance, $730,932 was restricted in reserve funds with LGIP for the loans payable to the Water Infrastructure Finance Authority of Arizona (WIFA). Of the remaining balance of $647,327, amounts of $347,145 and $300,182 were held in money market accounts with US Bank and National Bank of Arizona, respectively.

NOTE 2 CASH AND INVESTMENTS (Continued)

Investments

The Town invests in the Local Government Investment Pool 5 and Pool 7 (LGIP), investment pools managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The LGIP is not registered with the Securities Exchange Commission under the 1940 Investment Advisors Act. The State Board of Investment and the Investment Risk Management Committee have oversight responsibilities of the investment pool in accordance with ARS 35-311. The pool's policy is to invest in fixed-rate securities with a final maturity less than 36 months from the settlement date of the purchase and variable-rate securities with final maturity less than 5 years.

The dollar weighted average portfolio maturity is 34 days for Pool 5 and 34 days for Pool 7. The net asset value per share of the pool at June 30, 2018 was $1.00. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007.

Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the Town's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2018, the Town's funds invested with the State Treasurer totaled $7,131,509.

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the Town held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of Town's investments by maturity:

Investment Type	Remaining Maturity 12 Months or Less
Primary Government	
Money Market	$ 647,327
LGIP	7,131,509
Total	$ 7,778,836

NOTE 2 CASH AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have a formal investment policy regarding credit risk. However, the Town is prohibited by State law from investing in investments other than obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state and the State Treasurer's Local Investment Pool. Presented below is the actual rating as of year-end for each investment type.

		Ratings		
Investment Type	Total	AAAF/S1+	AAA	Unrated
Primary Government				
Money Market	$ 647,327	$ -	$ -	$ 647,327
LGIP	7,131,509	569,254	-	6,562,255
Total	$ 7,778,836	$ 569,254	$ -	$ 7,209,582

NOTE 3 RECEIVABLES

Intergovernmental receivables consist principally of amounts due from the State of Arizona for various taxes, shared revenues, and highway user revenues and also from Yavapai County for reimbursement for a flood management project.

Receivables in the proprietary funds are service billings receivable and are shown net of an allowance for doubtful accounts.

Receivables:	Water Fund	Sewer Fund	Total Enterprise
Service billings receivable	72,810	137,814	210,624
Less: Allowance for doubtful accounts	(7,000)	(50,000)	(57,000)
Net Receivables	$ 65,810	$ 87,814	$ 153,624

Hookups receivable of $80,400 reported in the proprietary funds are for amounts receivable from customers for hookup fees that are paid over a ten year period.

NOTE 4 CAPITAL ASSETS

The following table summarizes the changes to capital assets for governmental activities during the year:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,418,867	$ -	$ -	$ 2,418,867
Construction in progress	1,541,190	1,142,505	(2,251,131)	432,564
Total capital assets not being depreciated	3,960,057	1,142,505	(2,251,131)	2,851,431
Capital assets, being depreciated:				
Buildings	10,495,451	168,704	-	10,664,155
Improvements other than buildings	1,364,368	-	(5,183)	1,359,185
Vehicles, furniture and equipment	4,462,655	530,320	(535,103)	4,457,872
Infrastructure	7,321,227	2,171,292	-	9,492,519
Total capital assets being depreciated	23,643,701	2,870,316	(540,286)	25,973,731
Less accumulated depreciation for:				
Buildings	(5,119,926)	(393,004)	-	(5,512,930)
Improvements other than buildings	(877,891)	(48,722)	5,183	(921,430)
Vehicles, furniture and equipment	(3,526,170)	(231,056)	442,726	(3,314,500)
Infrastructure	(1,802,374)	(311,106)	-	(2,113,480)
Total accumulated depreciation	(11,326,361)	(983,888)	447,909	(11,862,340)
Total capital assets, being depreciated, net	12,317,340	1,886,428	(92,377)	14,111,391
Governmental activities capital assets, net	$ 16,277,397	$ 3,028,933	$ (2,343,508)	$ 16,962,822

Depreciation expense was charged to the functions/programs of the Town as follows:

Governmental activities:	
General government	$ 149,330
Public safety	143,906
Highway and streets	351,279
Culture and recreation	338,402
Health and Welfare	971
Total depreciation expense	$ 983,888

NOTE 4 CAPITAL ASSETS (Continued)

The following table summarizes the changes to capital assets for business-type activities during the year.

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 3,211,136	$ -	$ -	$ 3,211,136
Construction in progress	-	61,110	-	61,110
Water rights	668,553	-	-	668,553
Total capital assets not being depreciated	3,879,689	61,110	-	3,940,799
Capital assets, being depreciated:				
Treatment facilities	9,798,388	-	-	9,798,388
Water distribution system	3,361,625	-	-	3,361,625
Sewer collection system	22,181,928	-	-	22,181,928
Machinery, equipment & vehicles	941,569	52,427	-	993,996
Total capital assets being depreciated	36,283,510	52,427	-	36,335,937
Less accumulated depreciation for:				
Treatment facilities	(2,346,086)	(207,751)	-	(2,553,837)
Water distribution system	(1,591,091)	(168,787)	-	(1,759,878)
Sewer collection system	(7,392,031)	(886,735)	-	(8,278,766)
Machinery, equipment & vehicles	(336,091)	(80,456)	-	(416,547)
Total accumulated deprecation	(11,665,299)	(1,343,729)	-	(13,009,028)
Total capital assets, being depreciated, net	24,618,211	(1,291,302)	-	23,326,909
Business-Type activities capital assets, net	$ 28,497,900	$ (1,230,192)	$ -	$ 27,267,708

Depreciation expense was charged to the functions/programs of the Town as follows:

Business-type activities	
Water	$ 187,984
Sewer	1,155,745
Total depreciation expense	$ 1,343,729

NOTE 5 LONG-TERM DEBT

The following is a summary of changes in long-term obligations for the year ended June 30, 2018:

	Balance 6/30/17	Additions	Retirements	Balance 6/30/18	Due Within One Year
Governmental Activities:					
Bonds payable					
Revenue bond series 2016	$ 3,346,000	$ -	$ (309,000)	$ 3,037,000	$ 320,000
Revenue bond series 2010	7,280,000	-	-	7,280,000	150,000
Discount on bonds	(124,811)	-	8,608	(116,203)	-
Total bonds payable	10,501,189	-	(300,392)	10,200,797	470,000
Capital leases payable					
Equipment lease	280,302	711,464	(225,790)	765,976	286,879
Total leases payable	280,302	711,464	(225,790)	765,976	286,879
Compensated absences	445,701	518,939	(489,946)	474,694	250,000
Net pension liability	8,160,061	-	(5,892)	8,154,169	-
Total other long term debt	8,605,762	518,939	(495,838)	8,628,863	250,000
Total Governmental Activities	19,387,253	1,230,403	(1,022,020)	19,595,636	1,006,879
Busisness-type Activities:					
Bonds payable					
Revenue bond series 2010	520,000	-	(50,000)	470,000	50,000
Premium on bonds	851	-	(100)	751	-
Total bonds payable	520,851	-	(50,100)	470,751	50,000
Loans payable					
WIFA					
Series 2007	932,369	-	(82,242)	850,127	84,510
Series 2008	3,247,075	-	(255,957)	2,991,118	263,160
Series 2014	2,717,514	-	(126,801)	2,590,713	129,350
Series 2015	40,493	-	(9,965)	30,528	10,070
Series 2016	4,135,269	-	(129,353)	4,005,916	157,304
Series 2017	327,500	-	(46,996)	280,504	11,398
Total loans payable	11,400,220	-	(651,314)	10,748,906	655,792
Capital leases payable					
Equipment lease	49,820	113,536	(38,266)	125,090	44,500
Total leases payable	49,820	113,536	(38,266)	125,090	44,500
Compensated absences	38,244	28,271	(34,961)	31,554	11,000
Developer agreement payable	420,733	-	-	420,733	-
Net pension liability	546,919	-	(44,389)	502,530	-
Total other long term debt	1,005,896	28,271	(79,350)	954,817	11,000
Total Business-type Activities	12,976,787	141,807	(819,030)	12,299,564	761,292
Total long-term liabilities	$ 32,364,040	$ 1,372,210	$ (1,841,050)	$ 31,895,200	$ 1,768,171

NOTE 5 LONG-TERM DEBT (Continued)

Generally, for governmental activities, compensated absences and pension liabilities are liquidated by the General Fund.

Debt service requirements to maturity for bonds and loans payable are as follows:

	Governmental Activities		Business-type Activities	
Fiscal year ending June 30,	Principal	Interest	Principal	Interest
2019	$ 470,000	$ 382,023	$ 706,843	$ 263,885
2020	525,000	371,991	723,272	245,039
2021	606,000	359,162	745,121	225,425
2022	641,000	342,699	752,012	205,342
2023	666,000	324,352	774,625	184,281
2024 - 2028	3,709,000	1,295,179	3,945,603	597,046
2029 - 2033	3,700,000	449,588	1,943,648	272,068
2034 - 2038	-	-	1,627,782	65,291
Total	$ 10,317,000	$ 3,524,994	$ 11,218,906	$ 2,058,377

The following is a listing of bonds payable outstanding as of June 30, 2018:

Bonds payable:	Balance 6/30/18	Due Within One Year
Governmental Activities:		
Excise Tax Revenue Bonds, Series 2016, due in annual principal and semi-annual interest installments ranging from $309,000 to $362,000 bearing interest at 2.758%, maturing July 2026.	$ 3,037,000	$ 320,000
MPC Revenue Bonds, Series 2010, due in annual principal and semi-annual interest installments ranging from $150,000 to $990,000 bearing interest at 4.00% to 4.75%, maturing August 2031.	7,280,000	150,000
Business-type Activities:		
MPC Revenue Bonds, Series 2010, due in annual principal and semi-annual interest installments ranging from $45,000 to $70,000 bearing interest at 2.50% to 5.00%, maturing August 2031.	470,000	50,000
Total bonds payable	$ 10,787,000	$ 520,000

NOTE 5 LONG-TERM DEBT (Continued)

The following is a listing of loans payable outstanding as of June 30, 2018:

Loans payable:	Balance 6/30/18	Due Within One Year
Business-type Activities:		
Water Infrastructure Finance Authority of Arizona (WIFA) loan, due in semi-annual variable principal and interest installments, bearing interest at 2.758%, maturing July 1, 2026.	$ 850,127	$ 84,510
Water Infrastructure Finance Authority of Arizona (WIFA) loan, due in semi-annual variable principal and interest installments, bearing interest at 2.814%, maturing July 1, 2027.	2,991,118	263,160
Water Infrastructure Finance Authority of Arizona (WIFA) loan, due in semi-annual variable principal and interest installments, bearing interest at 2.010%, maturing July 1, 2034.	2,590,713	129,350
Water Infrastructure Finance Authority of Arizona (WIFA) loan, due in semi-annual variable principal and interest installments, bearing interest at 1.048%, maturing July 1, 2020.	30,528	10,070
Water Infrastructure Finance Authority of Arizona (WIFA) loan, due in semi-annual variable principal and interest installments, bearing interest at 2.344%, maturing July 1, 2037.	4,005,916	157,304
Water Infrastructure Finance Authority of Arizona (WIFA) loan, due in semi-annual variable principal and interest installments, bearing interest at 3.200%, maturing July 1, 2037.	280,504	11,398
Total loans payable - business-type activities	$ 10,748,906	$ 655,792

Developer agreements payable outstanding as of June 30, 2018:

Developer agreement payable:		
Business-type Activities:		
Developer agreement payable with no minimum required payments and no interest. Payments are contingent on the number of water hook-ups received during the year.	$ 420,733	$ -

NOTE 5 LONG-TERM DEBT (Continued)

Capital leases - In fiscal years 2015 and 2018, the Town entered into lease agreements for capital purchases of $714,963 and $825,000, respectively. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The leases are payable in annual installments of $150,283 and $172,869, respectively. Interest is accrued quarterly at a rate of 1.93% and 1.78%, respectively.

The following schedule presents future minimum lease payments as of June 30, 2018.

Year Ending, June 30	Governmental Activities	Business-type Activities
2019	$ 276,682	$ 46,470
2020	180,980	29,460
2021	149,079	23,790
2022	149,079	23,790
2023	37,269	5,948
Total requirements	793,089	129,458
Less interest	27,113	4,368
Present value of remaining payments	$ 765,976	$ 125,090

Vehicles and related accumulated depreciation under capital lease are as follows:

Asset		
Vehicles	$ 1,110,491	$ 221,493
Equipment	208,363	-
Subtotal	1,318,854	221,493
Less accumulated depreciation	(482,963)	(54,513)
Net	$ 835,890	$ 166,980

NOTE 6 PLEDGED REVENUES

The Town has pledged a portion of the future excise taxes and state shared revenues to repay $3.3 million in MPC Revenue Bonds issued in 2016 and to repay $7.28 million in MPC Revenue Bonds issued in 2010. The 2016 MPC bonds were used to refinance the remaining portion of a 2007 GADA loan. The 2010 MPC bonds were used to refund the remaining portion of the MPC 2004 Revenue Bonds. The bonds are payable from excise taxes and state shared revenues of the Town. Annual principal and interest payments on the bonds are estimated to require 10% of excise tax and state shared revenues. Total principal and interest remaining on the 2016 bonds are $3,318,550 payable through July 2026. The principal and interest remaining on the 2010 bonds are $10,547,588 payable through August 2031. For the current year, interest of $56,113 was paid on the 2016 bonds and the interest paid on the 2010 bonds was $331,638. Total excise taxes and state shared revenues were $9,680,751.

The Town has pledged a portion of future sewer system customer revenues, net of specified operating expenses, and future excise taxes and state shared revenues to repay $9.7 million in WIFA loans issued in 2007, 2008, 2014, 2016 and 2017. Proceeds from the loans provided financing for development of the Town's sewer system. The loans are payable from sewer system customer net revenues and excise taxes and state shared revenues. The WIFA loans are payable through July 2026, 2027, 2034 and 2037. Annual principal and interest payments on the loans are estimated to require 7% of total net sewer system, excise taxes and state shared revenues. The total principal and interest remaining to be paid on the WIFA loans is $12,917,319. For the current year, principal and interest paid was $904,701, sewer system customer net revenues were $1,479,072, and excise taxes and state shared revenues were $9,680,751.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFER

As of June 30, 2018, interfund receivables and payables that resulted from various interfund transactions were as follows:

Fund	Receivable Amount	Payable Amount
General Fund	$ 343,594	$ -
Grants Fund	-	34,832
Non-Major Governmental Funds	-	996
Water Fund	-	233,932
Sewer Fund	-	73,834
Total	$ 343,594	$ 343,594

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFER (Continued)

The outstanding balance in the Water and Sewer fund is for working capital loans borrowed from the General fund in order to offset net losses sustained for several years. The other interfund receivables and payables were recorded to eliminate short-term deficit pooled cash balances in the various funds. Residual balances outstanding between the governmental activities and the business-type activities are netted and reported in the government-wide financial statements as internal balances.

Interfund transfers for the fiscal year ended June 30, 2018 are as follows:

Fund	Transfers Out	Transfers In
General Fund	$ 75,000	$ 400,000
Debt Service	-	698,000
Capital Improvements	1,123,000	-
Non-Major Governmental Funds	-	75,000
Water Fund	-	25,000
Total	$ 1,198,000	$ 1,198,000

Transfers were made to fund various capital improvements, provide funds for debt service payments due on bonds and loans, local matching requirements on various grants, and to support operations.

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The Town contributes to the plans described below. The plans are component units of the State of Arizona.

At June 30, 2018, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-type Activites	Total
Net pension liabilities	$ 8,154,169	$ 502,530	$ 8,656,699
Deferred outflows of resources	2,269,989	60,386	2,330,375
Deferred inflows of resources	787,757	46,341	834,098
Pension expense	926,899	26,825	953,724

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

The Town reported $1,128,258 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan Description – Town employees not covered by the other pension plan described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits Provided - The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	**Retirement Initial membership date:**	
	Before July 1, 2011	**On or after July 1, 2011**
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* and years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*with actuarially reduced benefits.

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from $150 per month to $260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2018, statute required active ASRS members to contribute at the actuarially determined rate of 11.5 percent (11.34 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and statute requires the Town to contribute at the actuarially determined rate of 11.5 percent (10.9 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. The Town's contributions to the pension plan for the year ended June 30, 2018 were $354,158. The Town's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

ASRS Year ended June 30	Health Benefit Supplement Fund	Long-Term Disability Fund
2018	$ 13,550	$ 4,927
2017	17,059	4,265
2016	15,491	3,718

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

During fiscal year 2018, the Town paid for ASRS pension and OPEB contributions as follows: 90 percent from the General Fund, 4 percent from the water fund, and 6 percent from the sewer fund.

Liability - At June 30, 2018, the Town reported a liability of $4,874,372 for its proportionate share of the ASRS' total liability. The total liability was measured as of June 30, 2017. The total pension liability used to calculate the total liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The total pension liability as of June 30, 2017, reflects a change in actuarial assumption related to changes in loads for future potential permanent benefit increases.

The Town's proportion of the net pension liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Town's proportion measured as of June 30, 2017, was 0.03129 percent, which was an increase of 0.001664 percent from its proportion measured as of June 30, 2016.

The net asset and net liabilities measured as of June 30, 2018, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the net liabilities as a result of these changes is not known.

The Town's reported liability at June 30, 2018, decreased by $444,089 from the Town's prior year liability of $5,318,461 because of changes in the ASRS' net pension liability and the Town's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2018, the Town recognized pension expense for ASRS of $579,137. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 146,161
Changes of assumptions or other inputs	211,705	145,752
Net difference between projected and actual earnings on pension plan investments	34,995	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	72,602	185,915
Town contributions subsequent to the measurement date	335,680	-
Total	$ 654,982	$ 477,828

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized as expense as follows:

Year ending June 30	
2019	$ (216,470)
2020	127,239
2021	42,829
2022	(112,124)
Thereafter	-

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows:

ASRS	
Actuarial valuation date	June 30, 2016
Actuarial roll forward date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3 - 6.75% for pensions/not applicable for OPEB
Inflation	3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	1994 GAM Scale BB
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.7 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected arithmetic real rate of return
Equity	58%	6.73%
Fixed Income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.84%
Total	100%	

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate - The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Town's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate - The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% increase (9%)
Town's proportionate share of the net pension liability	$ 6,256,341	$ 4,874,372	$ 3,719,618

Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System

Plan Description – Town police department employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and an agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The PSPRS issues a publicly available financial report that include their financial statements and required supplementary information. The report is available on the PSPRS website at www.psprs.com.

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided - The PSPRS provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS Retirement and Disability	Initial membership date: Before January 1, 2012	Initial membership date: On or after January 1, 2012 and before July 1, 2017
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years or service of 15 years of credited service, and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, mulitiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefits		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job.	

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Retirement and survivor benefits are subject to automatic cost-of-living adjustments. The adjustments are based on inflation for PSPRS. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees Covered by Benefit Terms - At June 30, 2018, the following employees were covered by the agent plans' benefit terms:

	PSPRS Police
Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to by not yet receiving benefits	6
Active employees	22
Total	39

Contributions and Annual OPEB Cost - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police
Active members - Pension	7.65% - 11.65%

In addition, statute required the Town to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the PSPRS would typically fill.

	PSPRS Police
Pension	18.04%
Health insurance permium benefit	0.00%

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

The Town's contributions to the plans for the year ended June 30, 2018, were:
During fiscal year 2018, the Town paid 100 percent of the PSPRS pension and OPEB contributions from the General Fund.

	PSPRS Police
Pension	
Contributions made	$ 768,793
Health Insurance Permium Benefit	
Annual OPEB cost contributions made	5,307

Pension Liability - At June 30, 2018, the Town reported a PSPRS net pension liabilities of $3,782,329.

The net liability was measured as of June 30, 2017, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2017, reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation from 4 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liabilities for PSPRS also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employees who became members on or after January 1, 2012, and before July 1, 2017, and a court decision that decreased the contribution rates for employees who became members before July 20, 2011. The court decision will also affect the PSPRS net pension liabilities measured as of June 30, 2018, because of refunds of excess member contributions. The change in the Town's PSPRS net pension liabilities as a result of the refunds is not known.

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows:

	PSPRS
Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.40%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.
Healthcare cost trend rate	Not applicable

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Short term investments	2%	0.25%
Absolute return	2%	3.75%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTAA	10%	3.96%
Private credit	12%	6.75%
Real estate	10%	3.75%
Credit opportunities	16%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	16%	7.60%
Total	100.00%	

Discount Rates – At June 30, 2017, the discount rate used to measure the PSPRS total pension liability was 7.40 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2016. The projection of cash flows used to determine the PSPRS discount rates assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Net Pension Liability

PSPRS - Police	Pension Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2017	$ 7,684,130	$ 4,295,610	$ 3,388,520
Changes for the year:			
Service Cost	272,925	-	272,925
Interest on the total liability	556,565	-	556,565
Changes of benefit terms	116,070	-	116,070
Differences between expected and actual experience in the measurement of the liability	107,301	-	107,301
Changes of assumptions or other inputs	240,439	-	240,439
Contributions - employer	-	279,960	(279,960)
Contributions - employee	-	136,758	(136,758)
Net investment income	-	497,699	(497,699)
Benefit payments, including refunds of employee contributions	(799,457)	(799,457)	-
Administrative expense	-	(4,804)	4,804
Other changes	-	(10,122)	10,122
Net changes	493,843	100,034	393,809
Balances at June 30, 2018	$ 8,177,973	$ 4,395,644	$ 3,782,329

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Town's Net Pension Liability to Changes in the Discount Rate - The following table presents the Town's net pension liabilities calculated using the discount rate of 7.40 percent, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.40 percent) or 1 percentage point higher (8.40 percent) than the current rate:

PSPRS - Police	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% increase (8.40%)
Total pension liability	$ 9,286,305	$ 8,177,973	$ 7,275,363
Plan fiduciary net position	4,395,644	4,395,644	4,395,644
Net pension liability	$ 4,890,661	$ 3,782,329	$ 2,879,719

Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Expense - For the year ended June 30, 2018, the Town recognized $685,346 of PSPRS pension expense.

Deferred Outflows/Inflows of Resources - At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 93,733	$ 162,052
Changes of assumptions or other inputs	558,192	-
Net difference between projected and actual earnings on pension plan investments	254,636	193,409
Town contributions subsequent to the measurement date	768,793	-
Total	$ 1,675,354	$ 355,461

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

The amounts reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expenses as follows:

Year ending June 30,	PSPRS Police
2019	$ 168,359
2020	209,416
2021	103,043
2022	29,520
2023	40,762
Thereafter	-

Agent plan OPEB actuarial assumptions - The health insurance premium benefit contribution requirements for the year ended June 30, 2018, were established by the June 30, 2016, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Projections of benefits are based on (1) the plans as the Town and plans' members understand them and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the Town and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2018 contribution requirements:

PSPRS - OPEB Contribution Requirements	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% corridor
Actuarial assumptions:	
Investment rate of return	7.40%
Projected salary increases	2.5% - 8% for PSPRS
Wage growth	3.5% for PSPRS

Agent plan OPEB trend information - Annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years follows for each of the agent plans:

PSPRS - Police Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
2018	$ 5,307	100%	$ -
2017	2,727	100%	-
2016	1,127	100%	-

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Agent plan OPEB funded status - The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2017, along with the actuarial assumptions and methods used in those valuations follow:

		PSPRS Police
Actuarial value of assets (a)	$	251,283
Actuarial accrued liability (b)	$	175,165
Unfunded actuarial accrued liability (funded excess) (b) - (a)	$	(76,118)
Funded ratio (a)/(b)		143.5%
Annual covered payroll (c)	$	1,204,435
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) - (a) / (c)		0.00%

The actuarial methods and assumptions used are the same for all the PSPRS health insurance premium benefit plans (unless noted), and for the most recent valuation date are as follows:

PSPRS - OPEB Funded Status	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	20 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.40%
Projected salary increases includes inflation at	2.5% - 8% for PSPRS 3.5% for PSPRS

NOTE 9 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town is a participating member. The limit for basic coverage is for $2,000,000 per occurrence on a claims made basis. Excess coverage is for an additional $8,000,000 per occurrence on a follow form, claims made basis. No significant reduction in insurance coverage occurred during the year and no settlements exceeded insurance coverage during any of the past three fiscal years. The Arizona Municipal Risk Retention Pool is structured such that member's premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its member's additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

The Town is also insured by commercial insurance for potential worker related accidents.

NOTE 10 CONTINGENT LIABILITIES AND COMMITMENTS

The Town is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of Town management, based on the advice of the Town Attorney with respect to such litigation, such matters will not have a material adverse effect on the Town's financial position at June 30, 2018.

Sick leave benefits provide for ordinary sick pay and are cumulative and hours over 192 per employee are vested at a rate of 25 percent.

The Town has entered into agreements whereby it will reimburse developers a portion of sales tax collected on their sites for up to ten years or a maximum dollar amount. The funding source for the reimbursements will come from the sales taxes collected on the sites over the term of the agreements. The Town does not become liable under the agreement until the developer has collected and remitted the sales taxes to the Town. At June 30, 2018, the Town's estimated liability is $223,014 under such agreements.

At year end, the Town had the following major construction projects/commitments open:

Project	Spent to Date	Remaining Commitment
Road 1 North Signal	75,000	100,000
Wastewater Treatment Plant Drying Bed Project	14,260	120,000
Memory Park Remodel Project	37,130	50,000
Road 1 East & 3 South Project	276,741	250,000
Chino Valley Skate Park	29,434	50,000
Total	$ 432,565	$ 570,000

Required Supplementary Information

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

TOWN OF CHINO VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST-SHARING PENSION PLAN
June 30, 2018

Arizona Retirement System	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
Town's proportion of the net pension liability	0.031290%	0.032955%	0.032084%	0.030244%	Information
Town's proportionate share of the net pension liability	$ 4,874,372	$ 5,318,461	$ 4,997,476	$ 4,475,083	not available
Town's covered payroll	3,105,696	2,965,972	2,678,714	2,280,897	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	156.95%	179.32%	186.56%	196.20%	
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%	

See accompanying notes to pension plan schedules.

TOWN OF CHINO VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS
AGENT PENSION PLAN
June 30, 2018

Chino Valley Police Dept. Public Safety Personnel Retirement System	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
Total pension liability					
Service cost	$ 272,925	$ 220,166	$ 208,414	$ 218,803	Information
Interest on the total pension liability	556,565	533,567	508,300	443,158	not available
Changes on benefit terms	116,070	361,211	-	63,139	
Differences between expected and actual experience in the measurement of the pension liability	107,301	(230,538)	(13,006)	15,592	
Changes of assumptions or other inputs	240,439	269,553	-	509,521	
Benefit payments, including refunds of employee contributions	(799,457)	(313,564)	(461,853)	(368,517)	
Net change in total pension liability	493,843	840,395	241,855	881,696	
Total pension liability - beginning	7,684,130	6,843,735	6,601,880	5,720,184	
Total pension liability - ending (a)	$ 8,177,973	$ 7,684,130	$ 6,843,735	$ 6,601,880	
Plan fiduciary net position					
Contributions - employer	$ 279,960	$ 269,502	$ 243,794	$ 208,691	
Contributions - employee	136,758	145,561	143,622	126,689	
Net investment income	497,699	24,661	149,207	498,013	
Benefit payments, including refunds of employee contributions	(799,457)	(313,564)	(461,853)	(368,517)	
Administrative expense	(4,804)	(3,949)	(4,019)	(4,043)	
Other changes	(10,122)	(49,347)	3,414	(120,050)	
Net change in plan fiduciary net position	100,034	72,864	74,165	340,783	
Plan fiduciary net position - beginning	4,295,610	4,222,746	4,148,581	3,807,798	
Plan fiduciary net position - ending (b)	$ 4,395,644	$ 4,295,610	$ 4,222,746	$ 4,148,581	
Town's net pension liability - ending (a) - (b)	$ 3,782,329	$ 3,388,520	$ 2,620,989	$ 2,453,299	
Plan fiduciary net position as a percentage of the total pension liability	53.75%	55.90%	61.70%	62.84%	
Covered payroll	$ 1,044,986	$ 922,414	$ 1,091,480	$ 971,919	
Town's net pension liability as a percentage of covered payroll	361.95%	367.35%	240.13%	252.42%	

See accompanying notes to pension plan schedules.

TOWN OF CHINO VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
June 30, 2018

Arizona Retirement System	Reporting Fiscal Year					
	2018	2017	2016	2015	2014	2013 through 2009
Statutorily required contribution	$ 329,008	$ 334,794	$ 321,808	$ 291,712	$ 244,056	Information not available
Town's contributions in relation to the statutorily required contribution	329,008	334,794	321,808	291,712	244,056	
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	
Town's covered payroll	$ 3,018,422	$ 3,105,696	$ 2,965,972	$ 2,678,714	$ 2,280,897	
Town's contributions as a percentage of covered payroll	10.90%	10.78%	10.85%	10.89%	10.70%	

Chino Valley Police Dept. Public Safety Personnel Retirement System	Reporting Fiscal Year					
	2018	2017	2016	2015	2014	2013 through 2009
Actuarially determined contribution	$ 279,960	$ 269,502	$ 243,794	$ 208,691	$ 173,196	Information not available
Town's contributions in relation to the actuarially determined contribution	279,960	269,502	243,794	208,691	173,196	
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	
Town's covered payroll	$ 840,216	$ 1,044,986	$ 922,414	$ 1,091,480	$ 971,919	
Town's contributions as a percentage of covered payroll	33.32%	25.79%	26.43%	19.12%	17.82%	

See accompanying notes to pension plan schedules.

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TOWN OF CHINO VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION PLAN SCHEDULES
June 30, 2018

NOTE 1 ACTUARIALLY DETERMINED CONTRIBUTION RATES

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2016 actuarial valuation	One year
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% PSPRS. In the actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006-June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

NOTE 2 FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes will increase the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the Town refunded excess employee contributions to PSPRS members. PSPRS allowed the Town to reduce its actual employer contributions for the refund amounts. As a result, the Town's pension contributions were less than the actuarially or statutorily determined contributions for 2018.

TOWN OF CHINO VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
June 30, 2018

Health Insurance Premium Benefit						
Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b) - (a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll (b) - (a)/(c)
PSPRS Police						
6/30/2017	$ 260,399	$ 175,165	$ (85,234)	148.66%	$ 1,204,435	0.00%
6/30/2016	249,637	201,684	(47,953)	123.78%	1,145,504	0.00%
6/30/2015	241,300	198,982	(42,318)	121.27%	1,177,679	0.00%
6/30/2014	222,278	174,025	(48,253)	127.73%	1,077,712	0.00%

The health insurance subsidy payment reported for FY 2017 was $8,382

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Other Supplementary Information

COMBINING NON-MAJOR FUND FINANCIAL STATEMENTS

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Non-Major Government Funds Financial Statements

Special Revenue Funds

- **Highway User Revenue Fund (HURF) -** This fund accounts for the Town's share of Arizona's highway user tax revenues and associated expenditures legally restricted for road construction and maintenance.

- **Street Lighting Improvement District Fund -** This fund accounts for property taxes charged in an amount sufficient to cover expenditures associated with three street lighting districts within the Town.

Capital Project Fund

- **Impact Fees Fund -** This fund accounts for development impact fees earmarked for the development of Town roads, police department facilities, library facilities, parks and recreation facilities.

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Looking to the Future
CHINO VALLEY, ARIZONA

TOWN OF CHINO VALLEY, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue		Capital Projects	
ASSETS	Highway User Revenue Fund	Street Lighting Improvement District	Impact Fees	Total
Cash and cash equivalents	$ 811,731	$ 4	$ 510,575	$ 1,322,310
Receivables, net:				
Accounts receivable	-	41	-	41
Intergovernmental	89,962	-	-	89,962
Total assets	$ 901,693	$ 45	$ 510,575	$ 1,412,313
LIABILITIES				
Accounts payable	$ 2,632	$ -	$ -	$ 2,632
Accrued wages and benefits	10,784	-	-	10,784
Accrued liabilities	56	-	-	56
Total liablilties	13,472	-	-	13,472
FUND BALANCES				
Restricted				
Highways and streets	888,221	45	-	888,266
Capital improvements	-	-	510,575	510,575
Total fund balances	888,221	45	510,575	1,398,841
Total liabilities and fund balances	$ 901,693	$ 45	$ 510,575	$ 1,412,313

TOWN OF CHINO VALLEY, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	Special Revenue		Capital Projects	
REVENUES	Highway User Revenue Fund	Street Lighting Improvement District	Impact Fees	Total
Taxes	$ -	$ 3,999	$ -	$ 3,999
Licenses and permits	2,643	-	-	2,643
Intergovernmental	941,628	-	-	941,628
Interest	5,294	-	5,791	11,085
Other revenues	730	-	277	1,007
Total revenues	950,295	3,999	6,068	960,362
EXPENDITURES				
Current:				
Public works/streets	752,066	3,991	-	756,057
Capital outlay	58,457	-	18,615	77,072
Debt service:			-	
Principal retirement	114,246	-	-	114,246
Interest and fiscal charges	5,965	-	-	5,965
Total expenditures	930,734	3,991	18,615	953,340
Excess of revenues over (under) expenditures	19,561	8	(12,547)	7,022
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	118,256	-	-	118,256
Transfers in	75,000	-	-	75,000
Total other financing sources (uses)	193,256	-	-	193,256
Net change in fund balances	212,817	8	(12,547)	200,278
Fund balances - beginning of year	675,404	37	523,122	1,198,563
Fund balances - end of year	$ 888,221	$ 45	$ 510,575	$ 1,398,841

Other Supplementary Information

BUDGETARY COMPARISON SCHEDULES

MAJOR GOVERNMENTAL FUND

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

TOWN OF CHINO VALLEY, ARIZONA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget- Positive
REVENUES	Original	Final	Actual Amounts	(Negative)
Interest	$ -	$ -	$ 7	$ 7
EXPENDITURES				
Debt service:				
Principal retirement	309,000	309,000	309,000	-
Interest and fiscal charges	389,000	389,000	390,239	(1,239)
Total expenditures	698,000	698,000	699,239	(1,239)
Excess (deficiency) of revenues over (under) expenditures	(698,000)	(698,000)	(699,232)	(1,232)
OTHER FINANCING SOURCES (USES)				
Transfers in	698,000	698,000	698,000	-
Total other financing sources and uses	698,000	698,000	698,000	-
Net change in fund balance	-	-	(1,232)	(1,232)
Fund balance - beginning of year	457,027	457,027	457,027	-
Fund balance - end of year	$ 457,027	$ 457,027	$ 455,795	$ (1,232)

TOWN OF CHINO VALLEY, ARIZONA
CAPITAL IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget- Positive
REVENUES	Original	Final	Actual Amounts	(Negative)
City sales tax	$ 1,398,900	$ 1,398,900	$ 1,578,024	$ 179,124
Intergovernmental revenues	2,110,000	2,110,000	14,216	(2,095,784)
Interest	-	-	3,066	3,066
Total revenues	3,508,900	3,508,900	1,595,306	(1,913,594)
EXPENDITURES				
Capital outlay	3,496,500	3,496,500	979,730	2,516,770
Debt service:				
Debt issuance cost	-	-	2,000	(2,000)
Total expenditures	3,496,500	3,496,500	981,730	2,516,770
Excess of revenues over (under) expenditures	12,400	12,400	613,576	603,176
OTHER FINANCING SOURCES (USES)				
Capital lease agreement	615,000	615,000	711,464	96,464
Debt proceeds	9,000,000	9,000,000	-	(9,000,000)
Transfers in	498,000	498,000	-	(498,000)
Transfers out	(1,123,000)	(1,123,000)	(1,123,000)	-
Total other financing sources (uses):	8,990,000	8,990,000	(411,536)	(9,401,536)
Net change in fund balance	9,002,400	9,002,400	202,040	(8,798,360)
Fund balance - beginning of year	919,592	919,592	919,592	-
Fund balance - end of year	$ 9,921,992	$ 9,921,992	$ 1,121,632	$ (8,798,360)

Other Supplementary Information

BUDGETARY COMPARISON SCHEDULES

NON- MAJOR GOVERNMENTAL FUND

TOWN OF CHINO VALLEY, ARIZONA
HIGHWAY USER REVENUE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget- Positive
REVENUES	Original	Final	Actual Amounts	(Negative)
Licenses and permits	$ 1,500	$ 1,500	$ 2,643	$ 1,143
Intergovernmental revenues	920,000	920,000	941,628	21,628
Interest	1,500	1,500	5,294	3,794
Other revenues	-	-	730	730
Total revenues	923,000	923,000	950,295	27,295
EXPENDITURES				
Public works/streets:				
Salaries	386,791	386,791	283,960	102,831
Employee Benefits	135,609	135,609	119,145	16,464
Utilities	10,500	10,500	12,582	(2,082)
Services, supplies and other	316,000	316,000	336,379	(20,379)
Contingencies	47,000	47,000	-	47,000
Capital outlay	54,910	54,910	58,457	(3,547)
Debt service:				
Principal retirement	119,000	119,000	120,211	(1,211)
Total expenditures	1,069,810	1,069,810	930,734	139,076
Excess (deficiency) of revenues over (under) expenditures	(146,810)	(146,810)	19,561	166,371
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	118,256	118,256
Transfers in	75,000	75,000	75,000	-
Total other financing sources and (uses)	75,000	75,000	193,256	118,256
Net change in fund balance	(71,810)	(71,810)	212,817	284,627
Fund balance - beginning of year	675,404	675,404	675,404	-
Fund balance - end of year	$ 603,594	$ 603,594	$ 888,221	$ 284,627

TOWN OF CHINO VALLEY, ARIZONA
STREET LIGHT IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget- Positive
REVENUES	Original	Final	Actual Amounts	(Negative)
Taxes	$ 4,000	$ 4,000	$ 3,999	$ (1)
Total revenues	4,000	4,000	3,999	(1)
EXPENDITURES				
Current:				
Public works/streets	4,000	4,000	3,991	9
Total expenditures	4,000	4,000	3,991	9
Excess (deficiency) of revenues over (under) expenditures	-	-	8	8
Fund balance - beginning of year	37	37	37	-
Fund balance - end of year	$ 37	$ 37	$ 45	$ 8

TOWN OF CHINO VALLEY, ARIZONA
IMPACT FEES CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget- Positive
REVENUES	Original	Final	Actual Amounts	(Negative)
Interest	$ -	$ -	$ 5,791	$ 5,791
Other revenues	-	-	277	277
Total revenues	-	-	6,068	6,068
EXPENDITURES				
Capital outlay	-	-	18,615	(18,615)
Total expenditures	-	-	18,615	(18,615)
Excess (deficiency) of revenues over (under) expenditures	-	-	(12,547)	(12,547)
Other Financing Sources (uses)				
Transfers out	(498,000)	(498,000)	-	498,000
Net change in fund balance	(498,000)	(498,000)	(12,547)	485,453
Fund balance - beginning of year	523,122	523,122	523,122	-
Fund balance - end of year	$ 25,122	$ 25,122	$ 510,575	$ 485,453

Statistical Section

Contents | Pages

Financial Trends 104-113

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity 115-123

These schedules contain information to help the reader assess the Town's most significant local revenue sources, property tax and sales and uses taxes.

Debt Capacity 124-131

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Statistics 133-135

These schedules offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information 136-143

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Town of Chino Valley, Arizona
Table 1
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012
Governmental Activities				
Net Investment in Capital Assets:	$ 2,028,364	$ 1,800,961	$ 1,335,678	$ 1,484,070
Restricted	6,668,333	6,207,107	4,732,926	4,280,241
Unrestricted	1,809,426	2,144,281	2,375,715	2,430,076
Total Governmental Activities Net Position	$ 10,506,123	$ 10,152,349	$ 8,444,319	$ 8,194,387
Business-type activities				
Net Investment in Capital Assets:	$ 16,782,113	$ 18,486,662	$ 17,662,445	$ 17,042,946
Restricted	231,283	379,394	459,182	458,987
Unrestricted	(2,992,737)	(3,022,133)	(3,193,523)	(3,399,728)
Total Business-Type Activities Net Position	$ 14,020,659	$ 15,843,923	$ 14,928,104	$ 14,102,205
Primary government				
Net Investment in Capital Assets:	$ 18,810,477	$ 20,287,623	$ 18,998,123	$ 18,527,016
Restricted	6,899,616	6,586,501	5,192,108	4,739,228
Unrestricted	(1,183,311)	(877,852)	(817,808)	(969,652)
	$ 24,526,782	$ 25,996,272	$ 23,372,423	$ 22,296,592

2013	2014	2015	2016	2017	2018
$ 2,509,616	$ 3,960,511	$ 4,343,890	$ 5,424,332	$ 6,027,754	$ 6,693,892
3,556,297	3,331,847	1,821,510	1,327,962	1,769,920	2,355,810
3,485,697	3,189,272	(900,628)	(394,472)	(154,836)	666,822
$ 9,551,610	$ 10,481,630	$ 5,264,772	$ 6,357,822	$ 7,642,838	$ 9,716,524
$ 16,360,590	$ 15,658,866	$ 16,458,815	$ 16,077,901	$ 16,106,276	$ 15,502,227
524,391	637,600	750,922	482,116	588,280	730,932
(3,906,099)	(4,386,202)	(4,991,149)	(4,665,739)	(4,782,941)	(3,812,291)
$ 12,978,882	$ 11,910,264	$ 12,218,588	$ 11,894,278	$ 11,911,615	$ 12,420,868
$ 18,870,206	$ 19,619,377	$ 20,802,705	$ 21,502,233	$ 22,134,030	$ 22,196,119
4,080,688	3,969,447	2,572,432	1,810,078	2,358,200	3,086,742
(420,402)	(1,196,930)	(5,891,777)	(5,060,211)	(4,937,777)	(3,145,469)
$ 22,530,492	$ 22,391,894	$ 17,483,360	$ 18,252,100	$ 19,554,453	$ 22,137,392

Town of Chino Valley, Arizona
Table 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012
Expenses				
Governmental activities:				
General Government	$ 1,678,308	$ 2,911,780	$ 3,115,747	$ 2,867,718
Public Safety	2,943,285	2,678,291	2,750,768	2,467,357
Streets	1,051,760	1,778,978	1,531,504	707,108
Culture and Recreation	1,345,011	1,254,221	1,390,896	1,226,036
Health and Welfare	260,604	212,537	247,530	232,990
Interest on Long-Term Debt	26,742	20,867	1,266,752	514,714
Total Governmental Activities Expenses	7,305,710	8,856,674	10,303,197	8,015,923
Business-Type Activities:				
Water	757,920	512,123	667,534	655,975
Sewer	1,534,611	2,097,818	2,192,778	2,187,974
Total Business-Type Activities Expenses	2,292,531	2,609,941	2,860,312	2,843,949
Total Primary Government Expenses	$ 9,598,241	$ 11,466,615	$ 13,163,509	$ 10,859,872
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	$ 351,583	$ 239,945	$ 243,740	$ 356,527
Public Safety	212,815	178,412	178,644	162,082
Streets	-	5,570	1,719	1,504
Culture and Recreation	48,825	63,581	80,687	86,244
Health and Welfare	24,601	13,161	12,078	11,188
Operating Grants and Contributions	1,423,164	1,436,082	1,345,516	1,199,771
Capital Grants and Contributions	220,362	212,012	606,874	206,591
Total Governmental Activities Program Revenues	2,281,350	2,148,763	2,469,258	2,023,907
Business-Type Activities:				
Charges for Services:				
Water	434,025	390,036	406,119	416,219
Sewer	863,450	1,025,172	1,103,636	1,088,471
Operating Grants and Contributions	172,473	-	-	177,612
Capital Grants and Contributions	4,448,641	2,358,756	135,718	58,538
Total Business-Type Activities Program Revenues	5,918,589	3,773,964	1,645,473	1,740,840
Total Primary Government Program Revenues	$ 8,199,939	$ 5,922,727	$ 4,114,731	$ 3,764,747

2013	2014	2015	2016	2017	2018
$ 3,015,601	$ 3,414,324	$ 3,457,971	$ 4,264,993	$ 4,284,837	$ 3,949,112
2,472,409	2,414,104	3,015,691	2,978,132	3,628,745	3,407,618
721,841	1,301,632	1,440,937	1,186,710	966,821	1,284,759
1,198,383	1,200,623	1,235,085	1,363,577	1,439,661	1,506,765
239,226	256,884	251,416	316,355	330,967	326,057
508,898	569,141	717,706	239,804	480,172	425,986
8,156,358	9,156,708	10,118,806	10,349,571	11,131,203	10,900,297
733,396	809,977	770,833	673,242	666,234	669,992
2,221,272	2,459,646	2,461,103	2,294,822	2,156,401	2,223,493
2,954,668	3,269,623	3,231,936	2,968,064	2,822,635	2,893,485
$ 11,111,026	$ 12,426,331	$ 13,350,742	$ 13,317,635	$ 13,953,838	$ 13,793,782
$ 546,893	$ 270,586	$ 285,887	$ 403,032	$ 613,638	$ 871,586
169,389	159,271	191,141	224,484	251,450	229,547
10,985	8,200	15,654	1,589	5,998	3,373
88,189	87,724	84,730	69,494	87,509	89,211
9,281	5,647	6,267	17,607	12,066	6,619
1,006,900	1,144,777	1,292,377	1,341,035	2,501,622	1,377,047
1,003,311	593,475	805,730	685,895	176,255	735,945
2,834,948	2,269,680	2,681,786	2,743,136	3,648,538	3,313,328
439,577	380,619	422,006	526,195	508,363	594,252
1,069,377	1,218,343	1,417,253	1,425,450	1,406,137	1,479,072
-	-	-	-	-	-
114,730	367,470	192,425	157,938	570,089	1,209,443
1,623,684	1,966,432	2,031,684	2,109,583	2,484,589	3,282,767
$ 4,458,632	$ 4,236,112	$ 4,713,470	$ 4,852,719	$ 6,133,127	$ 6,596,095

(Continued)

Town of Chino Valley, Arizona
Table 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012
Net (expense)/revenue				
Governmental Activities	$ (5,024,360)	$ (6,707,911)	$ (7,833,939)	$ (5,992,016)
Business-Type Activities	3,626,058	1,164,023	(1,214,839)	(1,103,109)
Total Primary Government Net Expense	$ (1,398,302)	$ (5,543,888)	$ (9,048,778)	$ (7,095,125)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
City Sales Tax	$ 4,434,620	$ 3,571,732	$ 3,379,524	$ 3,507,894
State Sales taxes	980,616	904,475	932,899	845,244
Auto Lieu Tax	727,395	669,831	656,953	555,907
State Income Tax-Revenue Sharing	1,836,536	1,591,287	1,199,626	912,963
Property tax	-	3,375	3,770	4,042
Franchise tax	151,439	147,167	142,101	138,431
Impact Fees	-	-	-	-
Other	-	-	-	-
Unrestricted Investment Earnings	74,574	9,992	72,706	11,824
Gain on Sale of Assets	(3,436)	77,140	-	9,795
Transfers	(1,110,331)	(620,862)	(261,670)	(244,016)
Total Governmental Activities	7,091,413	6,354,137	6,125,909	5,742,084
Business-Type Activities:				
Unrestricted Investment Earnings	40,115	38,379	37,350	33,194
Grants and Contributions not restricted				
Gain on Sale of Assets	-	-	-	-
Special items	-	-	-	-
Transfers	1,110,331	620,862	261,670	244,016
Total Business-Type Activities	1,150,446	659,241	299,020	277,210
Total Primary Government	$ 8,241,859	$ 7,013,378	$ 6,424,929	$ 6,019,294
Change in Net Position				
Governmental Activities	$ 2,067,053	$ (353,774)	$ (1,708,030)	$ (249,932)
Business-Type Activities	4,776,504	1,823,264	(915,819)	(825,899)
Total Primary Government	$ 6,843,557	$ 1,469,490	$ (2,623,849)	$ (1,075,831)

2013	2014	2015	2016	2017	2018
$ (5,321,410)	$ (6,887,028)	$ (7,437,020)	$ (7,606,435)	$ (7,482,665)	$ (7,586,969)
(1,330,984)	(1,303,191)	(1,200,252)	(858,481)	(338,046)	389,282
$ (6,652,394)	$ (8,190,219)	$ (8,637,272)	$ (8,464,916)	$ (7,820,711)	$ (7,197,687)
$ 3,882,227	$ 5,147,065	$ 5,078,635	$ 5,455,413	$ 5,603,710	$ 6,312,095
885,391	941,542	1,309,465	1,022,547	1,020,252	1,084,425
564,341	596,994	629,553	680,388	712,352	766,485
1,104,933	1,205,692	988,552	1,302,365	1,362,532	1,393,419
3,809	3,682	4,028	3,994	3,996	3,999
133,055	135,183	125,124	136,036	117,715	124,327
-	-	-	-	-	-
-	-	377	-	-	-
14,498	2,775	6,590	8,486	22,124	62,015
-	4,115	(19,073)	-	-	-
(362,988)	(220,000)	(280,700)	(150,000)	(75,000)	(25,000)
6,225,266	7,817,048	7,842,551	8,459,229	8,767,681	9,721,765
27,827	14,573	676	1,671	2,724	8,504
-	-	620	-	-	-
-	-	1,660,154	382,500	277,659	86,467
362,988	220,000	280,700	150,000	75,000	25,000
390,815	234,573	1,942,150	534,171	355,383	119,971
$ 6,616,081	$ 8,051,621	$ 9,784,701	$ 8,993,400	$ 9,123,064	$ 9,841,736
$ 903,856	$ 930,020	$ 405,531	$ 852,794	$ 1,285,016	$ 2,134,796
(940,169)	(1,068,618)	741,898	(324,310)	17,337	509,253
$ (36,313)	$ (138,598)	$ 1,147,429	$ 528,484	$ 1,302,353	$ 2,644,049

(Concluded)

Town of Chino Valley, Arizona
Table 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013
General Fund					
Nonspendable	$ -	$ -	$ 7,732	$ 2,208	$ 7,039
Restricted	2,112	11,240	-	109,383	212,680
Assigned	-	-	-	-	-
Unassigned	2,218,190	2,578,941	2,715,237	2,716,403	3,092,751
Total General Fund	$ 2,220,302	$ 2,590,181	$ 2,722,969	$ 2,827,994	$ 3,312,470
All other Governmental Funds					
Restricted:					
Highways and Streets	$ 997,827	$ 1,486,838	$ 638,866	$ 747,681	$ 923,837
Development Impact Fees	5,637,347	4,639,329	3,075,999	2,895,908	2,138,187
Debt Service	-	-	374,013	499,053	285,557
Public Safety	-	-	-	70,327	136,504
Grants	-	-	118,198	-	-
Other Purposes	31,047	69,700	-	-	-
Assigned for:					
Capital Improvements	-	-	518,462	304,452	129,103
Unassigned:	-	-	(344)	-	-
Total all other Governmental Funds	$ 6,666,221	$ 6,195,867	$ 4,725,194	$ 4,517,421	$ 3,613,188

Note: The Town began to report fund balance classifications per GASB Statement 54 in fiscal year 2011. Balances previously reported as reserved are reported as restricted and balances previously reported as unreserved are reported as unassigned, restricted, commited, or assigned as applicable.

2014	2015	2016	2017	2018
$ 5,078	$ 4,060	$ 43,818	$ 1,302,226	$ 327,562
217,775	301,854	322,353	114,330	140,339
-	-	-	192,946	250,027
3,830,737	4,349,040	5,064,810	4,575,991	6,591,840
$ 4,053,590	$ 4,654,954	$ 5,430,981	$ 6,185,493	$ 7,309,768
$ 680,219	$ 463,774	$ 456,204	$ 760,071	$ 953,266
1,475,498	606,592	566,191	523,122	510,575
292,213	614,924	128,707	457,027	455,795
51,085	24,507	46,099	59,428	45,162
-	-	-	-	-
2,464	7,673	40,385	32,354	11,601
488,624	589,530	683,648	919,592	1,182,742
-	293	109	(631,902)	536
$ 2,990,103	$ 2,307,293	$ 1,921,343	$ 2,119,692	$ 3,159,677

Town of Chino Valley, Arizona
Table 4
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011	2012
Revenues				
Taxes	$ 4,586,059	$ 3,722,276	$ 3,525,394	$ 3,650,366
Licenses and Permits	223,658	174,077	177,433	281,820
Intergovernmental	4,872,059	4,750,169	4,664,352	3,541,795
Charges for Services	137,874	107,176	123,242	150,323
Fines and Forfeitures	272,281	215,818	211,102	183,666
Impact Fees	126,014	22,522	-	11,132
Interest	74,574	9,992	72,706	11,824
Other Revenues	194,010	44,592	54,608	169,286
Total Revenues	$ 10,486,529	$ 9,046,622	$ 8,828,837	$ 8,000,212
Expenditures				
Current:				
General Government	$ 3,149,155	$ 2,781,391	$ 3,229,263	$ 2,774,513
Public Safety	2,767,352	2,570,408	2,621,419	2,459,829
Public Works	685,248	478,017	1,350,212	559,413
Culuture and Recreation	976,041	900,389	1,020,998	959,040
Health and Welfare	226,030	177,330	213,973	211,961
Capital Outlay	394,839	1,551,991	1,223,077	306,271
Debt service				
Principal	-	-	7,280,000	153,979
Interest	163,522	143,849	257,403	464,651
Debt issuance cost	-	-	-	-
Total Expenditures	8,362,187	8,603,375	17,196,345	7,889,657
Revenues over (under) Expenditures	2,124,342	443,247	(8,367,508)	110,555
Other Finance Sources (Uses)				
Capital lease agreeemnt				
Sale of Assets	57,896	77,140	11,293	30,713
Bond Proceeds	-	-	7,280,000	-
Payment to refunded debt escrow agent				
Transfers in	364,768	429,833	1,666,199	1,321,598
Transfers out	(1,475,099)	(1,050,695)	(1,927,869)	(1,565,614)
Total other Finance Scources (uses)	(1,052,435)	(543,722)	7,029,623	(213,303)
Net Change in Fund Balances	$ 1,071,907	$ (100,475)	$ (1,337,885)	$ (102,748)
Debt Service as a Percentage of Noncapital Expenditures	2.48%	1.78%	46.93%	8.47%

2013	2014	2015	2016	2017	2018
$ 4,019,091	$ 5,285,931	$ 5,207,787	$ 5,595,443	$ 5,725,421	$ 6,440,421
178,614	250,285	276,828	352,447	561,146	709,765
4,443,541	4,252,919	4,676,970	4,906,700	5,185,879	5,868,265
438,798	93,961	94,270	122,960	115,633	124,458
192,564	176,986	208,163	247,977	296,591	275,315
29,764	194,873	2,712	-	-	-
14,498	2,775	6,590	8,486	22,124	62,015
106,335	44,879	38,413	54,354	37,343	88,291
$ 9,423,205	$ 10,302,609	$ 10,511,733	$ 11,288,367	$ 11,944,137	$ 13,568,530
$ 2,831,438	$ 3,309,301	$ 3,339,953	$ 3,913,936	$ 3,900,208	$ 3,937,694
2,402,089	2,565,994	2,814,077	2,727,591	2,935,355	3,322,163
587,631	1,037,923	1,182,221	731,692	524,963	756,057
827,282	824,111	871,535	964,652	988,361	1,055,044
227,476	249,419	378,921	402,424	316,045	361,111
1,981,052	1,408,246	1,931,282	1,069,811	1,727,192	1,916,593
37,028	65,000	75,000	3,960,916	127,603	534,791
586,858	509,000	341,721	504,370	398,680	403,861
-	-	-	65,714	-	2,000
9,480,854	9,968,994	10,934,710	14,341,106	10,918,407	12,289,314
(57,649)	333,615	(422,977)	(3,052,739)	1,025,730	1,279,216
		607,448	-	-	772,574
879	4,420	14,783	6,560	2,131	137,470
-	-	-	3,346,000	-	-
1,023,203	1,394,732	1,684,779	1,095,167	1,252,000	1,173,000
(1,386,191)	(1,614,732)	(1,965,479)	(1,245,167)	(1,327,000)	(1,198,000)
(362,109)	(215,580)	341,531	3,202,560	(72,869)	885,044
$ (419,758)	$ 118,035	$ (81,446)	$ 149,821	$ 952,861	$ 2,164,260
8.38%	6.84%	4.46%	34.99%	5.67%	8.82%

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

Town of Chino Valley, Arizona
Table 5
Assessed, Limited and Full Cash Value of Taxable Property
Last Ten Fiscal Years

	Limited Property Value -Primary		Full Cash Value-Secondary		
Fiscal Year	Net Assessed Value	Total Value	Net Assessed Value	Total Value	Ratio of Net Assessed to Total Values
2008-2009	99,671,389	843,348,902	122,276,572	1,027,145,426	12%
2009-2010	97,702,687	829,906,042	105,453,785	885,502,082	12%
2010-2011	88,307,350	736,203,336	90,631,086	751,939,515	12%
2011-2012	74,109,132	616,331,804	74,322,200	622,456,044	12%
2012-2013	66,970,381	570,467,244	67,121,326	573,338,223	12%
2013-2014	66,507,361	558,648,344	66,893,394	563,576,848	12%
2014-2015	68,650,602	606,318,136	78,892,362	702,125,803	11%
2015-2016	68,900,296	627,209,860	80,357,855	738,888,013	11%
2016-2017	71,703,530	652,618,898	83,930,432	773,511,955	11%
2017-2018	76,175,662	652,618,898	91,475,024	773,511,955	12%

Source: Yavapai County Assessor

Town of Chino Valley, Arizona
Table 6
Property Tax Rates - Direct and Overlapping Governments
(Primary Tax Rates)
Per $100 of Assessed Value
Last Ten Fiscal Years

Tax Authority	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Town of Chino Valley	-	-	-	-	-
Yavapai County	1.3683	1.2842	1.3524	1.4305	1.6426
School Equalization	-	0.3306	0.3564	0.4259	0.4717
Yavapai College	1.1989	1.1250	1.2046	1.4274	1.6725
Chino Valley School District	3.1492	3.3696	2.7647	3.7791	4.2320
Total Primary	5.7164	6.1094	5.6781	7.0629	8.0188

Source: Yavapai County Treasurer

2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
-	-	-	-	-
1.9308	1.9442	1.9317	1.9027	1.7788
0.5123	0.5089	0.5054	0.5010	0.4741
1.8241	1.8606	1.8721	1.8439	1.7584
4.9640	5.0146	4.4236	4.6005	4.2808
9.2312	9.3283	8.7328	8.8481	8.2921

Town of Chino Valley, Arizona
Table 7
Secondary Tax Rates - Direct and Overlapping Governments
(Secondary Tax Rates)
Per $100 of Assessed Value
Last Ten Fiscal Years

Tax Authority	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Town of Chino Valley	-	-	-	-	-
Fire District Assistance	0.0722	0.0740	0.0813	0.0928	0.1000
Flood Control District	0.1723	0.1723	0.1994	0.2483	0.2963
Library District	0.1020	0.1016	0.1188	0.1456	0.1660
Yavapai College	0.1405	0.1367	0.1563	0.1901	0.2150
Chino Valley School District	0.5245	0.5486	0.5747	0.6739	0.7845
Chino Valley Fire District	2.1280	2.1400	2.3250	2.8220	3.4531
Total Secondary	3.1395	3.1732	3.4555	4.1727	5.0149

Source: Yavapai County Treasurer

2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
-	-	-	-	-
0.1000	0.1000	0.1000	0.1000	0.1000
0.2162	0.2116	0.1976	0.2346	0.2188
0.1491	0.1500	0.1907	0.1815	0.1720
0.2227	0.2231	0.2122	0.1815	0.1892
0.0500	0.0500	0.0500	0.0500	0.0500
3.5799	3.5799	3.6175	3.6175	3.5986
4.3179	4.3146	4.3680	4.3651	4.3286

Town of Chino Valley, Arizona
Table 8
Sales Tax Revenues by Industry
Fiscal Years 2018, 2017, 2016, 2015, 2014, 2013, 2012, and 2011

	Fiscal Year 2009-2010		Fiscal Year 2010-2011		Fiscal Year 2011-2012		Fiscal Year 2012-2013	
	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
Construction	$ 375,076	10.51%	$ 165,563	4.90%	$ 187,286	5.34%	$ 428,058	11.03%
Manufacturing	58,754	1.65%	67,278	1.99%	53,107	1.51%	67,869	1.75%
Transportation/ Communication/Utilities	650,060	18.21%	605,846	17.93%	634,512	18.09%	639,694	16.48%
Wholesale Trade	121,368	3.40%	118,221	3.50%	140,008	3.99%	135,349	3.49%
Retail Trade	1,685,231	47.20%	1,670,215	49.42%	1,758,983	50.14%	1,787,495	46.04%
Restaurants/Bars	274,082	7.68%	286,598	8.48%	291,732	8.32%	298,752	7.70%
Insurance/Real Estate	264,447	7.41%	248,979	7.37%	262,331	7.48%	273,188	7.04%
Services	60,323	1.69%	68,179	2.02%	88,126	2.51%	101,702	2.62%
All Other	80,827	2.26%	148,645	4.40%	91,809	2.62%	150,121	3.87%
Total	$ 3,570,169	100.00%	$ 3,379,524	100.00%	$ 3,507,893	100.00%	$3,882,227	100.00%

Source: Arizona Department of Revenue

Note:
The categories presented are intended to provide alternative information regarding the source of the Town's revenue.

Fiscal Year 2013-2014		Fiscal Year 2014-15		Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18	
Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
$ 363,845	7.38%	$ 345,449	6.80%	$ 354,129	6.97%	$ 495,600	9.76%	$ 846,851	16.67%
67,904	1.38%	74,890	1.47%	78,910	1.55%	30,895	0.61%	112,066	2.21%
817,254	16.59%	764,228	15.05%	798,024	15.71%	694,022	13.67%	730,917	14.39%
169,475	3.44%	167,135	3.29%	129,501	2.55%	-	0.00%	118,731	2.34%
2,457,281	49.87%	2,606,219	51.32%	2,735,267	53.86%	3,171,921	62.46%	3,350,891	65.98%
415,200	8.43%	477,722	9.41%	501,100	9.87%	573,858	11.30%	600,046	11.82%
332,480	6.75%	335,282	6.60%	348,577	6.86%	378,261	7.45%	399,797	7.87%
128,676	2.61%	125,529	2.47%	130,589	2.57%	144,015	2.84%	139,351	2.74%
174,950	3.55%	182,181	3.59%	282,941	5.57%	89,468	1.76%	13,446	0.26%
$4,927,064	100.00%	$ 5,078,635	100.00%	$5,359,038	105.52%	$ 5,578,040	109.83%	$ 6,312,096	124.29%

Town of Chino Valley, Arizona
Table 9
Direct and Overlapping Sales Tax Rates
As of June 30, 2018

	Rates		
	City	State and Yavapai County	Combined
Privilege Tax, except retail, utilities, and telecommunication	4.000%	6.350%	10.350%
Retail	4.000%	6.350%	10.350%
Hotel/Motel (additional Tax for Chino Valley)	4.000%	6.325%	10.325%
Restaurant/Bar	4.000%	6.350%	10.350%
Use Tax	3.000%	5.600%	8.600%
Construction	4.000%	6.350%	10.350%

Sources: Town of Chino Valley Finance Department and Arizona Department of Revenue

Town of Chino Valley, Arizona
Table 10
Actual Excise Tax Collections
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	City Sales Tax	Franchise Tax	State Shared Sales Tax	Urban Revenue Share	Vehicle License Tax	Total
2008-2009	4,170,358	151,438	980,617	1,836,536	727,395	7,138,949
2009-2010	3,460,446	147,168	904,476	1,591,287	669,831	6,103,377
2010-2011	3,379,524	142,100	932,899	1,199,626	656,953	5,654,149
2011-2012	3,507,894	138,429	845,245	912,963	555,907	5,404,531
2012-2013	3,882,228	133,055	885,392	1,104,933	564,341	6,569,949
2013-2014	5,147,066	135,183	941,543	1,205,692	596,994	8,026,477
2014-2015	5,018,421	125,124	988,552	1,309,465	629,553	8,071,115
2015-2016	5,403,949	136,036	1,022,547	1,302,365	680,388	8,545,285
2016-2017	5,578,040	117,715	1,020,252	1,362,532	712,352	8,790,890
2017-2018	6,312,096	124,329	1,084,425	1,393,419	766,485	9,680,754

Source: Town of Chino Valley Finance Department and Arizona Department of Revenue

Town of Chino Valley, Arizona
Table 11
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities		
Fiscal Year	Capital Leases	Revenue Bonds	Loans Payable	Capital Leases	Notes Payable	Loans Payable
2008-2009	355,694	6,079,038	4,461,808	758,170	-	10,790,408
2009-2010	223,371	6,081,079	4,451,800	5,351,967	-	10,681,637
2010-2011	122,894	7,103,540	3,976,792	4,625,715	-	10,314,341
2011-2012	37,028	7,112,149	3,901,784	4,619,085	-	9,935,517
2012-2013	-	7,120,757	3,891,776	4,619,085	-	9,544,790
2013-2014	-	7,129,365	3,816,768	4,566,425	-	9,141,772
2014-2015	519,466	7,137,973	3,731,760	92,329	-	11,689,732
2015-2016	401,035	10,492,581	-	71,280	-	11,034,561
2016-2017	280,302	10,501,189	-	49,820	-	11,400,220
2017-2018	765,976	10,317,000	-	125,090	-	10,748,904

(a) See page 86 for population data.

* Means no data available during that fiscal year.

Business-Type Activities					
Related Party Capital Leases	Revenue Bonds	Developer Agreement	Total Primary Government	Percentage of Personal Income	Per Capita (a)
4,637,893	-	424,283	27,507,294	*	2,459
-	-	424,283	27,214,137	*	2,477
-	746,452	421,443	27,311,177	*	2,523
-	746,351	420,733	26,772,647	*	2,477
-	656,251	420,733	26,253,392	*	2,435
-	611,151	420,733	25,686,214	*	2,382
-	611,051	420,733	24,203,044	*	2,245
-	565,951	420,733	22,986,141	*	2,064
-	520,851	420,733	23,173,115	*	2,081
-	470,751	420,733	22,848,454	*	2,052
-					

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

Town of Chino Valley, Arizona
Table 12
Computation of Direct and Overlapping Debt
June 30, 2018

Jurisdiction	2017-2018 Secondary Assessed Valuation	Net Debt Outstanding	Percentage Applicable to the Town of Chino Valley	Amount Applicable to the Town of Chino Valley	2017-2018 Combined Tax Rate Per $100 Assessed
State of Arizona	$ 76,437,036,362	$ -	0.12%	$ -	None
Yavapai County	$ 3,088,618,394	$ -	2.96%	$ -	0.0000%
Chino Valley School District	$ 219,250,785	$ -	100.00%	$ -	0.0500%
Chino Valley Fire District	$ 146,468,609	$ 5,210,000	62.45%	$ 3,253,836	3.5700%
Yavapai County Library District	$ 3,088,618,394	$ -	2.96%	$ -	0.1491%
Yavapai County Community College	$ 3,088,618,394	$ 32,270,000	2.96%	$ 955,734	0.2227%
Total Overlapping Debt		$ 37,480,000		$ 4,209,571	3.9918%
Town of Chino Valley	**$ 91,475,024**	$ 11,227,192	**100.00%**	$ 11,227,192	**0.0000%**
Total Direct Debt		$ 11,227,192		$ 11,227,192	
Total Overlapping and Direct Debt		**$ 48,707,192**		**$ 15,436,763**	**3.9918%**

Source: Assessed value data used to estimate applicable percentages provided by Yavapai County Assessor's Office. Debt

Note:
Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businessesof Chino Valley. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsibility for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining their portion of Yavapai County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

The Town of Chino Valley Debt includes the long-term debt for governmental activities.

Town of Chino Valley, Arizona
Table 13
Legal Debt Margin Information
Last Ten Fiscal Years

	2008-2009	2009-2010	2010-2011	2011-2012
Secondary Assessed Value	$ 122,276,572	$ 105,453,785	$ 90,631,086	$ 74,322,200
20% Limitation (a)				
Debt Limit Equal to 20% of Assessed Valuation	$ 24,455,314	$ 21,090,757	$ 18,126,217	$ 14,864,440
Total Debt Applicable to 20% Limit	$ -	$ -	$ -	$ -
Legal 20% Debt Margin (Available Borrowing Capacity)	$ 24,455,314	$ 21,090,757	$ 18,126,217	$ 14,864,440
Total Net Debt Applicable to the 20% Limit as a Percentage of 20% Debt Limit	0.00%	0.00%	0.00%	0.00%
6% Limitation (b)				
Debt Limit Equal to 6% of Assessed Valuation	$ 7,336,594	$ 6,327,227	$ 5,437,865	$ 4,459,332
Total Debt Applicable to 6% Limit	$ -	$ -	$ -	$ -
Legal 6% Debt Margin (Available Borrowing Capacity)	$ 7,336,594	$ 6,327,227	$ 5,437,865	$ 4,459,332
Total Net Debt Applicable to the 6% Limit as a Percentage of 6% Debt Limit	0.00%	0.00%	0.00%	0.00%

Source: Yavapai County Assessor's Office

(a) 20% Debt Limitation can be used for Water, Sewer, Light, Parks, and Open Space Purposes.

(b) 6% Debt Limitation can be used for all other General Obligation Bonds.

2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
$ 67,121,326	$ 66,893,394	$ 78,892,362	$ 80,357,855	$ 83,930,432	$ 91,475,024
$ 13,424,265	$ 13,378,679	$ 15,778,472	$ 16,071,571	$ 16,786,086	$ 18,295,005
$ -	$ -	$ -	$ -	$ -	$ -
$ 13,424,265	$ 13,378,679	$ 15,778,472	$ 16,071,571	$ 16,786,086	$ 18,295,005
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
$ 4,027,280	$ 4,013,604	$ 4,733,542	$ 4,821,471	$ 5,035,826	$ 5,488,501
$ -	$ -	$ -	$ -	$ -	$ -
$ 4,027,280	$ 4,013,604	$ 4,733,542	$ 4,821,471	$ 5,035,826	$ 5,488,501
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Town of Chino Valley, Arizona
Table 14
Pledged Revenue coverage
Last Ten Fiscal Years

	MPC Revenue Bonds 2010 Series			
Fiscal Year Ended June 30,	Excise Tax Collection	Debt Service Principal	Debt Service Interest	Coverage
2009	7,138,949	-	331,638	21.53
2010	6,103,377	-	331,638	18.40
2011	5,654,149	-	331,638	17.05
2012	5,404,531	-	331,638	16.30
2013	6,569,949	-	331,638	19.81
2014	8,026,477	-	331,638	24.20
2015	8,071,115	-	331,638	24.34
2016	8,545,285	-	331,638	25.77
2017	8,790,890	-	331,638	26.51
2018	9,680,754	-	331,638	29.19

	Revenue Bonds 2016			
Fiscal Year Ended June 30,	Excise Tax Collection	Debt Service Principal	Debt Service Interest	Coverage
2016	8,545,285	-	-	-
2017	8,790,890	-	64,695	135.88
2018	9,680,754	309,000	54,290	26.65

	Water Revenue Bonds Series 2010			
Fiscal Year Ended June 30,	Excise Tax Collection	Debt Service Principal	Debt Service Interest	Coverage
2011	5,654,149	-	18,297	309.03
2012	5,404,531	45,000	29,145	72.89
2013	6,569,949	45,000	28,020	89.97
2014	8,071,115	45,000	26,895	112.26
2015	8,545,285	45,000	25,883	120.56
2016	8,790,890	45,000	24,713	126.10
2017	8,790,890	45,000	23,362	128.59
2018	9,680,754	50,000	21,663	135.09

	WIFA 2007			
Fiscal Year Ended June 30,	Excise Tax Collection	Debt Service Principal	Debt Service Interest	Coverage
2008	7,829,650	-	43,576	179.68
2009	7,138,949	64,380	41,801	67.23
2010	6,103,377	66,156	39,976	57.51
2011	5,654,149	67,980	38,100	53.30
2012	5,404,531	69,855	36,174	50.97
2013	6,569,949	71,782	34,194	61.99
2014	8,026,477	73,762	32,160	75.78
2015	8,071,115	75,796	30,070	76.24
2016	8,545,285	77,886	27,922	80.76
2017	8,790,890	80,034	25,714	83.13
2018	9,680,754	82,242	23,447	91.60

WIFA 2008

Fiscal Year Ended June 30,	Excise Tax Collection	Debt Service Principal	Debt Service Interest	Coverage
2008	7,829,650	-	67,801	115.48
2009	7,138,949	-	136,563	52.28
2010	6,103,377	-	136,563	44.69
2011	5,654,149	210,766	130,632	16.56
2012	5,404,531	216,697	124,534	15.84
2013	6,569,949	222,795	118,265	19.26
2014	8,071,115	229,065	111,816	23.68
2015	8,545,285	235,510	105,192	25.08
2016	8,790,890	242,138	98,378	25.82
2017	8,790,890	248,952	91,372	25.83
2018	9,680,754	255,957	84,170	28.46

WIFA 2014

Fiscal Year Ended June 30,	Excise Tax Collection	Debt Service Principal	Debt Service Interest	Coverage
2015	8,545,285	-	29,950	285.32
2016	8,790,890	121,854	57,121	49.12
2017	8,790,890	124,303	54,622	49.13
2018	9,680,754	126,801	52,073	54.12

WIFA 2016

Fiscal Year Ended June 30,	Excise Tax Collection	Debt Service Principal	Debt Service Interest	Coverage
2016	8,545,285	-	60,462	141.33
2017	8,790,890	150,161	96,326	35.66
2018	9,680,754	153,700	92,723	39.29

WIFA 2017

Fiscal Year Ended June 30,	Excise Tax Collection	Debt Service Principal	Debt Service Interest	Coverage
2017	8,790,890	-	-	
2018	9,680,754	12,156	6,453	520.22

TOWN OF
Looking to the Future
CHINO VALLEY, ARIZONA

Town of Chino Valley, Arizona
Table 15
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Town Population	County Population	County Personal Income (in thousands)+	County Per Capita Personal Income	School Enrollment	Yavapai County Unemployment Rate
2008-2009	11,188	211,917	6,034,069	28	2791	6.0%
2009-2010	10,988	210,899	6,015,150	29	3003	10.3%
2010-2011	10,825	211,247	6,248,490	30	3178	10.9%
2011-2012	10,808	211,583	6,448,529	30	3392	9.7%
2012-2013	10,783	211,033	6,753,056	32	3443	8.6%
2013-2014	10,943	215,133	4,853,759	23	3019	8.6%
2014-2015	10,817	218,844	5,593,458	26	3089	8.6%
2015-2016	11,137	222,255	7,112,160	32	2991	8.6%
2016-2017	11,250	225,562	7,900,004	35	2988	4.2%
2017-2018	11,705	228,168	8,199,948	46	2876	4.3%

Sources: Population, County Per Capita Income and City Unemployment Rate - Arizona Department of Commerce and Arizona Department of Economic Security. School Enrollment - Chino Valley Unified School District.

* Detailed information not available.

Town of Chino Valley, Arizona
Table 16
Principal Employers
Current Year and Five Years Ago

	2018		2017		2016	
Employer	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Chino Valley Unified School	250	2.32%	247	2.29%	249	2.31%
Safeway	134	1.24%	134	1.24%	135	1.25%
Town of Chino Valley	104	0.96%	92	0.85%	96	0.89%
Sodexo	46	0.43%	-	-	-	-
Bonn Fire Grill	35	0.32%	45	0.42%	45	0.42%
Arizona Highway Safety Specialists	32	0.30%	29	0.27%	29	0.27%
chino Heating & Cooling	27	0.25%	30	0.28%	43	0.40%
Bar S Machine	26	0.24%	45	0.42%	45	0.42%
Circle L Annimal Hospital	24	0.22%	24	0.22%	22	0.20%
Performance Accessories	-	0.00%	0	0.00%	38	0.35%
Color Spot	-	0.00%	32	0.30%	31	0.29%
	678	6.29%	646	5.99%	702	6.51%

Sources: Central Arizona Regional Economic Development Foundation; various employers

2015		2014		2013	
Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
249	2.31%	250	2.32%	400	3.71%
139	1.29%	140	1.30%	140	1.30%
95	0.88%	89	0.83%	91	0.84%
-	-	-	-	-	-
43	0.40%	40	0.37%	35	0.32%
34	0.32%	35	0.32%	29	0.27%
43	0.40%	43	0.40%	42	0.39%
45	0.42%	45	0.42%	45	0.42%
21	0.19%	21	0.19%	20	0.19%
38	0.35%	36	0.33%	35	0.32%
31	0.29%	30	0.28%	45	0.42%
707	6.56%	699	6.48%	837	7.76%

Town of Chino Valley, Arizona
Table 17
Authorized Full-time Government Employees by Function/Program
Last Ten Fiscal Years

	Function/Program			
Fiscal Year	General Government	Public Safety	Culture & Recreation	Health and Welfare
2008-2009	34	37	11	3
2009-2010	33	37	12	3
2010-2011	27	33	9	3
2011-2012	26	30	9	3
2012-2013	30	30	9	3
2013-2014	29	30.5	8	3.5
2014-2015	36	30.5	0.5	3.5
2015-2016	40	30.5	1	3.5
2016-2017	39	31	1.5	3.5
2017-2018	45.5	30	2	4.5

Source: Town of Chino Valley Budget

Note: Information is based on authorized positions approved by Council in the Budget.

Function/Program			
Public Works/Streets	Public Works/Water	Public Works/Sewer	Total
6	4	2	97
6	5	3	99
9	3	4	88
9	4	4	85
11	4	4	91
11	3.5	3.5	89
11	3.5	3.5	89
10	2.5	3.5	91
11	2.5	3.5	92
7	3	3	95

Town of Chino Valley, Arizona
Table 18
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
General Government					
Registered Voters	5,736	*	5,766	*	6,027
Votes cast last primary election	2,561	*	2,256	*	2,092
Police					
Number of police personnel and officers	37	37	33	30	30
Arrests	567	512	388	358	262
Citations	1,418	1,872	1,550	1,539	756
Traffic Stops	4,364	5,466	5,298	5,715	3,503
Security Checks	*	1,289	2,004	1,906	4,717
Officer Reports	6,350	8,765	8,032	10,662	6,643
Calls for Service	11,855	14,514	13,091	15,350	10,367
Animal Control					
Animal Related Calls	1,060	938	1,099	785	945
Impounded Dogs	398	236	330	309	297
Adopted Dogs	61	*	*	109	102
Dog Licenses Sold	*	2,137	1,996	1,666	1,700
Highways & Streets					
Miles of Paved Roads Maintained	*	*	157	157	157
Street resurfacing (miles)	*	*	0	0	4
Street sweeping (miles)	*	*	0	13	13
Potholes repaired (cold mix tons)	*	186	144	149	214
Water					
Number of wells	19	19	19	19	19
Total well production (acre feet)	254	245	233	240	255
Number of metered accounts	607	607	607	607	607
New Residential Connections	0	0	0	0	0
Number of Water Tanks	2	2	2	2	2
Storage Capacity (mg)	1.165	1.165	1.165	1.165	1.165
Miles of Water Mains	20.5	20.5	20.5	20.5	20.5
Line Breaks	3	3	0	1	0
Average Daily Consumption (thousand of gallons)	227	219	208	213	228
Number of Fire Hydrant	103	103	103	103	103
Wastewater					
Number of active accounts	1,640	1,669	1,672	1,672	1,685
Average daily sewage treatment gallons	243,000	299,000	295,000	321,000	324,000
Plant Capacity per day gallons	500,000	500,000	500,000	500,000	500,000
Gallons Recharged in Aquifer (acre feet)	228	235	225	230	242
Miles of Collection System					33

Fiscal Year				
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
*	5,914	*	6,220	6,673
*	3,587	*	2,630	2,816
30	30	30	31	31
440	443	445	444	394
934	808	1,234	1,204	1,532
3,067	2,801	3,166	3,121	3,103
2,425	2,602	1,979	1,469	914
7,700	6,485	6,257	5,601	5,135
11,870	10,988	11,212	10,680	10,239
829	878	1,005	941	954
315	301	340	350	341
121	136	137	139	122
1,807	1,971	1,912	1,986	1,994
163	153	153	153	153
0	3	0	2	3
13	13	13	13	13
168	148	157	157	270
19	19	19	19	19
250	250	250	250	267
626	633	658	720	819
19	7	25	25	99
2	2	2	2	2
1.165	1.165	1.165	1.165	1.165
21.0	21.0	21.0	21.0	22.0
0	0	0	0	0
223	296	312	312	312
103	103	103	103	104
1,689	1,735	1,744	1,767	1,842
325,000	325,000	325,000	325,000	265,000
500,000	500,000	500,000	500,000	500,000
244	246	251	251	284
33	34	34	34	35

(Continued)

Town of Chino Valley, Arizona
Table 18
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Facilities Maintenance					
Number of Buildings Maintained	19	19	19	20	20
Square Footage of Buildings Maintained	55,704	55,704	55,704	55,704	55,704
Number of HVAC Unites Maintained	42	42	42	44	44
Parks and Recreation					
Park Areas	*	114	114	114	114
Total Miles of Trails	*	3	3	3	3
Parkland Acreage	*	2	2	2	9
Total Open Space Acres	*	89	89	89	82
Total Acres of Turf	*	20	20	20	20
Gallons of Water User per Acre of Turf	*	*	*	1,041,000	931,000
Playgrounds	2	2	2	2	2
Aquatic Center Admissions	*	*	*	12,324	11,189
Economic Development					
Building Permits-Commercial	17	18	11	19	27
Building Permits-Residential	163	194	167	165	147
Housing Rehabilitations	*	*	*	*	8
Code Enforcement Cases	293	216	256	183	208
Planning Cases	11	8	6	11	17
Culture - Library					
Items in Collections	48,882	47,957	52,334	50,581	43,055
Total Items Circulated	131,446	129,982	90,700	110,926	108,515
Reference Transactions	4,008	3,209	5,863	5,753	4,999
Computer Uses	15,000	15,000	15,600	15,600	15,603
Inter Library Loan	10,916	11,362	18,696	8,904	18,061
Total Library Attendance	72,302	59,082	68,791	68,934	60,273
Culture - Senior Center					
Total Meals Served in House	11,030	10,267	9,205	8,565	8,493
Total Meals on Wheels	12,266	12,085	13,077	8,091	9,101

Sources: Various City Departments
Note: Voter registration is taken every two years.
* Not available

Fiscal Year				
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
20	20	20	20	20
55,704	55,704	55,704	55,704	55,704
44	44	44	44	44
114	114	114	114	114
3	3	3	3	3
9	9	9	9	9
82	82	82	82	82
20	20	20	20	20
700,000	793,000	806,000	806,000	810,000
2	2	2	2	2
13,442	12,074	10,771	12,180	16,638
13	65	53	56	61
220	225	265	319	439
0	3	0	0	0
176	223	186	197	200
14	16	16	15	19
44,249	53,523	49,072	57,009	72,454
114,171	112,843	113,231	110,202	107,584
4,551	5,891	5,008	4,752	3,041
15,307	16,702	15,102	15,888	15,515
25,696	23,238	29,504	23,490	30,427
60,380	62,346	60,533	66,131	64,960
10,211	11,606	13,264	13,744	14,612
8,264	10,582	12,065	10,428	10,174

(Concluded)

Town of Chino Valley, Arizona
Table 19
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Public Safety					
Stations	1	1	1	1	1
Patrol units	20	19	21	19	19
Highways and Streets					
Streets (miles)	*	*	153	153	153
Water					
Water mains (miles)	19.5	19.5	19.5	19.5	19.5
Fire hydrants	103	103	103	103	103
Sewer					
Sanitary Sewer (miles)	32	32	32	32	32
Maximum daily treatment capacity (thousands of gallons)	500,000	500,000	500,000	500,000	500,000
Recreation and Aquatics					
Parks Acreage	47	47	47	47	47
Number of Parks	5	5	5	5	5
Swimming Pools	1	1	1	1	1
Ball Fields	6	6	6	6	6

* Not available

Sources: Various City Departments

2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
1	1	1	1	1
19	19	19	19	20
153	153	153	153	153
19.5	19.5	19.5	19.5	22
103	103	103	103	103
32	32	32	33	35
500,000	500,000	500,000	500,000	500,000
47	47	47	47	47
5	5	5	5	5
1	1	1	1	1
6	6	6	6	6

TOWN OF
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Compliance Section

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Town Council
Town of Chino Valley, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Chino Valley, Arizona, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Chino Valley, Arizona's basic financial statements, and have issued our report thereon dated November 15, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Chino Valley, Arizona's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Chino Valley, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Chino Valley, Arizona's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Chino Valley, Arizona's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Henry + Horne LLP

Casa Grande, Arizona
November 15, 2018

Financial Reports

TOWN OF CHINO VALLEY
REPORT ON AUDIT OF ANNUAL EXPENDITURE LIMITATION REPORT
FOR THE YEAR ENDED JUNE 30, 2018

Henry+Horne

TOWN OF CHINO VALLEY
ANNUAL EXPENDITURE LIMITATION REPORT
FOR THE YEAR ENDED JUNE 30, 2018

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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and Town Council
of the Town of Chino Valley, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Town of Chino Valley, Arizona for the year ended June 30, 2018. The Town's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of Town of Chino Valley, Arizona, referred to above is presented in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

Henry + Horne LLP

Casa Grande, Arizona
November 15, 2018

TOWN OF CHINO VALLEY
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
Year Ended June 30, 2018

1	Economic Estimates Commission expenditure limitation	N/A	
2	Voter-approved alternative expenditure limitation (Approved August 16, 2016)	$ 23,100,000	
3	Enter applicable amount from line 1 or line 2		$ 23,100,000
4	Amount subject to the expenditure limitation (total amount from Part II, Line C)	14,645,778	
5	Board-authorized expenditures necessitated by a disaster declared by the Governor (Article IX, Sec. 20(2)(a), Arizona Constitution	N/A	
6	Board-authorized expenditures necessitated by a disaster not declared by the Governor (Article IX, Sec. 20(2)(b), Arizona Constitution)	N/A	
7	Prior-year voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year (Article IX, Sec. 20(2)(c), Arizona Constitution)	N/A	
8	Subtotal	14,645,778	
9	Board-authorized excess expenditures for the previous fiscal year neccessitated by a disaster not declared by the Governor and not approved by the voters (Article IX, Sec. 20(2)(b), Arizona Constitution)	N/A	
10	Total adjusted amount subject to the expenditure limitation		14,645,778
11	Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation)		$ 8,454,222

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: Joe Duffy

Name and Title: Joe Duffy, Finance Director

Telephone Number: (928) 636-2646 Date: November 15, 2018

See accompanying notes.

TOWN OF CHINO VALLEY
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
Year Ended June 30, 2018

Description		Governmental Funds	Enterprise Funds	Total
A. Amounts reported on the Reconciliation Line D		$12,289,314	$ 2,356,464	$14,645,778
B. Less exclusions claimed:				
1	Bond proceeds	-	-	-
	Debt service requirements on bonded indebtednes	-	-	-
	Proceeds from other long-term obligations	-	-	-
	Debt service requirements on other long-term obligations	-	-	-
2	Dividends, interest and gains on the sale or redemption of investment securities	-	-	-
3	Trustee or custodian	-	-	-
4	Grants and aid from the Federal government	-	-	-
5	Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	-	-	-
6	Amounts received from the State of Arizona	-	-	-
7	Quasi-external interfund transactions	-	-	-
8	Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-
9	Highway user revenues in excess of those received in fiscal year 1979-80	-	-	-
10	Contracts with other political subdivisions	-	-	-
11	Refunds, reimbursements, and other recoveries	-	-	-
12	Voter-approved exclusions not identified above (attach resolution)	-	-	-
13	Prior years carryforward	-	-	-
14	Total exclusions claimed	-	-	-
C. Amount subject to the expenditure limitation		12,289,314	2,356,464	14,645,778
(If an individual fund type amount is negative, reduce exclusions claimed to net to zero.)		$12,289,314	$ 2,356,464	$14,645,778

See accompanying notes.

TOWN OF CHINO VALLEY
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
Year Ended June 30, 2018

	Description	Governmenta Funds	Enterprise Funds	Total
A.	Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund based financial statements	$12,289,314	$ 2,892,628	$15,181,942
B.	Subtractions			
1	Items not requiring use of working capital:			
	Depreciation	-	1,343,729	1,343,729
	Loss on disposal of capital assets	-	-	-
	Bad debt expense	-	49,289	49,289
	Claims incurred but not reported	-	-	-
	Landfill closure and postclosure care costs	-	-	-
	Pension Expense	-	26,825	26,825
2	Expenditures of separate legal entities established under Arizona Revised Statute	-	-	-
3	Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	-	-	-
4	Involuntary court judgments	-	-	-
5	Total subtractions	-	1,419,843	1,419,843
C.	Additions:			
1	Principal payments on long-term debt	-	739,580	739,580
2	Acquisition of capital assets	-	113,537	113,537
3	Claims paid in current year but reported as expenses incurred but not reported in prior years	-	-	-
4	Landfill closure and postclosure care costs paid in the current year but reported as expenses in previous years	-	-	-
5	Pension contributions	-	30,562	30,562
6	Total additions	-	883,679	883,679
D.	Amounts reported on Part II, Line A	$12,289,314	$ 2,356,464	$14,645,778

See accompanying notes.

TOWN OF CHINO VALLEY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
Year Ended June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation adopted August 16, 2016, as authorized by the Arizona Constitution, Article IX, §20 (9).

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds, Statement of Revenues, Expenses, and Changes in Net Position for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds and the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds.

NOTE 2 RECONCILIATION DEDUCTIONS AND ADDITIONS

The deductions for depreciation, bad debt expense, and pension expense and the additions for principal payments, the acquisition of capital assets, and pension contributions are all provided in the Statement of Revenues, Expenses, and Changes in Fund Net Position for the proprietary funds; the Statement of Cash Flows for the proprietary funds and the financial statement footnotes 4, 5, and 9.

The addition of $739,580 for principal payments on long-term debt in the Enterprise Funds consists of $50,000 paid on bonds payable and $651,314 paid on loans payable, and $38,266 paid on capital lease payable during the current fiscal year. The addition for the acquisition of capital assets consists of $113,537 paid for various capital assets in the Water and Sewer funds.

The subtraction of $26,825 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of $30,562 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise Funds.

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **7.b.**

Meeting Date: 01/08/2019
Contact Person: Cecilia Grittman, Town Manager
Department: Town Manager
Item Type: Action-Presentation
Estimated length of staff presentation: 10 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to terminate the Concessionaire Agreement between the Prescott Sportsmen's Club (PSC) and the Town of Chino Valley, dated May 31, 2011, effective immediately.

RECOMMENDED ACTION:

Move to terminate the Concessionaire Agreement between the Prescott Sportsmen's Club and the Town of Chino Valley, dated May 31, 2011, effective immediately.

SITUATION AND ANALYSIS:

The Prescott Sportsmen's Club entered into a Concessionaire Agreement with the Town in May 2011 to run the Chino Valley Shooting Range. The Club has a board and approximately 800 members. In August 2018 the Town was made aware of internal conflict within the Prescott Sportsmen's Club (PSC) membership. The Treasurer of the Club had quit the Board, and the Range Master had declared that he would not work since he could not get paid, so the Town was forced to close the Range for safety purposes.

Subsequent to the above, two groups have emerged claiming to be the legitimate board for the Club. The Town has noticed both parties with breach notifications, and although both parties have attempted to resolve the breach issues, the items have not been resolved to the satisfaction of the Town. Both sides have hired an attorney, have attempted to serve temporary restraining orders against one another, and a Judge has now frozen their assets. The Town has received copious emails from both sides, with resignations and terminations from both boards confusing the issue even further.

The Town and the Club have fielded an enormous amount of phone calls and inquiries about opening the Range. Most requests from members and the public appear to be asking to open the range for public shooting hours, regardless of the operator. The Town will endeavor, upon successful termination of the Agreement, to open the Range for limited hours as soon as practical and possible.

Fiscal Impact

Fiscal Impact?: N0

If Yes, Budget Code:
Available:
Funding Source:

Attachments

No file(s) attached.

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **7.c.**

Meeting Date:	01/08/2019
Contact Person:	Jami Lewis, Town Clerk
	Phone: 928-636-2646 x-1208
Department:	Town Clerk
Item Type:	Action-Presentation
Estimated length of staff presentation:	5 minutes
Physical location of item:	N/A

AGENDA ITEM TITLE:

Consideration and possible action to adopt Resolution No. 2019-1133 ordering and calling an election to be held in and for the Town of Chino Valley, Arizona on May 21, 2019, to submit to the qualified electors thereof the questions of (1) the proposed amount to be raised by an initial primary (ad valorem) property tax to fund a road construction and maintenance program, and (2) voter authorization for purchase of certain water companies to expand the Town's water utility system. Funds to come from General Fund, Town Clerk Elections expenditure line.

RECOMMENDED ACTION:

Adopt Resolution No. 2019-1133 ordering and calling a special election to be held on May 21, 2019, for the purpose of submitting two questions to the voters related to a property tax levy of $_____ to fund a road construction and maintenance program, and utility system acquisitions.

SITUATION AND ANALYSIS:

Two items in the Council's strategic plan over the past few years pertained to (1) road maintenance and (2) acquisition/expansion of utilities.

(1) During various community outreach programs conducted during the past two years, the consistent community concern pertained to the condition of the Town's roads. The Roads and Streets Committee began working on a solution for a road maintenance program and made a recommendation to the Council, who directed Town staff to get public feedback on the issue.

Town officials met with over 200 citizens from 21 different organizations and groups to obtain input on the Committee's recommendation. On December 11, 2018, Town Manager Cecilia Grittman presented the results of these public dialogue sessions to the Council, which overall had been positive. As a result, staff was recommending that Council call a Special Election on May 21, 2019 for the purpose of asking voters to approve the Roads and Streets Committee's recommendation for an initial primary property tax levy of $1.5 million for 20 years for the sole purpose of road maintenance and construction. A 20-year program will allow for three complete cycles of maintenance. Council will have the option on January 8 to choose the levy amount. The two options discussed with the citizens were $1.2 million and $1.5 million. When Council votes on this item, the motion will need to include Council's preferred levy amount.

(2) As part of the Town's efforts to expand municipal utility services, the Town had been looking at purchasing certain water companies or water distribution systems within the Town limits. Acquisition of any utility requires voter approval. Town voters did approve the Town going into the utility business in 2000, but due to subsequent case law requiring utility ballot language to be more specific, staff was recommending that a ballot question listing specific potential water companies/systems go on the May 21, 2019 ballot in order for the Town to be able to act when such an opportunity arises. This item was also presented to the above-mentioned citizens for feedback. All comments were positive and agreeable.

As the election will not be in conjunction with the federal and state elections, this will be a vote-by-mail ballot. Pertinent election dates are as follows:

- January 21, 2019 - Deadline to notify County of election to be held
- February 20, 2019 - Deadline for the public to submit arguments (pros/cons) for the informational pamphlet
- April 16, 2019 - Deadline for Voter Information Pamphlet to be mailed to residences with a registered voter
- April 22, 2019 - Last day to register to vote
- April 24 - May 21, 2019 - On site voting available at Yavapai County Administrative offices during business hours, except election day, on which it will be available until 7:00 p.m.
- April 26, 2019 - Deadline for ballots to be mailed
- May 10, 2019 - Last day to request a ballot be mailed (to an alternate location)
- May 15, 2019 - Last day voters should mail their ballots in U.S. mail (use drop boxes as of May 16)
- May 21, 2019 - Election Day - Ballots due back to Yavapai County Elections or ballot drop boxes at 7:00 p.m.
- June 10, 2019 - Deadline for Council to adopt results of the election

Other Pertinent Documents Available Upon Request:

The Town's website at http://www.chinoaz.net/468/Ballot-Measures-Propositions-Questions has a powerpoint presentation and brochures with further details. More information, including Frequently Asked Questions (FAQs) and the Voter Information Pamphlet, will be also be posted in the weeks and months after the Call of Election is approved.

Fiscal Impact

Attachments

RES 2019-1133 Call of Election

RES 2019-1133 Spanish

RESOLUTION NO. 19-1133

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, ORDERING AND CALLING AN ELECTION TO BE HELD IN AND FOR THE TOWN OF CHINO VALLEY, ARIZONA ON MAY 21, 2019, TO SUBMIT TO THE QUALIFIED ELECTORS THEREOF THE QUESTIONS OF (1) THE PROPOSED AMOUNT TO BE RAISED BY AN INITIAL PRIMARY (AD VALOREM) PROPERTY TAX TO FUND A ROAD CONSTRUCTION AND MAINTENANCE PROGRAM, AND (2) VOTER AUTHORIZATION FOR PURCHASE OF CERTAIN WATER COMPANIES TO EXPAND THE TOWN'S WATER UTILITY SYSTEM

WHEREAS, the Town Council has determined that in order to properly fund its needed road projects the Town should levy primary (ad valorem) property taxes in the next and each succeeding tax year; and

WHEREAS, pursuant to ARIZ. REV. STAT. § Section 42-17056, as amended, the Town Council must submit the proposed amount to be raised by the initial primary (ad valorem) property taxes for approval of the qualified electors of the Town; and

WHEREAS, the Town desires to consider acquisition of certain water companies in Chino Valley in order to expand the Town's water utility system for the benefit of its customers.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF CHINO VALLEY as follows:

SECTION 1. Pursuant to ARIZ. REV. STAT. §§ 42-17056, 35-453, 35-454, and 9-514, as amended, an election in the Town is hereby ordered and called to be held on May 21, 2019, at which time there shall be submitted to the qualified electors of the Town the following measures as set forth in the form of ballot attached hereto, marked Exhibit A and hereby made a part of this resolution:

1. QUESTION NO. 1: Shall the Town of Chino Valley, Arizona be authorized to levy an initial property (ad valorem) tax in the amount of $_____ for the purpose of construction and maintenance of the Town's public road system and acquisition of land or interests necessary for such purposes, with no subsequent annual levies for property (ad valorem) taxes after fiscal year 2038? If such amount is approved, it shall be the base for determining levy limitations for the Town for subsequent fiscal years.

2. QUESTION NO. 2: Shall the Town of Chino Valley, Arizona be authorized to purchase the following water systems: Wilhoit Water Company (Acme Water Company), Appaloosa Water Company, Chino Meadows II Water Company, City of Prescott Water system located within Chino Valley Town limits, and any other water system located within five miles of the Town of Chino Valley corporate boundaries?

SECTION 2. The officers of the Town are hereby authorized to do all things necessary or appropriate to conduct the election, including the preparation and distribution of an informational pamphlet. The Town Clerk is hereby authorized and directed to cause the

informational pamphlet to be prepared and mailed as required by law and in accordance with the provisions of this resolution and to cause a copy of the informational pamphlet to be submitted to the Arizona Department of Revenue within thirty (30) days after the election.

SECTION 3. The deadline for the public to submit arguments for the informational pamphlet shall be February 20, 2019. Voter Information Pamphlet Argument Submittal Guidelines as set forth in the form are attached hereto, marked Exhibit B.

SECTION 4. Notice of the special election is ordered to be given by causing the informational pamphlet to be mailed not less than thirty-five (35) days before the date of election to the residences in which a registered voter of the Town resides as shown on the general county register.

SECTION 5. The election will be conducted as a vote-by-mail election, and the votes cast thereat shall be counted and tabulated and the returns thereof will be made in the manner provided by law and only persons will be allowed to vote at the election who are qualified electors of the Town. The ballot drop-off box located at Town Hall, 202 N. State Route 89, will remain open until 7:00 p.m. on election day, May 21, 2019.

SECTION 6. On-site voting will be available at the Yavapai County Administrative offices, 1015 Fair Street, Prescott, AZ, from April 24, 2019 to May 21, 2019.

SECTION 7. In order to comply with the Voting Rights Act of 1965, as amended, the following proceedings pertaining to this election will be translated into Spanish and posted, published and recorded in each instance where posting, publication and recording of such proceedings are required, to-wit: ballot, voter informational pamphlet, all mail-ballot voting material and all instructions at the on-site voting location.

SECTION 8. The Town Clerk is hereby directed to cause ballots to be printed and delivered to the election boards to be furnished to the qualified electors offering to vote at the election. The election may be conducted using either electromechanical or electronic vote recording and ballot counting equipment or paper ballots, as shall be determined to be in the best interests of the Town by the Yavapai County Elections Department. The Mayor and the Town Clerk or either of them is authorized and directed to enter into a contract with the Yavapai County Recorder to obtain precinct registers for the election and to enter into an agreement with the Yavapai County Elections Department or any other qualified vendor to conduct the election for the Town.

SECTION 9. As soon as the election has closed, the election officials will forward the votes cast to the Town Council for canvassing. The Town Council will meet at the Council Chambers on a day that is within twenty (20) days after the election date to canvass the returns of the election. The Town Council will be governed by the vote of the majority on the questions submitted.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Mayor and Council of the Town of Chino Valley, Arizona, on January 8, 2019.

_____
Darryl L. Croft, Mayor

ATTEST:

_____
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 19-1133 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on January 8, 2019, 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

EXHIBIT A

OFFICIAL BALLOT

FOR SPECIAL ELECTION IN AND FOR THE TOWN OF CHINO VALLEY, ARIZONA ON MAY 21, 2019.

QUESTION NO. 1

PURPOSE: INITIAL PRIMARY (AD VALOREM) PROPERTY TAX LEVY

Shall the Town of Chino Valley, Arizona be authorized to levy an initial property (ad valorem) tax in the amount of $_____ for the purpose of construction and maintenance of the Town's public road system and acquisition of land or interests necessary for such purposes, with no subsequent annual levies for property (ad valorem) taxes after fiscal year 2038? If such amount is approved, it shall be the base for determining levy limitations for the Town for subsequent fiscal years.

A "YES" vote will have the effect of allowing the Town of Chino Valley to levy an initial primary property tax not to exceed one million _____ ($1,___,___) to be used to fund construction and maintenance of the Town's public road system, including acquisition of property for such purpose, with no annual levies after fiscal year 2038.

A "NO" vote will have the effect of not allowing the Town of Chino Valley to levy an initial primary property tax to be used to fund construction and maintenance of the Town's public road system.

PRIMARY LEVY, YES	☐
PRIMARY LEVY, NO	☐

QUESTION NO. 2

PURPOSE: PURCHASE OF WATER COMPANY

Shall the Town of Chino Valley, Arizona be authorized to purchase the following water systems: Wilhoit Water Company (Acme Water Company), Appaloosa Water Company, Chino Meadows II Water Company, City of Prescott Water system located within Chino Valley Town limits, and any other water system located within five miles of the Town of Chino Valley corporate boundaries?

A “YES” vote will have the effect of allowing the Town of Chino Valley to purchase one or more of the aforementioned water utility companies/systems, as the Town deems necessary or advantageous.

A “NO” vote will have the effect of not allowing the Town of Chino Valley to consider purchase of any of the named water companies/systems.

PURCHASE, YES	☐
PURCHASE, NO	☐

EXHIBIT B

GUIDELINES FOR PROPOSITION ARGUMENT SUBMITTAL

CHINO VALLEY TOWN CLERK
Jami C. Lewis
202 N. State Route 89
Chino Valley, AZ 86323
Phone (928) 636-2646, ext. 1208
Fax (928) 636-2144

PAMPHLET ARGUMENTS

VOTER INFORMAITON PAMPHLET
ARGUMENT SUBMITTAL GUIDELINES

- Arguments supporting and opposing propositions appearing on the ballot shall be filed with the office of the Town Clerk by 5:00 p.m. on Wednesday, February 20, 2019.

- Arguments must relate to the proposition that will appear on the ballot.

- Arguments must identify the proposition to which they refer and indicate whether the argument is in support of or opposition to the proposition.

- Arguments must contain an original sworn statement and *notarized* signature of each person sponsoring it. Arguments submitted by organizations shall be signed by two executive officers of the organization, or if a political committee sponsors the argument, it must be signed by the committee's chairman or treasurer. All persons signing the argument shall indicate their residence or post office address and a telephone number, which information shall *not* appear in the publicity pamphlet.

- A fee of $80.00 shall accompany the argument upon submittal to offset a portion of the cost for printing the argument. Submitters may pay this fee electronically by phone at (928) 636-2646, ext. 1052, in addition to payment with cash or check.

- Arguments are limited to 300 words in length.

- No person or organization shall submit more than one argument for each proposition to be voted upon.

- Arguments must be submitted electronically (on disk or by email) in addition to the hard copy with signatures as described above.

- Arguments will be printed *exactly* as submitted (typographical errors included). Proofread your text carefully!

RESOLUCIÓN N° 2019-1133

UNA RESOLUCIÓN DEL ALCALDE Y EL CONCEJO MUNICIPAL DEL PUEBLO DE CHINO VALLEY, ARIZONA, PARA ORDENAR Y CONVOCAR UNA ELECCIÓN QUE SE CELEBRARÁ EN Y PARA EL MUNICIPIO DEL PUEBLO DE CHINO VALLEY , ARIZONA, EL 21 DE MAYO DE 2019 , PARA PRESENTAR A LOS ELECTORES CALIFICADOS DEL MISMO LAS CUESTIONES DE (1) EL MONTO PROPUESTO PARA LEVANTAR A TRAVÉS DE UN IMPUESTO PREDIAL (AD VALOREM) INICIAL PARA FINANCIAR UN PROGRAMA DE MANTENIMIENTO VIAL Y CONSTRUCCIÓN DE CARRETERAS, Y (2) LA AUTORIZACIÓN POR LOS ELECTORES PARA LA ADQUISICIÓN DE DETERMINADAS EMPRESAS DE AGUA PARA AMPLIAR EL SISTEMA DE SERVICIO PÚBLICO DE AGUA DEL MUNICIPIO.

CONSIDERANDO: que el Concejo Municipal ha determinado que, con el fin de subvencionar los proyectos viales necesarios, el Pueblo [municipio] debe imponer un impuesto predial (ad valorem) sobre la propiedad inmueble en el siguiente y los sucesivos años fiscales; y

CONSIDERANDO: que, conforme la ley estatal, ARIZ. REV. STAT. en la sección 42-17056 como ha sido modificada, el Concejo Municipal debe presentar el monto propuesto para ser levantado por el impuesto predial (ad valorem) inicial para la aprobación de los electores calificados del municipio; y

CONSIDERANDO: que el municipio quiere considerar la adquisición de ciertas empresas de agua en Chino Valley, a fin de expandir el sistema de servicio público de agua del municipio para el beneficio de sus clientes;

POR LO TANTO, SE RESUELVE por EL ALCALDE Y EL CONCEJO MUNICIPAL DEL PUEBLO DE CHINO VALLEY lo siguiente:

SECCIÓN 1. Conforme la ley estatal, ARIZ. REV. STAT. §§ 42-17056, 35-453, 35-454 y 9-514, como se ha modificado, se ordena convocar una elección en la ciudad, la cual se celebrará el 21 de mayo de 2019, momento en el cual se entregará a los electores calificados del municipio las siguientes medidas, tal como se establece en la boleta electoral adjunta en el formulario marcado Anexo A y por medio de la presente resolución:

1. CUESTIÓN Nº 1: ¿Se le autorizará al municipio del Pueblo de Chino Valley, Arizona a realizar la exacción de un impuesto predial (ad valorem) inicial en la cantidad de $_____ dólares para el propósito de la construcción y el mantenimiento del sistema de vías públicas y la adquisición de tierras o intereses necesarios para tales fines, sin gravámenes anuales posteriores de impuestos sobre la propiedad (ad valorem) después del año fiscal 2038? Si dicho importe es aprobado, será la base para determinar las limitaciones de exacción para el municipio para los años fiscales subsiguientes.

2. CUESTIÓN Nº 2: ¿Se le autorizará al municipio del Pueblo de Chino Valley, Arizona a adquirir los siguientes sistemas de agua: Wilhoit Water Company (compañía de Agua Acme), Appaloosa Water Company, Chino Meadows II Water Company, el sistema de servicios de agua para la Ciudad de Prescott situado dentro de los límites

del municipio de Chino Valley, y cualquier otro sistema de agua ubicado a cinco millas de los límites corporativos del municipio de Chino Valley?

SECCIÓN 2. Se les autoriza a los oficiales del municipio para hacer todas las cosas necesarias o adecuadas para llevar a cabo la elección, incluida la preparación y distribución de un folleto publicitario de información. La secretaría municipal queda autorizada y dirigida a causar que el folleto informativo sea preparado y enviado como requerido por la ley y de conformidad con las disposiciones de la presente resolución y a presentar una copia del folleto publicitario al Departamento de Ingresos Públicos de Arizona dentro de los treinta (30) días después de la elección.

SECCIÓN 3. La fecha límite para que el público pueda presentar argumentos para el folleto publicitario será el 20 de febrero de 2019. Se incluye tal como se establece en el formulario adjunto marcado Anexo B, las instrucciones para presentar argumentos para el folleto publicitario de información al votante.

SECCIÓN 4. Se ordena que el anuncio de la elección especial se hará a través del envío del folleto publicitario de información al votante, a ser no menos de treinta y cinco (35) días antes de la fecha de elección para las residencias en el municipio en que reside un elector, como se muestra en el registro general del condado.

SECCIÓN 5. La elección se llevará a cabo como una elección de voto-por-correo, y los votos serán contados y tabulados, y los rendimientos de este se efectuará, en la forma prevista por la ley y sólo las personas podrán votar en las elecciones que son electores calificados del municipio. El buzón para depositar boletas electorales, situado en el edificio del ayuntamiento, Town Hall, 202 N. State Route 89, permanecerá abierto hasta las 7:00 p.m. el día de la elección, 21 de mayo de 2019.

SECCIÓN 6. La votación en el sitio [para votar en persona] estará disponible en las oficinas administrativas del Condado de Yavapai, 1015 Fair Street, Prescott, AZ, del 24 de abril de 2019 hasta el 21 de mayo de 2019.

SECCIÓN 7. A fin de cumplir con la ley de derecho de voto de 1965, enmendada, los siguientes procedimientos relativos a esta elección serán traducidos al español y publicados, editados y grabados en cada instancia donde la publicación, edición y grabación de esas actuaciones sean necesarias, a saber: la boleta electoral, el folleto publicitario de información al votante, todos los materiales para la votación por correo y todas las instrucciones en el sitio del centro de votación.

SECCIÓN 8. La secretaría municipal queda dirigida a causar el impreso y entregado de las boletas electorales a las juntas electorales que se suministrarán a los electores calificados ofreciendo a votar en la elección. La elección puede realizarse mediante el uso equipo electrónico o electromecánico para el registro y el tabulación de las boletas de votación, tal como se determinará en los mejores intereses del municipio por el Departamento de Elecciones del Condado de Yavapai. Se le autoriza y se dirige al alcalde y la secretaría municipal, o cualquiera de ellos, a suscribir un contrato con el registrador del condado Yavapai para obtener registros de los recintos electorales para la elección y a concertar un acuerdo con el Departamento de Elecciones del Condado de Yavapai o cualquier otro proveedor cualificado para llevar a cabo la elección del municipio.

SECCIÓN 9. Tan pronto como la elección se haya cerrado, los funcionarios electorales transmitirán los votos emitidos al Municipio para el escrutinio. El concejo municipal se reunirá en la Cámara del Concilio en un día que está dentro de los veinte (20) días después de la fecha de la elección para sondear las devoluciones de la elección. El Concejo Municipal se regirá por el voto de la mayoría en las cuestiones presentadas.

APROBADA Y ADOPTADA por el Alcalde y el Concejo del municipio del Pueblo de Chino Valley, Arizona, el 8 de enero de 2019.

_____
Darryl L. Croft, Alcalde

DOY FE:

_____
Jami C. Lewis, Secretaría Municipal

APROBADO EN CUANTO A LA FORMA:

_____
Andrew J. McGuire, Abogado para el Municipio
Gust Rosenfeld, PLC

Certifico la mencionada Resolución Nº 2019-1133 anterior fue debidamente aprobada por el Concejo Municipal de Chino Valley, Arizona, en una reunión ordinaria celebrada el 8 de enero de 2019, y que estaba presente el quórum a ella y que la votación al respecto fue ____ a favor y ____ en contra y ____ abstenciones. _____ Miembros del Concejo estaban ausentes o dispensados.

_____
Jami C. Lewis, Secretaría Municipal

ANEXO A

BOLETA ELECTORAL OFICIAL

PARA LA ELECCIÓN ESPECIAL EN Y PARA EL MUNICIPIO DEL PUEBLO DE CHINO VALLEY, ARIZONA, EL 21 DE MAYO DE 2019.

CUESTIÓN Nº 1

OBJETIVO: EXACCIÓN DE UN IMPUESTO PREDIAL (AD VALOREM) INICIAL

¿Se le autorizará al municipio del Pueblo de Chino Valley, Arizona a realizar la exacción de un impuesto predial (ad valorem) inicial en la cantidad de $_____ dólares para el propósito de la construcción y el mantenimiento del sistema de vías públicas y la adquisición de tierras o intereses necesarios para tales fines, sin gravámenes anuales posteriores de impuestos sobre la propiedad (ad valorem) después del año fiscal 2038? Si dicho importe es aprobado, será la base para determinar las limitaciones de exacción para el municipio para los años fiscales subsiguientes.

Un voto de "SÍ" tendrá el efecto de permitir que el municipio del Pueblo de Chino Valley realice la exacción de un impuesto predial inicial sobre la propiedad a no superar un millón _____ de dólares ($1. ___.___) que serán utilizados para financiar la construcción y el mantenimiento del sistema de carreteras públicas del pueblo, incluida la adquisición de bienes para tal fin, sin gravámenes anuales después del año fiscal 2038.

Un voto de "NO" tendrá el efecto de no permitir que el municipio del Pueblo de Chino Valley realice la exacción de un impuesto predial inicial a la propiedad que se utilizará para financiar la construcción y el mantenimiento del sistema de carreteras públicas de la ciudad.

Exacción del impuesto predial	SÍ
Exacción del impuesto predial	NO

CUESTIÓN Nº 2

OBJETIVO: ADQUISICIÓN DE EMPRESAS DE AGUA

¿Se le autorizará al municipio del Pueblo de Chino Valley, Arizona a adquirir los siguientes sistemas de agua: Wilhoit Water Company (compañía de Agua Acme), Appaloosa Water Company, Chino Meadows II Water Company, Quail Ridge Domestic Water Improvement District, el sistema de servicios de agua para la Ciudad de Prescott situado dentro de los límites del municipio de Chino Valley, y cualquier otro sistema de agua ubicado a cinco millas de los límites corporativos del municipio de Chino Valley?

Un voto de "SÍ" tendrá el efecto de permitir que el pueblo de Chino Valley adquiera uno o más de las mencionadas empresas distribuidoras de sistemas públicos de agua, ya que el municipio estime necesaria o conveniente.

Un voto de "NO" tendrá el efecto de no permitir que el pueblo de Chino Valley considere la compra de ninguna de las empresas / los sistemas públicos de agua.

Adquisición, SÍ
Adquisición, NO

ANEXO B

INSTRUCCIONES PARA PRESENTAR ARGUMENTOS RELACIONADOS A LAS PROPOSICIONES

CHINO VALLEY TOWN CLERK /
SECRETARÍA MUNICIPAL DE CHINO VALLEY
Jami C. Lewis
202 N. State Route 89
Chino Valley, AZ 86323
Tel (928) 636-2646, ext. 1208
Fax (928) 636-2144

FOLLETO PUBLICITARIO: ARGUMENTOS

FOLLETO DE INFORMACIÓN AL VOTANTE
INSTRUCCIONES PARA PRESENTAR ARGUMENTOS

- Cualquier declaración de argumento a favor o en contra de las cuestiones que aparecerán en la boleta electoral se deberá entregar en formato impreso a la oficina de la secretaría municipal (*City Clerk*) antes de las 5:00 p.m. el día miércoles, 20 de febrero de 2019.

- Dichos argumentos deben ser pertinentes a la proposición correspondiente que aparecerá en la boleta electoral.

- Cada declaración de argumento debe identificar la proposición a la que se refiere e indicar si el argumento está a favor o en contra de dicha proposición.

- Cada declaración de argumento debe ser documento original e incluir una declaración jurada y firmada *ante notario* por cada persona que patrocina dicho argumento. Los argumentos presentados por parte de organizaciones serán firmados por dos oficiales ejecutivos de la organización, o si un comité político patrocina el argumento, la declaración de argumento deberá ser firmada por el presidente o tesorero del comité. Cualquier persona que firma el argumento se identificará por proporcionar su dirección de domicilio o apartado postal y número de teléfono (no se incluye esa información en el folleto publicitario).

- Se debe incluir una cuota de $80.00 cuando se entrega la declaración de argumento para compensar una parte de los costos de impresión del argumento. Además del pago en efectivo o con cheque, los peticionarios pueden pagar esta cuota electrónicamente por teléfono al (928) 636-2646, ext. 1052.

- Cada declaración de argumento no deberá exceder 300 palabras.

- Ninguna persona u organización deberá entregar más de un argumento para cada proposición que será presentada a los electores para votación.

- Además de entregar a mano la declaración de argumento firmada como se ha indicado arriba, se deberá entregar una copia en forma electrónica (en disco o por correo electrónico).

- Los argumentos se imprimirán *exactamente* como se han recibido, incluyendo cualquier error tipográfico. ¡Revise su texto cuidadosamente!

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **7.d.**

Meeting Date:	01/08/2019
Contact Person:	Alex Lerma, Associate Planner
	Phone: 928-626-4427 x-1295
Department:	Development Services
Item Type:	Action-Presentation
Estimated length of staff presentation:	5 minutes
Physical location of item:	Located approximatley .25 miles south of the southeast corner of East Perkinsville Road and North Road 1 East at 1525 North Road 1 East.

AGENDA ITEM TITLE:

Consideration and possible action to approve a Conditional Use Permit (CUP18-007) for 14.46 acres (approx. 629,877 sq. ft.) of real property, Assessor's Parcel No. 306-18-010K, located approximately 0.25 miles south of the southeast corner of East Perkinsville Road and North Road 1 East at 1525 North Road 1 East to rehabilitate the existing well site within the PL (Public Land) zoning district. (Owner of Record: City of Prescott) (Alex Lerma, Planner)

RECOMMENDED ACTION:

Approve Conditional Use Permit (CUP18-007) to allow the rehabilitation of the existing well site including removal of the existing building and construction of a new facility within the PL (Public Land) zoning district.

SITUATION AND ANALYSIS:

See attached staff report.

Fiscal Impact

Fiscal Impact?:	None
If Yes, Budget Code:	
Available:	
Funding Source:	

Attachments

City of Prescott Staff Report
City of Prescott CUP Draft Letter
City of Prescott Site Plan
City of Prescott Landscape Plan

TOWN COUNCIL STAFF
STAFF REPORT

APPLICATION SUMMARY

File Number:	C18-000007
Assessor's Parcel Number:	306-18-010K
Site Location:	Located approximately .25 mile south of the southeast corner of East Perkinsville Road and North Road 1 East at 1525 North Road 1 East.
Property Owner:	John Kuebrich
Applicant:	City of Prescott
Request:	Request for a CUP (Conditional Use Permit) to rehabilitate the existing well site. This will include removing of the existing building and constructing of a new facility.

SITE DATA

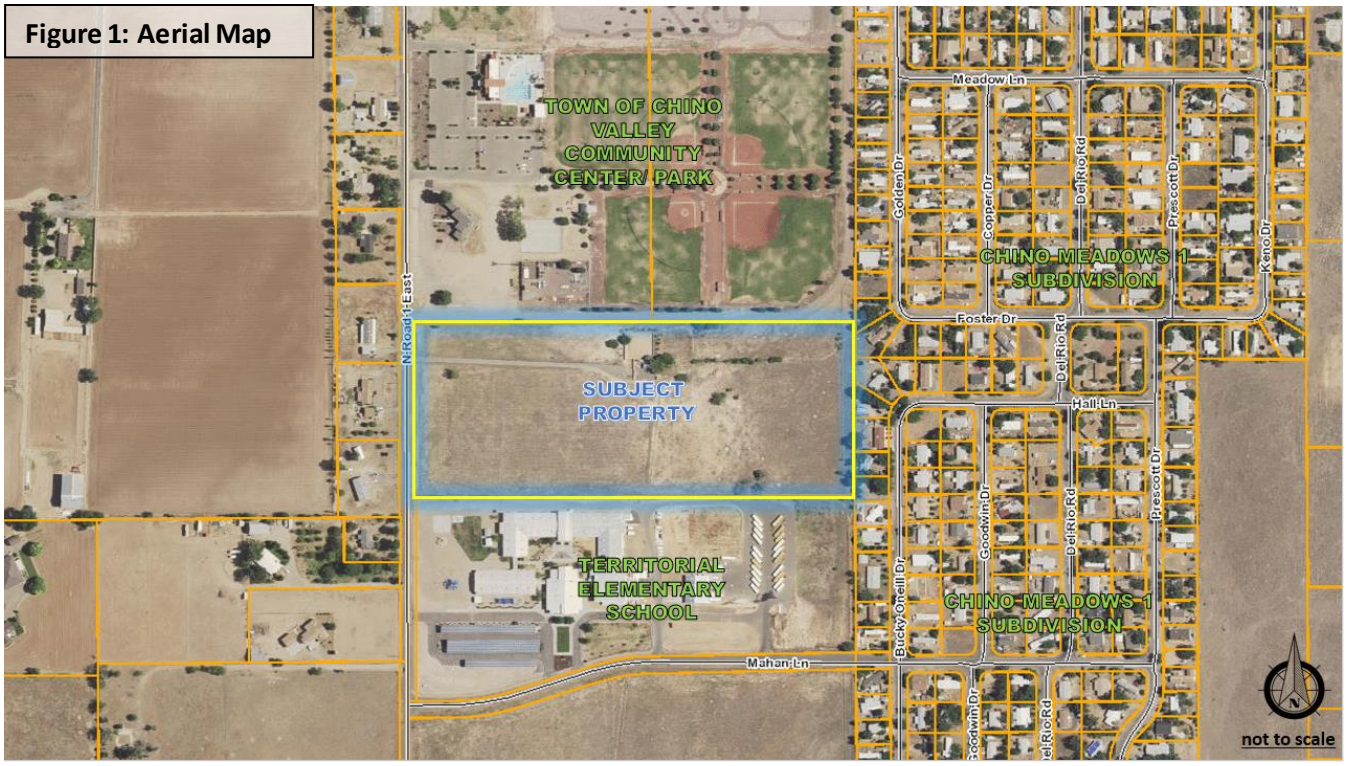
Existing Zoning	PL (Public Land)
Lot Size	14.46 acres (approx. 629,877 square feet)
Subdivision	N/A
General Plan Land Use Designation	Medium Density Residential (2 acres or less)
Existing Land Use	Public Facility

BACKGROUND

SITE DESCRIPTION

The subject property is located approximately .25 mile south of the southeast corner of East Perkinsville Road and North Road 1 East at 1525 North Road 1 East. The property has one main access by North Road 1 East. The site is identified with a PL (Public Land) zoning district under the Town of Chino Valley UDO (Unified Development Ordinance). The parcel has a General Plan Land Use Designation of Medium Density Residential (2 ac or less) under the Town of Chino Valley General Plan Potential Land Use Map. Existing improvements on the property include a well house with enclosed walls. (**See Figure 1. Aerial Map)**

Figure 1: Aerial Map



HISTORY

4/19/2005	Parcel 306-18-010K was split from APN 306-18-010G.
2/14/2008	Town Council adopted Ordinance No. 08-698 approving the issuance of a CUP (Conditional Use Permit) to authorize the installation of arsenic treatment equipment for well sites 3 through 6. The Conditional Use Permit was granted for a period of ten (10) years. One of the conditions of approval stated that that the existing well houses and the proposed arsenic mitigation facilities would be screened on all four (4) sides with masonry walls, landscaping, and chain-link fencing with slats as indicated on the respective site plans.

PROJECT DESCRIPTION

The City of Prescott owns and operates the production Well No. 4 on their 15.25 acre site at 1525 North Road 1 within Town of Chino Valley limits. This water well currently produces 3,300 gpm that pups directly to their newly renovated 10 million gallon Water Production Pumping Facility at 251 AZ-89. The pump station is housed in an older steel building surrounded with a partial concrete block and chain link fence with limited landscaping around its perimeter.

The City of Prescott has proposed to rehabilitate this well. This will entail well casing modifications and installing a new pump and motor with the constructing a new 912sf concrete block building with insulated removable well head enclosure. The new pump and motor will be the same size and horse power as they are currently operating. **(See Exhibit A: Site Plan)**

Demolition will include the existing steel pump building, removal of the chain link fencing, and the east and south portions of the existing block wall. Existing landscaping to be removed is that which will be in direct conflict with the new building or trees that are sick or dead.

Site improvements include a 28,270cf retention basin that will be used for the flow to waste. The basin will not be visible form the outer perimeter of the site. The building will have an 8' concrete block wall along the west and north exposure and an 8' chain link fence with vertical privacy slates along the east and south exposure. The proposed landscaping selection is based upon the location of the well building compared to the street and neighboring residents. The trees and shrubs when fully mature will have a larger profile and will provide a mix of evergreen and deciduous landscape elements. **(See Exhibit B: Landscaping Plan)**

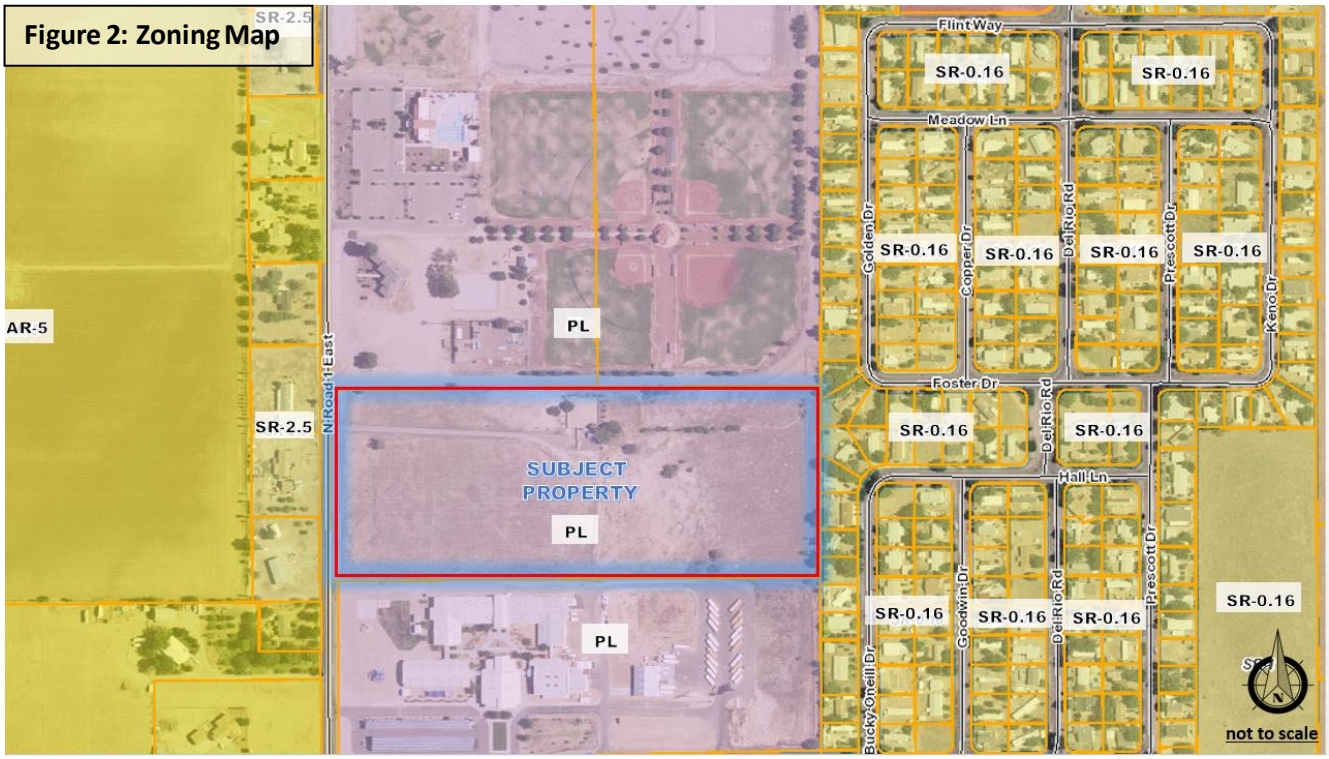
Site lighting will be limited to lower illumination lighting. The site lighting will be mounted inside the concrete block at the entrance only. All building lighting will be soffit mounted fixtures design to illuminate around the perimeter of the building and to avoid a halo effect.

These improvements will increase the functionality of their current facility while providing additional safety and noise reduction to the neighboring residents of Chino Valley.

SURROUNDING PROPERTIES ZONING AND LAND USES

The area is predominantly made up of a mix of public land and residential area. The property directly north has a zoning district of PL (Public Land), it is currently the Town of Chino Valley Community Center/ Park. To the west, properties are zoned SR-2.5 (Single Family Residential- 2.5 acre minimum) and AR-5 (Agricultural Residential- 5 acre minimum), those properties are either residential use or vacant properties. To the south, the parcel has zoning classification of PL (Public Land), that property is currently Territorial Elementary School. To the east, properties are zoned SR-0.16 (Single Family Residential- 7,000 square foot minimum lot area), these parcels are a part of Chino Meadows 1 Subdivision. **(See Figure 2: Zoning Map)**

AREA	ZONING	GENERAL PLAN LAND USE DESIGNATION	EXISITING LAND USE
North	PL	Public Parks/ Schools	Town of Chino Valley Community Center/ Park
West	SR-2.5, AR-5	Medium Density Residential (2 ac or less)	Single Family Residence
South	PL	Public Parks/ Schools	Territorial Elementary School
East	SR-0.16	Medium Density Residential (2 ac or less)	Chino Meadows 1 Subdivision



PUBLIC REVIEW PARTICIPATION

The City of Prescott notified property owners within a 300' radius, resulting in fifty (50) letters to surrounding property owners. Property owners received information regarding the applicant's request for a Conditional Use Permit to rehabilitate the existing well site. To date, no responses to those letters have been received by the Town.

The neighborhood meeting was held on November 1st, 2018. At said meeting, there were no residents who attended.

The item went go before the Planning and Zoning Commission on December 4th, 2018. Staff gave a brief overview of the project to the Commission including findings, analysis and recommendation. Mr. Jack Hubert, City of Prescott Project Manager, notified that Commission that the current water capacity of 4,752,000 gallons per day would not be increased. He concluded that the total land was 15.25 acres but that the City of Prescott would be improving 1.13 acres or 7.4% of the total land.

The Commission had questions regarding the retention basin show on the site plan, building height and lighting on the building. Mr. Hubert stated that the retention basin would not be visible from the outside and that it would be within the enclosed walls. He indicated that the building would be 15 feet tall and that the lighting was in the soffits underneath and that the lights would only be operating when staff was onsite or during an emergency.

Planning and Zoning Commission forwarded a recommendation of approval for the requested CUP.

Vote: **7-0 Passed Unanimously**

STAFF ANALYSIS AND RECOMMENDATION

Section 4.14 of the Unified Development Ordinance title Public Service Facilities states as followed:

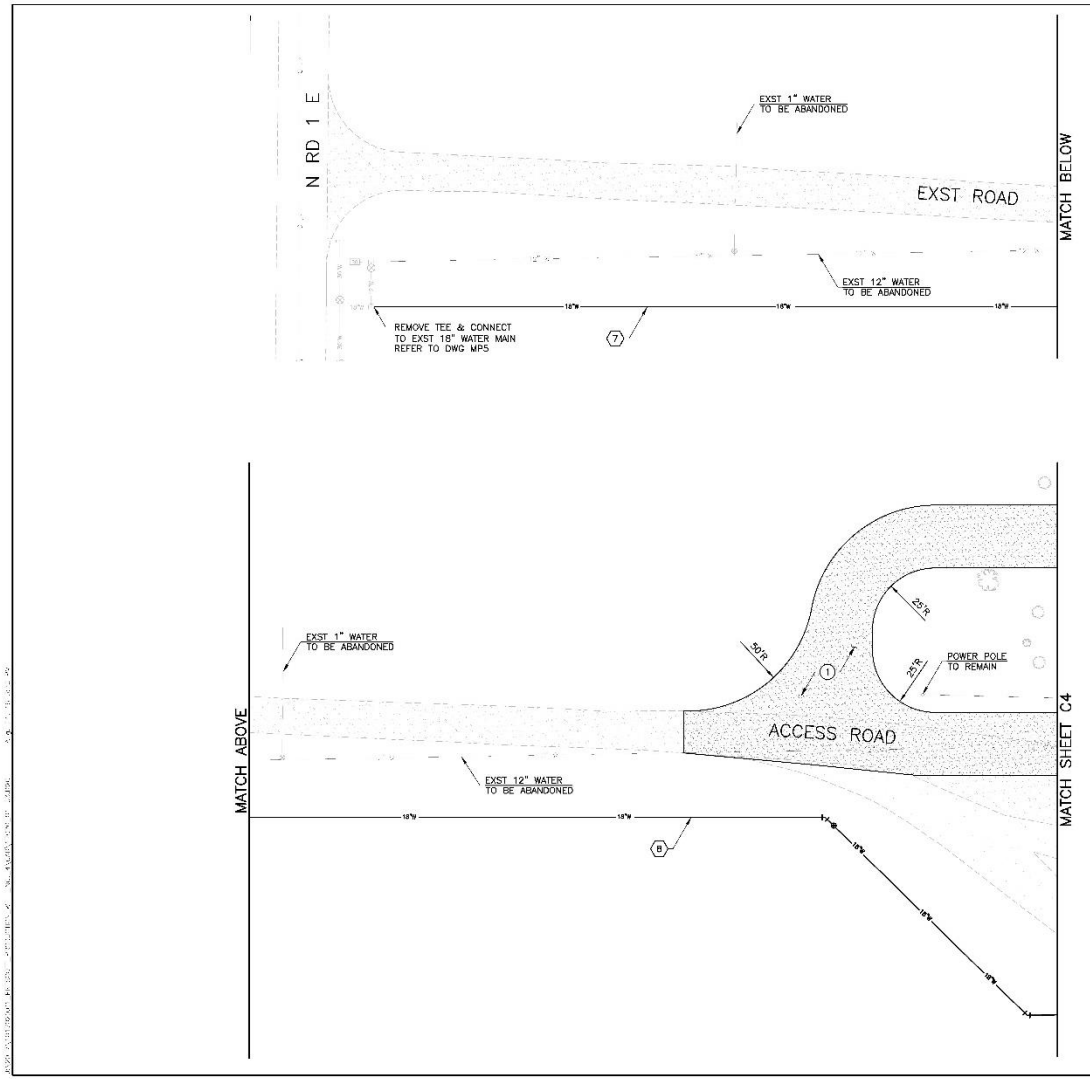
"A Conditional Use Permit shall be required by all public service companies in order to establish or substantially expand utility buildings, structures, or appurtenances thereto, in any zoning district. Extension of public service lines in public or private right-of-way is exempt from these requirements. (Ord. 06-678, passed 11-9-2006)"

The onsite building was already in operation when Ord. 06-678 passed. The well site with uses dates to 1947. Predating the ordinance has made the building and use legal-nonconforming. The removal and reconstruction of said building and other improvements will mean the site will need to come into conformance. The construction and improvement to the new facility will require a Conditional Use Permit.

The new well facility will be approximately 590 feet away from the closest neighbor's rear property lines in Chino Meadows 1 subdivision. The distance and the facility enclosed 8' walls will mitigate any additional impact on the neighboring residents. Once fully matured, the landscaping will serve as an additional buffer between the facility and the subdivision to the west. The new pump and motor will be the same size and horse power as is currently operating on site and will not create an increase in noise pollution. The proposed improvements will provide additional safety and noise reduction to the surrounding area.

Staff and Planning and Zoning Commission forward a recommendation of approval to Town Council for a Conditional Use Permit (CUP18-007) to allow the rehabilitation of the existing well site include removing of the existing building and constructing of a new facility within the PL (Public Land) zoning district.

EXHIBIT A: Site Plan Page 1



AS BUILT DATE

Dibble Engineering

DIBBLE PROJECT NO 1017020.01

CONSTRUCTION NOTES

1 ACCESS ROAD, DOUBLE CHIP SEAL PER MAG SPEC 330, DET 2, DWG D1 825 SY

REFERENCE NOTES

7 REFER TO MECHANICAL PIPING PLAN DWG MP5

8 REFER TO MECHANICAL PIPING PLAN DWG MP6

REVISION	BY	DATE

CITY OF PRESCOTT

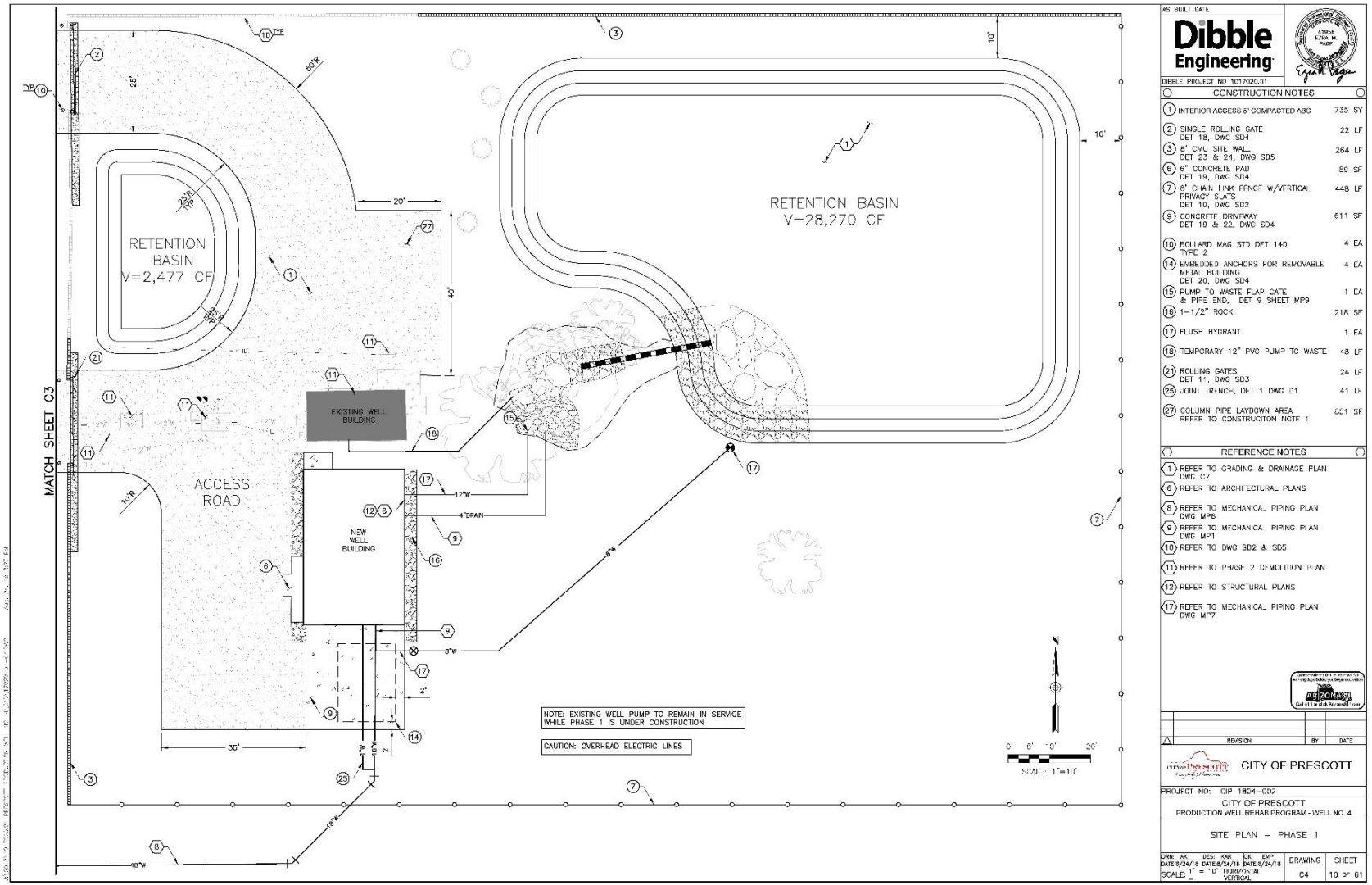
PROJECT NO: CIP 7804-002

CITY OF PRESCOTT
PRODUCTION WELL REHAB PROGRAM - WELL NO. 4

SITE PLAN - PHASE 1
ACCESS ROAD

DRN: AK	DES: KAR	CK: DMP	DRAWING	SHEET
DATE:8/24/18	DATE:8/24/18	DATE:8/24/18		
SCALE: 1" = 20' HORIZONTAL VERTICAL			C3	9 OF 61

EXHIBIT A: Site Plan Page 2



AS BUILT DATE

Dibble Engineering

DIBBLE PROJECT NO 1017020.01

CONSTRUCTION NOTES

1	INTERIOR ACCESS 6" COMPACTED ABC	735 SY
2	SINGLE ROLLING GATE DET 18, DWG SD4	22 LF
3	8" CMU SITE WALL DET 23 & 24, DWG SD5	264 LF
6	6" CONCRETE PAD DET 19, DWG SD4	59 SF
7	8' CHAIN LINK FENCE W/VERTICAL PRIVACY SLATS DET 10, DWG SD2	448 LF
9	CONCRETE DRIVEWAY DET 19 & 22, DWG SD4	611 SF
10	BOLLARD MAG STD DET 140 TYPE 2	4 EA
14	EMBEDDED ANCHORS FOR REMOVABLE METAL BUILDING DET 20, DWG SD4	4 EA
15	PUMP TO WASTE FLAP GATE & PIPE END, DET 9 SHEET MP9	1 EA
16	1-1/2" ROCK	218 SF
17	FLUSH HYDRANT	1 EA
18	TEMPORARY 12" PVC PUMP TO WASTE	48 LF
21	ROLLING GATES DET 11, DWG SD3	24 LF
25	JOINT TRENCH, DET 1 DWG D1	41 LF
27	COLUMN PIPE LAYDOWN AREA REFER TO CONSTRUCITON NOTE 1	851 SF

REFERENCE NOTES

1. REFER TO GRADING & DRAINAGE PLAN DWG C7
6. REFER TO ARCHITECTURAL PLANS
8. REFER TO MECHANICAL PIPING PLAN DWG MP8
9. REFER TO MECHANICAL PIPING PLAN DWG MP1
10. REFER TO DWG SD2 & SD5
11. REFER TO PHASE 2 DEMOLITION PLAN
12. REFER TO STRUCTURAL PLANS
17. REFER TO MECHANICAL PIPING PLAN DWG MP7

REVISION	BY	DATE

CITY OF PRESCOTT

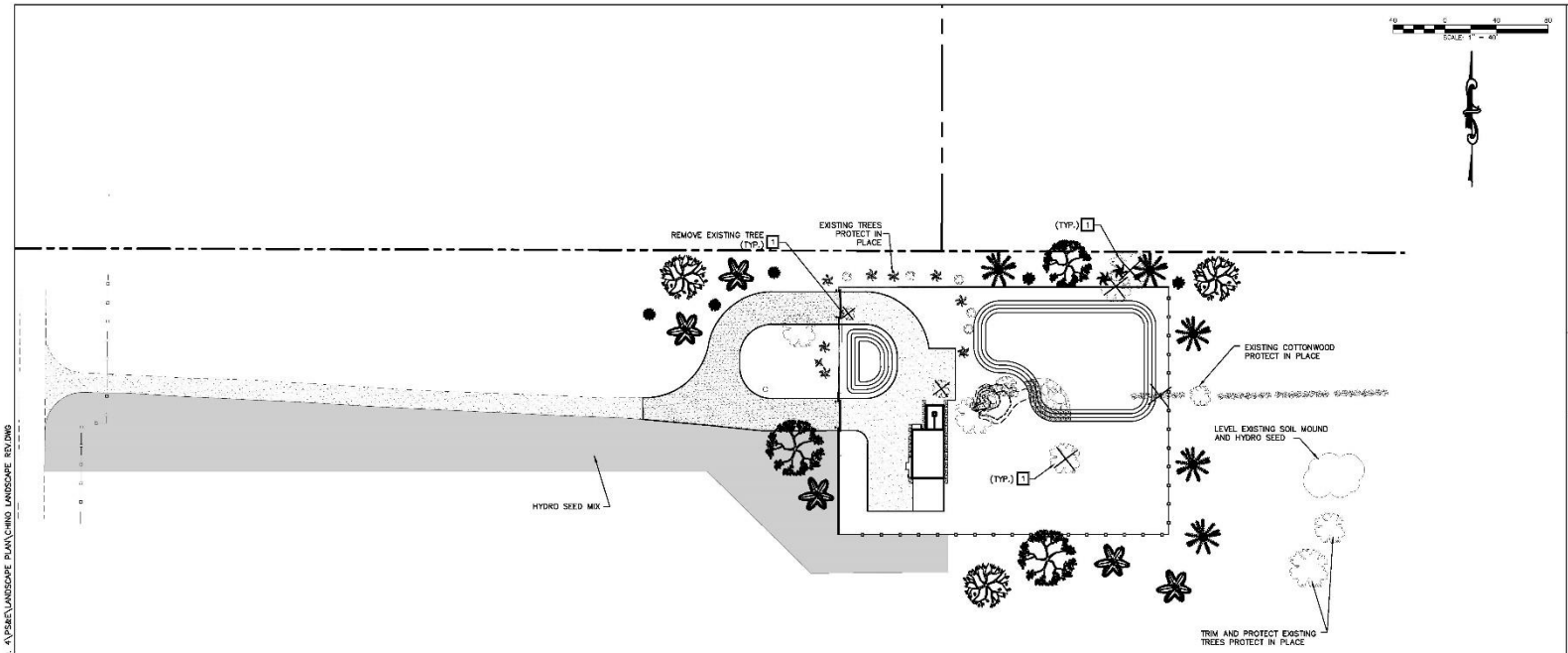
PROJECT NO: CIP 1804-GD2

CITY OF PRESCOTT
PRODUCTION WELL REHAB PROGRAM - WELL NO. 4

SITE PLAN – PHASE 1

DRN: AK	DES: KAR	CK: EVP	DRAWING	SHEET
DATE:8/24/18	DATE:8/24/18	DATE:8/24/18	C4	10 OF 61
SCALE: 1" = 10' HORIZONTAL VERTICAL				

EXHIBIT B: Landscaping Plan



EXISTING LANDSCAPING MIX OF
DEODAR CEDAR
COMMON HACKBERRY
AUSTRIAN PINE
SIBERIAN ELM

REMOVALS			
#	DESCRIPTION	QUANTITY	
1	REMOVE EXISTING TREE	5	EA
	SIBERIAN ELM RUSSIAN OLIVE COMMON HACKBERRY (SICK)		

PROPOSED LANDSCAPING			
TREES			
	DESCRIPTION	QUANTITY	
	PINUS MONOPHYLLA/EDULIS (PINYON PINE)	5	EA
	CUPRESSUS ARIZONICA (ARIZONA CYPRESS)	5	EA
	JUNIPERUS OSTEOSPERMA (UTAH JUNIPER/ONE SEED)	3	A
	CELTIS LAEVIGATA (SUGARBERRY)	3	EA
	MINIMUM TREE CALIPER SHALL BE 3" DIAMETER		
SHRUBS			
	DESCRIPTION	QUANTITY	
	RHUS TRILOBATA (THREE LEAF SUMAC)	3	EA
	FALLUGIA PARADOXA (APACHE PLUME)	2	EA
	ARTEMESIA TRIDENTATA (SAGE BRUSH)	2	EA
	GROUND COVER		
	DESCRIPTION	QUANTITY	
	HYDRO SEED MIX	15,700	SY

LANDSCAPING AND PLANTING

Seed Mix

Botanical Name	Common Name	Seed/Lb	Rate/Acre-PLS (Pure Live Seed)
Aristida purpurea	Purple three-awn	260,000	6.0
Bouteloua gracilis	Blue Gramma	825,000	2 to 3
Koeleria macrantha	Prairie Junegrass	2,315,400	1 to 2
Muhlenbergia wrightii	Spike Muhly	1,000,000	1 to 3
Festuca arizonica	Arizona Fescue	500,000	2.0
Sitnian hystrix	Squirrel Tail	192,000	4.0
Sporobolus cryptandrus	Sand Dropseed	5,296,000	1 to 2
Bouteloua curtipendula	Sideoats grama	191,000	5 to 9
Elymus elymoides	Bottlebrush squirreltail	220,000	6 to 10
Elymus glaucus	Blue wildrye	134,500	12
Pascopyrum smithii	Western wheatgrass	110,000	8 to 16
Poa fendleriana	Muttongrass	880,000	2 to 3
Sporobolus airoides	Alkalia sacaton	1,756,000	2 to 3
Forbs/Herbs (Wildflowers)			
Helianthella multiflora	Showy goldeneye	1,055,000	1 to 2
Lupinus succulentus	Arroyo lupine	15,600	20 to 30
Penstemon eatonii	Eaton's penstemon	400,000	1 to 3
Oenothera elata	Yellow evening primrose	1,300,000	1

CITY OF PRESCOTT PUBLIC WORKS

CHINO VALLEY WELL 4 SITE
LANDSCAPE PLAN

DATE 10/16/18
SHEET NO. 1 OF 1

CITY OF PRESCOTT
Everybody's Hometown

PREPARED BY: JHK | CHECKED BY: --- | FOR: COP

CHINO VALLEY PRODUCTION WELL#4 REHABILITATION

NO.	BY	DATE	REVISIONS	APPRV	DATE
				CITY	
				ENGINEER	

REVIEW:

CIP #1804-002

FILE NAME&PATH: N:\GIP\CIP PROJECTS FY2011_FY2020\FY18 CIP PROJECTS\CIP1804-002 CHINO WELL NO. 4\PSE\LANDSCAPE PLAN\CHINO LANDSCAPE REV.DWG

Development Services Department
1982 Voss Drive #203
Chino Valley, AZ 86323

Phone number: (928) 636-4427
Fax number: (928) 636-6937
www.chinoaz.net

January 8, 2019

City of Prescott
433 North Virginia Street
Prescott, AZ 86301

RE: Conditional Use Permit (C18-007)
Rehabilitation of existing well site in the PL (Public Land) zoning district

On January 8, 2019, the Chino Valley Town Council approved a Conditional Use Permit in the above-referenced case for approximately 14.46 acres of property located at 1525 North Road 1 East, as shown on Exhibits 1 (legal description) and 2 (map), which are attached hereto and incorporated herein. The minutes from the Town Council meeting are available from the Town Clerk or online at chinoaz.net.

The Use Permit permits the rehabilitation of the existing well site include removing of the existing building and constructing of a new facility along with other improvements within the PL (Public Land) zoning district. The use and operation permitted by the Use Permit shall substantially conform to the Design Plan, attached hereto and incorporated herein as Exhibit 3.

This Use Permit is subject to all limitations set forth in the Chino Valley Unified Development Ordinance and in this Use Permit, including termination and/or revocation. The effective date of this Use Permit is the date upon which Town Council approved said permit.

Please ensure that all public hearing notice signs installed on the site, if any, are removed immediately.

If you have any questions regarding this Use Permit, please contact Alejandro Lerma at 928-636-2646 Ext. 1295 or by email at alerma@chinoaz.net.

Sincerely,

Alejandro Lerma
Planner

3008459.3

Development Services Department
1982 Voss Drive #203
Chino Valley, AZ 86323

Phone number: (928) 636-4427
Fax number: (928) 636-6937
www.chinoaz.net

Enclosure (Exhibits):
1. Legal Description
2. Map
3. Site Plan

Development Services Department
1982 Voss Drive #203
Chino Valley, AZ 86323

Phone number: (928) 636-4427
Fax number: (928) 636-6937
www.chinoaz.net

Exhibit 1 – Legal Description

Development Services Department
1982 Voss Drive #203
Chino Valley, AZ 86323

Phone number: (928) 636-4427
Fax number: (928) 636-6937
www.chinoaz.net

All that portion of Tract 54, Township 16 North, Range 2 West of the Gila and Salt River Base and Meridian, according to the plat approved by the General Land Office November 29, 1915, lying East of the following described line:

Beginning at a Corner No. 2 of said Tract 54; thence Southerly along the 2-3 Line of said Tract and a continuation thereof to a point in the South line of said Tract 54.

Development Services Department
1982 Voss Drive #203
Chino Valley, AZ 86323

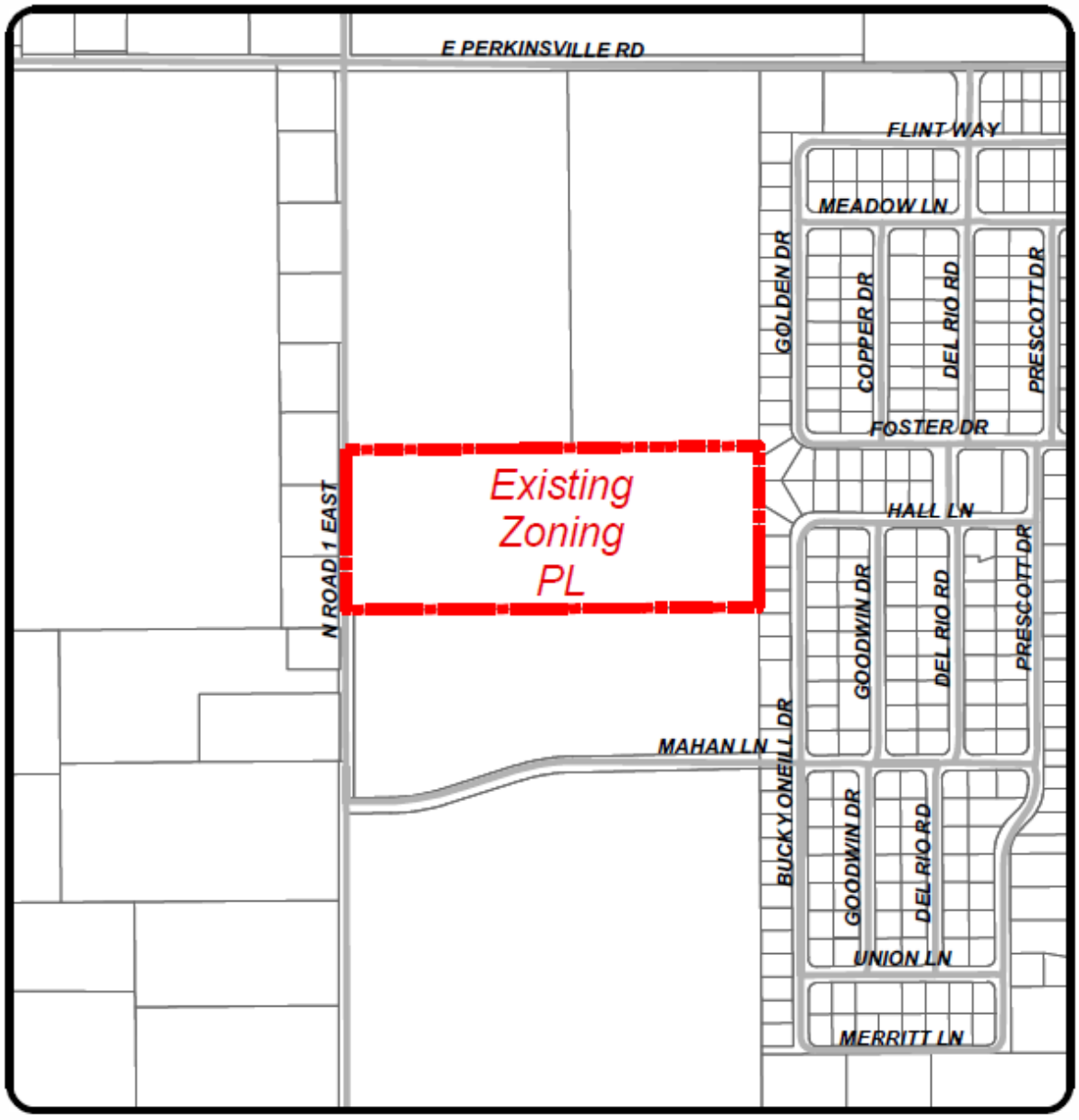
Phone number: (928) 636-4427
Fax number: (928) 636-6937
www.chinoaz.net

Exhibit 2 – Map

Development Services Department
1982 Voss Drive #203
Chino Valley, AZ 86323

Phone number: (928) 636-4427
Fax number: (928) 636-6937
www.chinoaz.net

EXHIBIT 2



C18-000007: CITY OF PRESCOTT

■ ■ ■ Subject Property

Applicant: John Kuebrich (City of Prescott)

Request: Rehabilitation of the existing well site (Well #4) .

Location: 1525 North Road 1 East Chino Valley, Arizona, 86323

APN: 306-18-010K

N

Not to Scale

Development Services Department
1982 Voss Drive #203
Chino Valley, AZ 86323

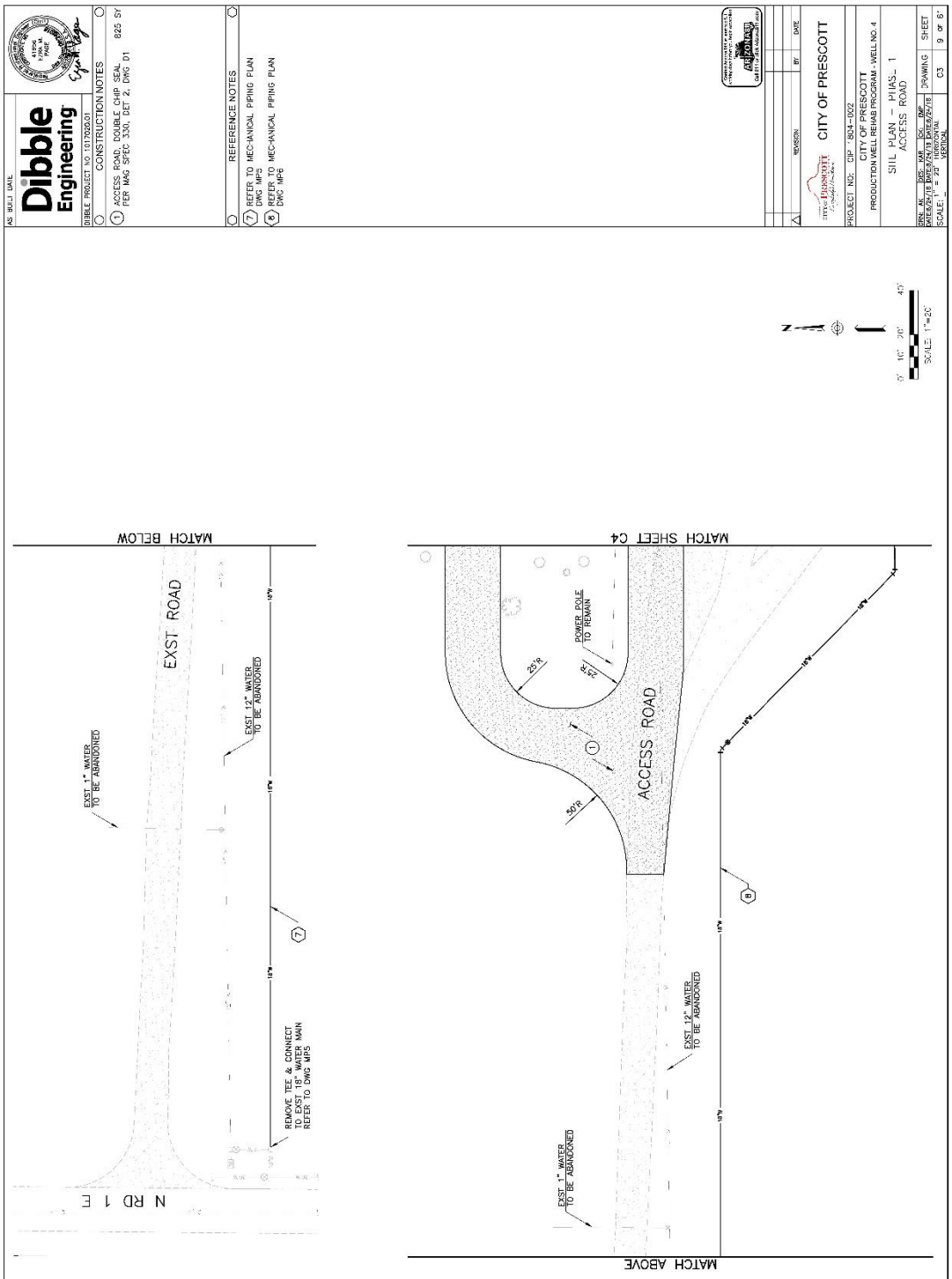
Phone number: (928) 636-4427
Fax number: (928) 636-6937
www.chinoaz.net

Exhibit 3 – Design Plan

Development Services Department
1982 Voss Drive #203
Chino Valley, AZ 86323

Phone number: (928) 636-4427
Fax number: (928) 636-6937
www.chinoaz.net

Exhibit 3 – Design Plan



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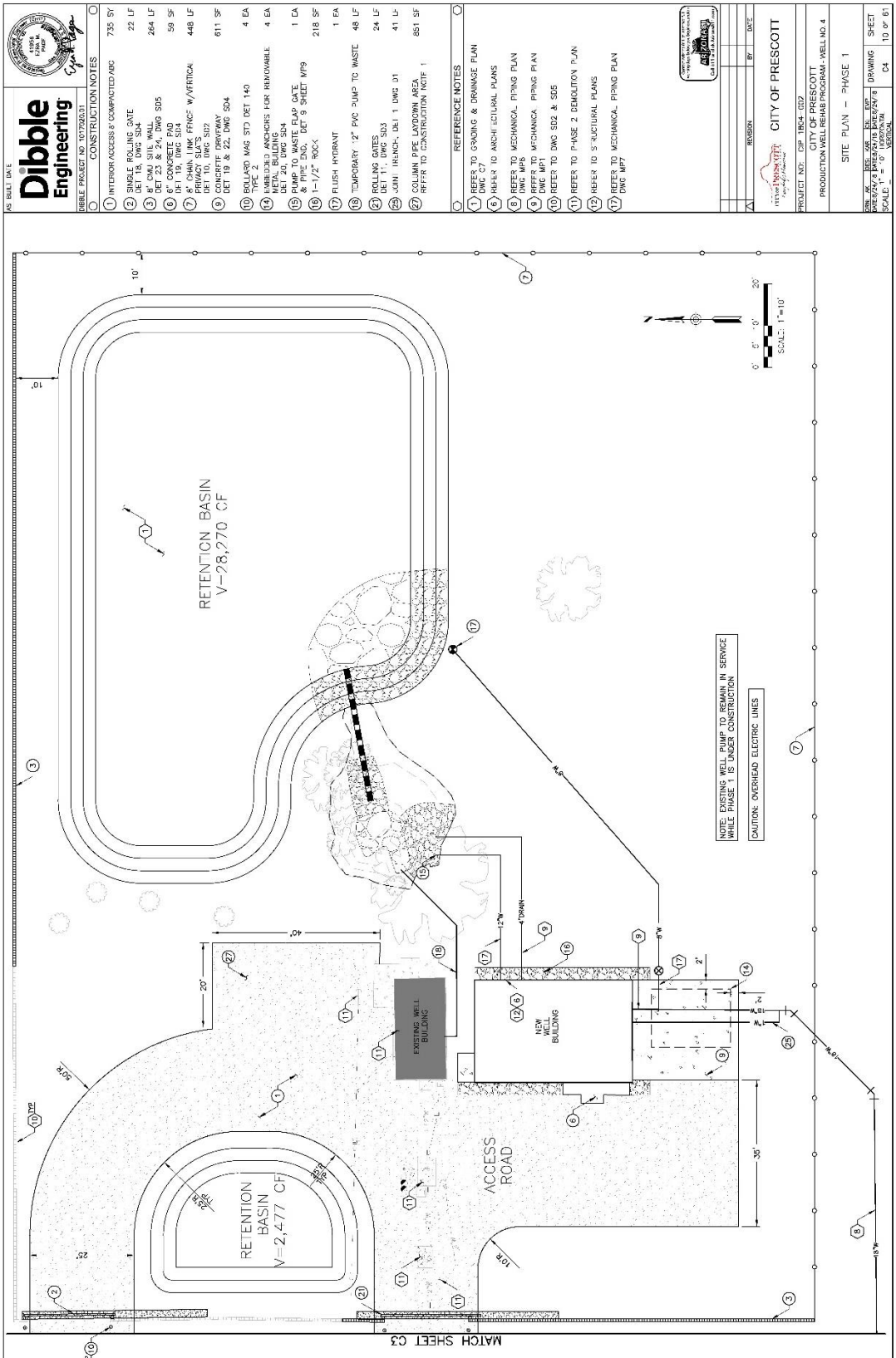
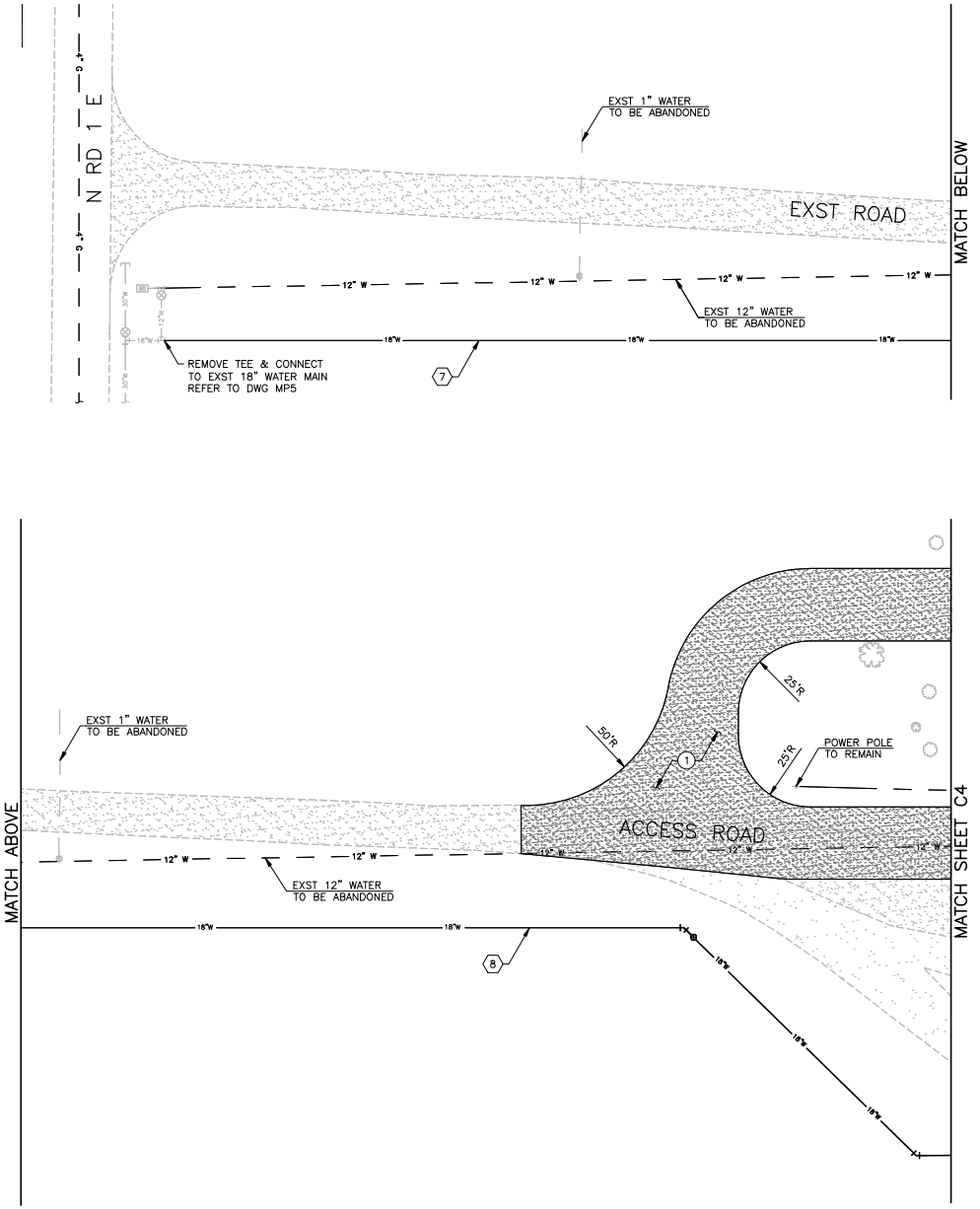


3008



N

0' 10' 20' 40'

SCALE: 1"=20'

AS BUILT DATE

Dibble Engineering

DIBBLE PROJECT NO 1017020.01

41956
EZRA M.
PAGE
REGISTERED PROFESSIONAL ENGINEER
ARIZONA U.S.A.

CONSTRUCTION NOTES

1. ACCESS ROAD, DOUBLE CHIP SEAL PER MAG SPEC 330, DET 2, DWG D1 — 825 SY

REFERENCE NOTES

7. REFER TO MECHANICAL PIPING PLAN DWG MP5
8. REFER TO MECHANICAL PIPING PLAN DWG MP6

REVISION	BY	DATE

CITY OF PRESCOTT
Everybody's Hometown

CITY OF PRESCOTT

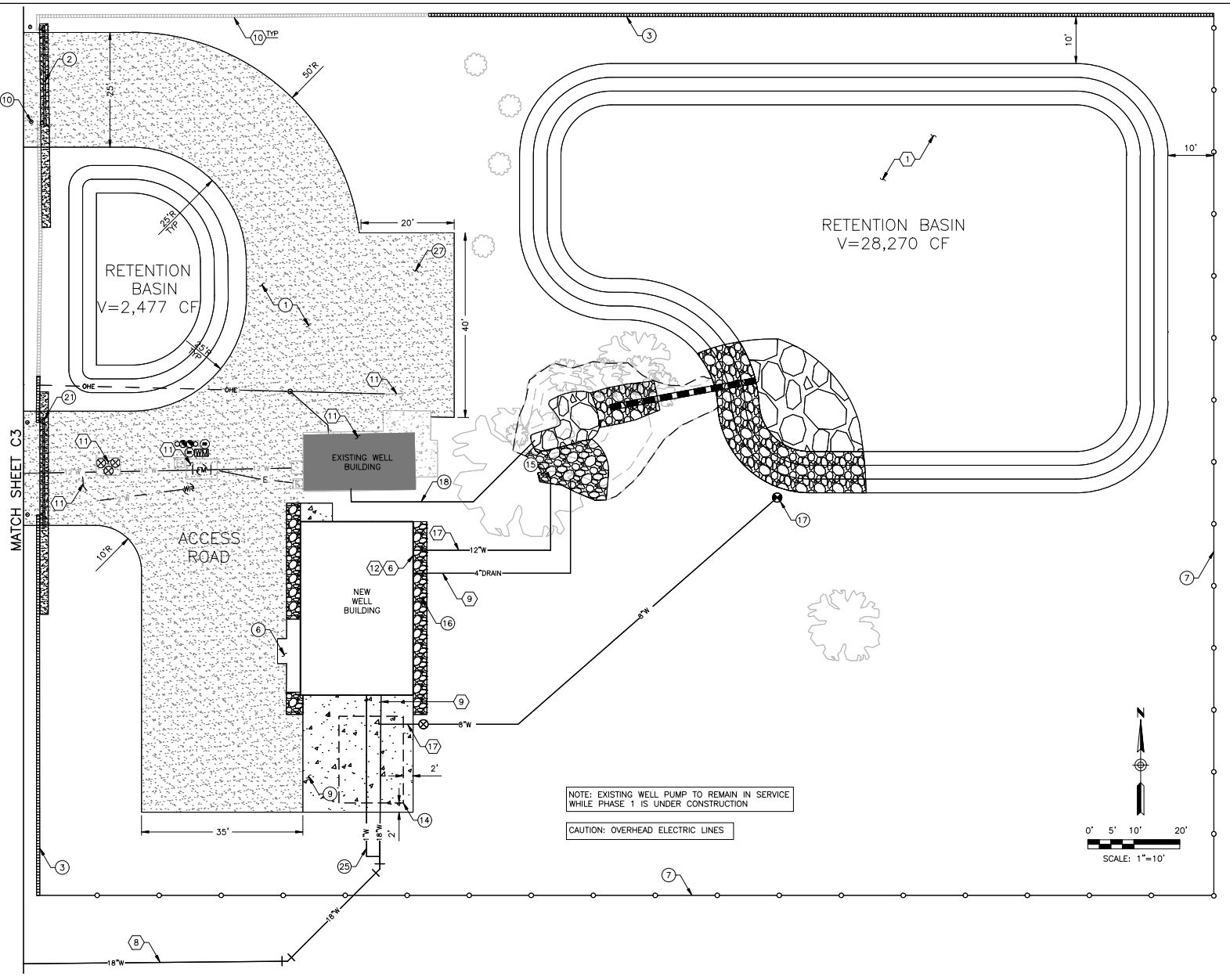
PROJECT NO: CIP 1804-002

CITY OF PRESCOTT
PRODUCTION WELL REHAB PROGRAM - WELL NO. 4

SITE PLAN – PHASE 1
ACCESS ROAD

DRN: AK	DES: KAR	CK: EMP	DRAWING	SHEET
DATE:8/24/18	DATE:8/24/18	DATE:8/24/18		
SCALE: 1" = 20' HORIZONTAL VERTICAL			C3	9 OF 61

J:\2017\1017020.01_PRESCOTT_PRODUCTION_WELL_NO._4\CAD\17020_01-C3.DWG Aug. 24, 18 3:26 PM



AS BUILT DATE

Dibble Engineering

DIBBLE PROJECT NO 1017020.01

41956 EZRA M. PAGE

CONSTRUCTION NOTES

1	INTERIOR ACCESS 8" COMPACTED ABC	735 SY
2	SINGLE ROLLING GATE DET 18, DWG SD4	22 LF
3	8' CMU SITE WALL DET 23 & 24, DWG SD5	264 LF
6	6" CONCRETE PAD DET 19, DWG SD4	59 SF
7	8' CHAIN LINK FENCE W/VERTICAL PRIVACY SLATS DET 10, DWG SD2	448 LF
9	CONCRETE DRIVEWAY DET 19 & 22, DWG SD4	611 SF
10	BOLLARD MAG STD DET 140 TYPE 2	4 EA
14	EMBEDDED ANCHORS FOR REMOVABLE METAL BUILDING DET 20, DWG SD4	4 EA
15	PUMP TO WASTE FLAP GATE & PIPE END, DET 9 SHEET MP9	1 EA
16	1-1/2" ROCK	218 SF
17	FLUSH HYDRANT	1 EA
18	TEMPORARY 12" PVC PUMP TO WASTE	48 LF
21	ROLLING GATES DET 11, DWG SD3	24 LF
25	JOINT TRENCH, DET 1 DWG D1	41 LF
27	COLUMN PIPE LAYDOWN AREA REFER TO CONSTRUCITON NOTE 1	851 SF

REFERENCE NOTES

1. REFER TO GRADING & DRAINAGE PLAN DWG C7
6. REFER TO ARCHITECTURAL PLANS
8. REFER TO MECHANICAL PIPING PLAN DWG MP6
9. REFER TO MECHANICAL PIPING PLAN DWG MP1
10. REFER TO DWG SD2 & SD5
11. REFER TO PHASE 2 DEMOLITION PLAN
12. REFER TO STRUCTURAL PLANS
17. REFER TO MECHANICAL PIPING PLAN DWG MP7

REVISION	BY	DATE

CITY OF PRESCOTT

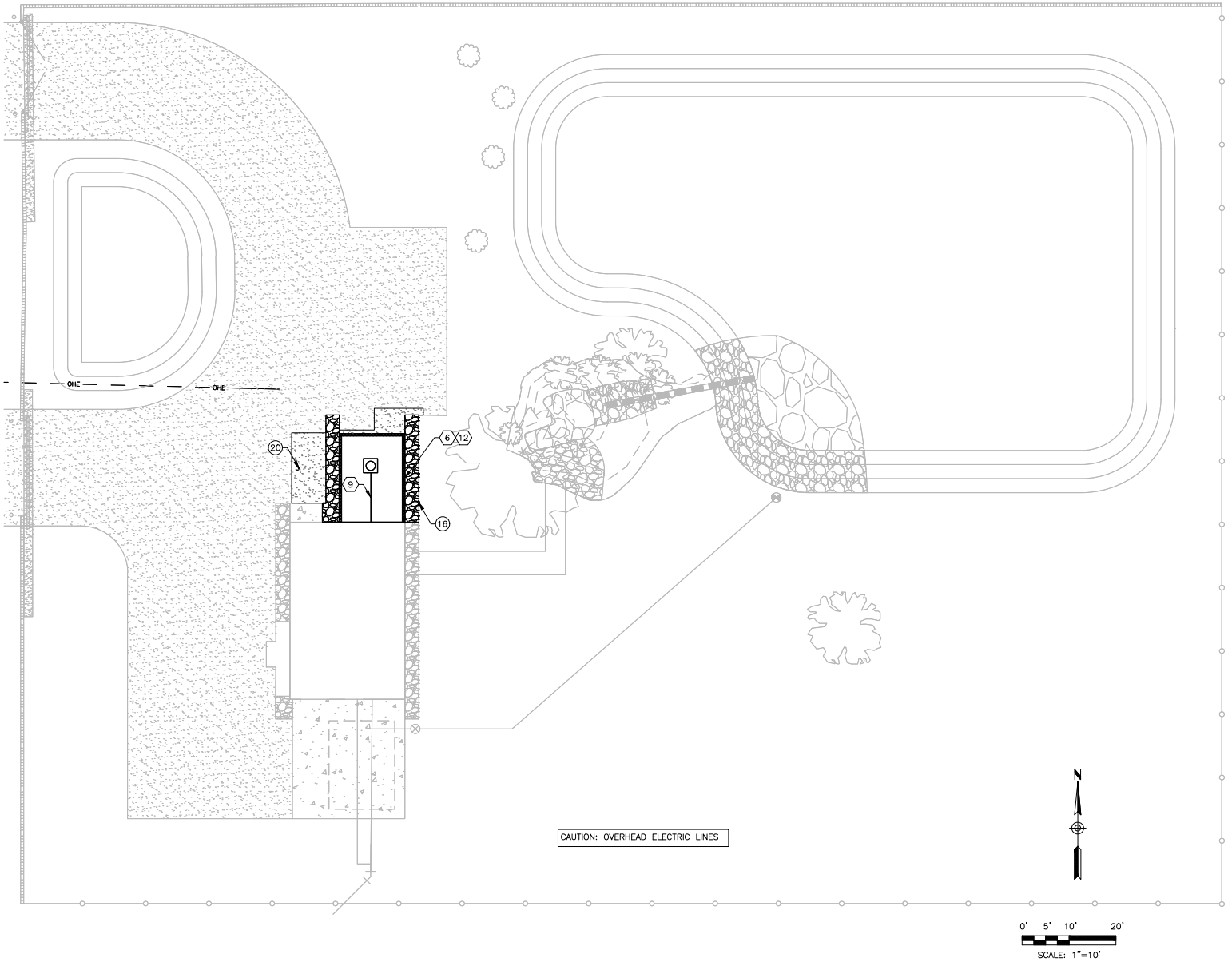
PROJECT NO: CIP 1804-002

CITY OF PRESCOTT
PRODUCTION WELL REHAB PROGRAM - WELL NO. 4

SITE PLAN – PHASE 1

DRN: AK	DES: KAR	CK: EMP	DRAWING	SHEET
DATE:8/24/18	DATE:8/24/18	DATE:8/24/18		
SCALE: 1" = 10' HORIZONTAL VERTICAL			C4	10 OF 61

J:\2017\1017020.01_PRESCOTT_PRODUCTION_WELL_NO_4\CAD\17020_01-C4.DWG Aug. 24, 18 3:27 PM



AS BUILT DATE

Dibble Engineering

DIBBLE PROJECT NO 1017020.01

41956 EZRA M. PAGE

CONSTRUCTION NOTES

16	1-1/2" ROCK	15 SY
20	ACCESS ROAD, 6" COMPACTED ABC	26 SY

REFERENCE NOTES

6 REFER TO ARCHITECTURAL PLANS

9 REFER TO MECHANICAL PIPING PLAN DWG MP1

12 REFER TO STRUCTURAL PLANS

REVISION	BY	DATE

CITY OF PRESCOTT

PROJECT NO: CIP 1804-002

CITY OF PRESCOTT
PRODUCTION WELL REHAB PROGRAM - WELL NO. 4

SITE PLAN - PHASE 2

DRN: AK	DES: KAR	CK: EMP	DRAWING	SHEET
DATE:8/24/18	DATE:8/24/18	DATE:8/24/18		
SCALE: 1" = 10' HORIZONTAL VERTICAL			C5	11 OF 61

J:\2017\1017020.01_PRESCOTT_PRODUCTION_WELL_NO._4\CAD\17020_01-C5.DWG Aug. 24, 18 3:27 PM

LANDSCAPING AND PLANTING
Seed Mix

Botanical Name	Common Name	Seed/Lb	Rate/Acre-PLS (Pure Live Seed)
Aristida purpurea	Purple three-awn	250,000	6.0
Bouteloua gracilis	Blue Gramma	825,000	2 to 3
Koeleria macrantha	Prairie Junegrass	2,315,400	1 to 2
Muhlenbergia wrightii	Spike Muhly	1,000,000	1 to 3
Festuca arizonica	Arizona Fescue	500,000	2.0
Sitnion hystrix	Squirrel Tail	192,000	4.0
Sporobolus cryptandrus	Sand Dropseed	5,298,000	1 to 2
Bouteloua curtipendula	Sideoats grama	191,000	5 to 9
Elymus elymoides	Bottlebrush squirreltail	220,000	6 to 10
Elymus glaucus	Blue wildrye	134,500	12
Pascopyrum smithii	Western wheatgrass	110,000	8 to 16
Poa fendleriana	Muttongrass	880,000	2 to 3
Sporobolus airoides	Alkalia sacaton	1,738,000	2 to 3
Forbs/Herbs (Wildflowers)			
Heliomeris multiflora	Showy goldeneye	1,055,000	1 to 2
Lupinus succulentus	Arroyo lupine	15,600	20 to 30
Penstemon eatonii	Eaton's penstemon	400,000	1 to 3
Oenothera elata	Yellow evening primrose	1,300,000	1

PROPOSED LANDSCAPING

	TREES		
	DESCRIPTION	QUANTITY	
	PINUS MONOPHYLA/EDULIS (PINYON PINE)	5	EA
	CUPRESSUS ARIZONICA (ARIZONA CYPRESS)	5	EA
	JUNIPERUS OSTEOSPERMA (UTAH JUNIPER/ONE SEED)	3	EA
	CELTIS LAEVIGSATA (NETLEAF HACKBERRY)	3	EA
	MINIMUM TREE CALIPER SHALL BE 3" DIAMETER		
	SHRUBS		
	DESCRIPTION	QUANTITY	
	RHUS TRICOBATA (THREE LEAF SUMAC)	3	EA
	FALLUGIA PARADOXA (APACHE PLUME)	2	EA
	ARTEMESIA TRIDENTATA (SAGE BRUSH)	2	EA
	GROUND COVER		
	DESCRIPTION	QUANTITY	
	HYDRO SEED MIX	13,200	SY

EXISTING LANDSCAPING MIX OF

DEODAR CEDAR
COMMON HACKBERRY
AUSTRIAN PINE
SIBERIAN ELM

#	REMOVALS	
	DESCRIPTION	QUANTITY
1	REMOVE EXISTING TREE	5 EA
	SIBERIAN ELM RUSSIAN OLIVE COMMON HACKBERRY (SICK)	

CITY OF PRESCOTT PUBLIC WORKS

DATE 10/16/18

CHINO VALLEY WELL 4 SITE
LANDSCAPE PLAN

SHEET NO. 1 OF 1

PREPARED BY	CHECKED BY	FOR:
JHK	---	COP

CITY OF PRESCOTT
Everything Arizona

Call at least two full working days before you begin excavation.
ARIZONA811
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)
In Maricopa County: (602) 263-1100

REVISIONS	CITY APPRV	CITY DATE

ENGINEER NO.	BY	DATE

REVIEW:

CIP #:1804-002

CHINO VALLEY PRODUCTION WELL#4 REHABILITATION

FILE NAME&PATH: N:\CIP\CIP PROJECTS FY2011-FY2020\FY18 CIP PROJECTS\CIP1804-002 CHINO WELL NO. 4\PS&E\LANDSCAPE PLAN\CHINO LANDSCAPE REV.DWG

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **7.e.**

Meeting Date:	01/08/2019
Contact Person:	Alex Lerma, Associate Planner
	Phone: 928-626-4427 x-1295
Department:	Development Services
Item Type:	Action-Presentation
Estimated length of staff presentation:	5 minutes
Physical location of item:	Located approximately 375 feet east of the northeast corner of State Route 89 and Road 4 North intersection at 868 East Road 4 North.

AGENDA ITEM TITLE:

Consideration and possible action to adopt Ordinance 2019-858 to rezone 2.71 acres of real property, Assessor's Parcel No. 306-04-010U, located approximately 375 feet east of the northeast corner of State Route 89 and Road 4 North intersection at 868 East Road 4 North from CH (Commercial Heavy) zoning district to CL (Commercial Light) zoning district. (Owner of Record: Corey and Robin Mendoza) (Alex Lerma, Planner)

RECOMMENDED ACTION:

Adopt Ordinance 2019-858 to rezone 2.71 acres of real property from CH (Commercial Heavy) zoning district to CL (Commercial Light) zoning district.

SITUATION AND ANALYSIS:

See attached Staff Report.

Fiscal Impact

Fiscal Impact?: None
If Yes, Budget Code:
Available:
Funding Source:

Fiscal Impact?: None
If Yes, Budget Code:
Available:
Funding Source:

Attachments

Mendoza Road 4 North Staff Report
Mendoza Road 4 North Site Plan
Ordinance 2019-858

TOWN COUNCIL
STAFF REPORT

APPLICATION SUMMARY

File Number:	Z18-000022
Assessor's Parcel Number:	306-04-010U
Site Location:	Located approximately 375 feet east of the northeast corner of State Route 89 and Road 4 North intersection at 868 East Road 4 North.
Property Owner:	Corey and Robin Mendoza
Applicant:	Corey and Robin Mendoza
Request:	Request to rezone approximately 2.71 acres of real property from CH (Commercial Heavy) zoning district to CL (Commercial Light) zoning district.

SITE DATA

Existing Zoning	CH (Commercial Heavy)
Lot Size	2.71 acres (approx. 118,047 sq. ft.)
Subdivision	N/A
General Plan Land Use Designation	Potential Community Core
Existing Land Use	trucking business, medical marijuana research and development facility

BACKGROUND

SITE DESCRIPTION

The subject property is located approximately 375 feet east of the northeast corner of State Route 89 and Road 4 North intersection at 868 East Road 4 North. The site is currently accessed through East Road 4 North. The site has a zoning classification of CH (Commercial Heavy) and identified with a Land Use Designation of Potential Community Core. Improvements to the property include an office building and three (3) steel buildings. **See Figure 1: Site Map**

Figure 1: Site Map

PROJECT HISTORY

On June 24, 2010 Town Council adopted Ordinance 10-733 to provide for the zone change of Assessor's Parcel Number 306-04-01J, the property's parent parcel, from AR-5 (Agricultural/Residential- 5 Acre Minimum) to CH (Commercial Heavy).

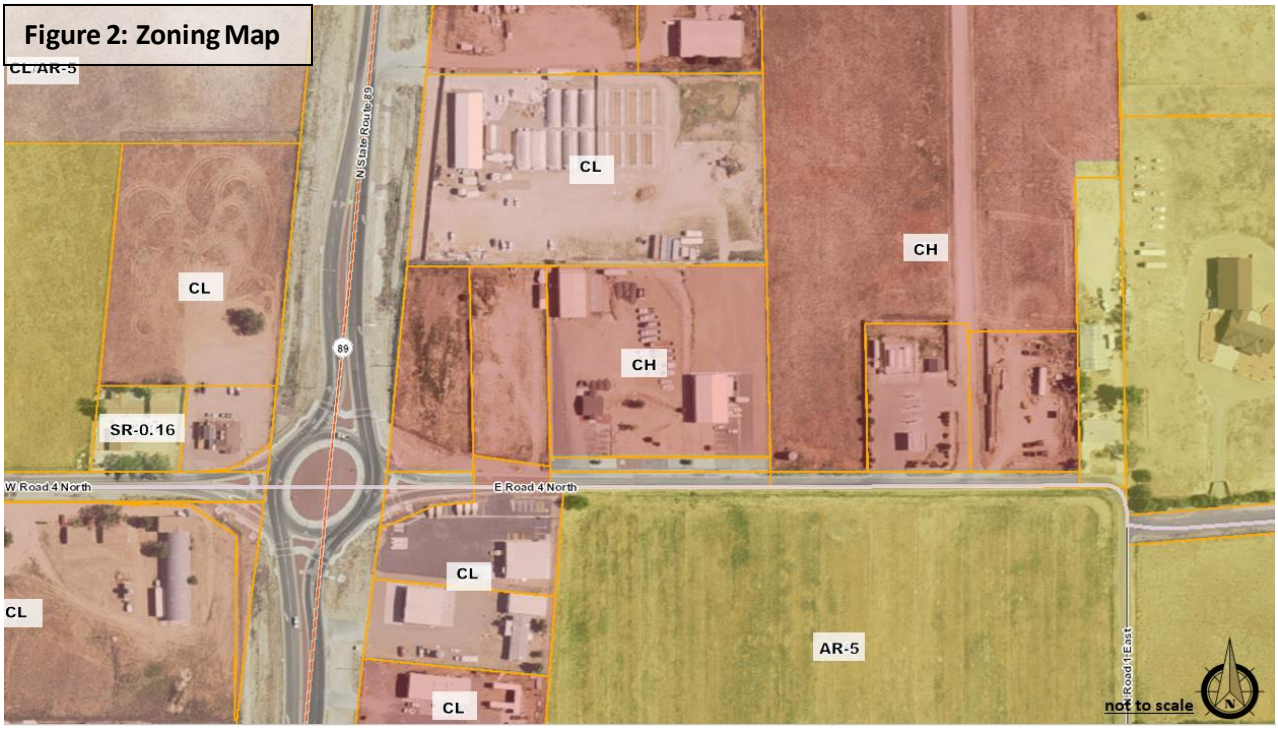
On April 25th, 2017 Town Council approved a Conditional Use Permit (CUP17-001) for Assessor's Parcel Number 306-04-010U to allow a medical marijuana research facility within the (CH) Commercial Heavy zoning district, subject to the following conditions:

1. The CUP shall be in effect for a period of 10 years, unless terminated earlier by the Owner or Town pursuant to the UDO.
2. There shall be no indication of the use of the structure visible from the outside, i.e., no signage.
3. Product shall be transferred to other recognized medical research facilities only. No product produced at the facility shall be offered for sale or distribution to the public or to wholesale outlets.
4. Leaves, stems and all other parts of the plant that are not processed or grown specifically for research purposes shall be destroyed before leaving the facility.
5. Access to the facility is limited to research staff only. No members of the general public shall be admitted.
6. No hazardous materials shall be used or created.
7. Security measures shall be equal to or greater than that which is required by A.R.S. Title 36, Public Health and Safety, Chapter 28.1 Arizona Medical Marijuana Act, and Arizona Administrative Code Title 9 Health Services, Chapter 17 Medical Marijuana Program.

8. All research activities shall take place within an enclosed, locked facility.

9. The owner or operator of the facility shall comply with all federal, state, and local laws and regulations and shall obtain all licensing and certifications required by federal, state and local laws for the research conducted within the facility.

Figure 2: Zoning Map



SURROUNDING PROPERTIES ZONING AND LAND USES

The area is predominantly made up of commercial uses and vacant land. The property directly to the north is zoned CL (Commercial Light) and is currently being used for a MMJ growing facility. To the east, properties are zoned CH (Commercial Heavy). These properties are currently used as a fueling station and vacant land. Further east, properties are zoned AR-5 (Agricultural Residential- 5 Acre Minimum), these properties currently contain residential uses. Directly to the south, properties are zoned AR-5 (Agricultural Residential-5 Acre Minimum), CL (Commercial Light) and CH (Commercial Heavy). These properties to the south are being used for frozen good sales/delivery, a Baptist church and vacant land. To the west, properties are zoned CH (Commercial Heavy), and are currently vacant land. **See Figure 2: Zoning Map**

AREA	ZONING	GENERAL PLAN LAND USE DESIGNATION	LAND USE
North	CL	Potential Community Core	Commercial Use
East	CH	Potential Community Core	Vacant
South	AR-5, CL, CH	Potential Community Core, Commercial/ Multi- Family Residential	Commercial Use, Vacant
West	CH	Potential Community Core	Vacant

PROJECT DESCRIPTION

The applicant has requested to rezone approximately 2.71 acres from CH (Commercial Heavy) zoning district to CL (Commercial Light) zoning district. C&R Trucking, the primary business on the property, will be relocating to another location. The more intense land use of trucking maintenance will no longer be needed on the site. The existing tenant will be using the entire property. The applicant believes that removing the trucking business and down-zoning the property will reduce the impact on the surrounding area based on the less intense uses allowed in the CL (Commercial Light) zoning district. All existing buildings will remain and will be used for future purposes. **See Appendix A: Site Plan**

CITIZENS REVIEW & PUBLIC HEARING PROCESS

Town Staff notified property owners within a 300 foot radius, resulting in nine (9) notices informing them of the scheduled neighborhood meeting and public hearings. To date, Staff has not received any request for this application.

The neighborhood meeting was held on October 24, 2018 at Town Hall. There were no attendees at said meeting.

The item went before the Planning and Zoning Commission on November 6, 2018. The Planning and Zoning Commission forwarded a recommendation of approval to Town Council for this.

Passed- Unanimously

STAFF ANALYSIS AND RECOMMENDATION

GENERAL PLAN CONFORMANCE

The property has a General Plan Land Use Designation of Commercial and Potential Community Core. Through the General Plan, the Town has identified six Community Cores and the types of Land Uses for each Core. The Cores should be a mixture of land uses that implement important components such as pedestrian, building appearance, colors street trees and other types of vegetation. The Cores should offer alternative lifestyles, should support local businesses and should promote future business expansion.

The subject property is within one of the Cores that has been identified as a Long-Term Core or a Core that will begin development after 10 years. The Future Mixed-Use Hub Road 4 North/ State Route 89 Core identifies two Corridor Potentials. The first is a planned round-about which was completed in 2013-2014. The second is a future north loop to Old Home Manor developments.

Although the 4 North/ State Route 89 Potential Community Core is a long-term core, preparation for the future is essential. Having several different zoning districts within the core will allow different land uses to develop within the core. The use of residential development with a mix of different commercial land uses will conform to the Towns vision of Community Cores. The CL zoning district will allow for less intense land uses within a Core that has more intense uses overall.

ZONING

The property directly to the south is a 30-acre lot subdivision within the AR-5 zoning district, this property has the potential to be developed as a medium density residential subdivision or subdivided into low density residential lots. Having residential zoning districts abutting a Commercial Heavy zoning district becomes a concern to staff based on the intense uses allowed in the CH zoning district and the negative impact they might have on abutting residences. Negative impacts such as noise, dust, lights and smells are factors more commonly attributed to more intense commercial uses. The CL zoning district will reduce the impact the property might produce on the adjacent property by down-zoning to lighter commercial land uses. The adjacent properties to the north and south have a zoning classification of CL and will support the applicants zoning request of the same classification.

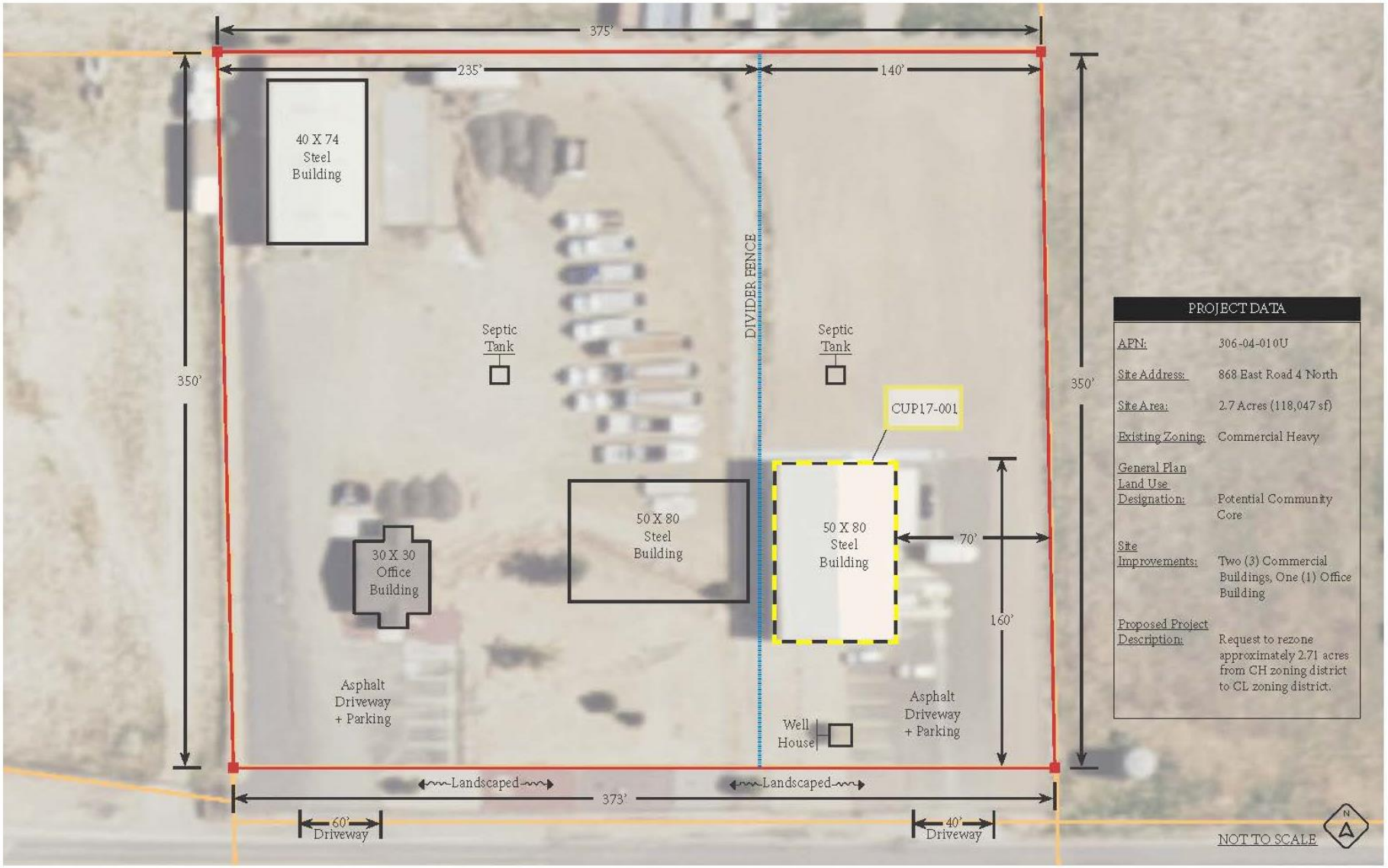
CONDITIONAL USE PERMIT (CUP17-001)

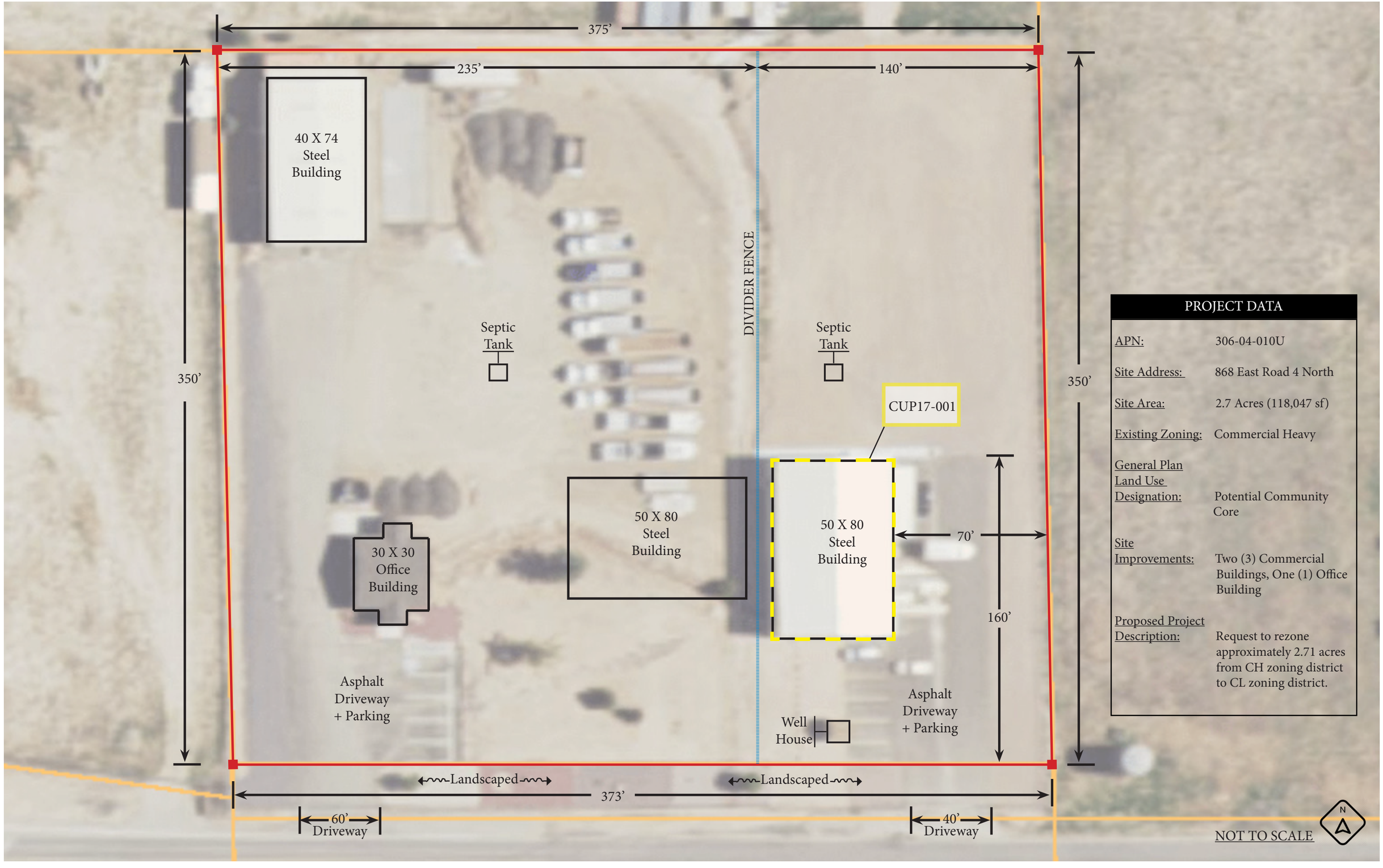
The Conditional Use Permit approved by Council on April 25th, 2017 to allow a medical marijuana research facility will not have an effect on the zone change. The Conditional Use Permit is static or separate from the property's zoning classification. If the applicant's zoning request is approved, the Conditional Use Permit will remain the same. Since the approval date of April 25, 2017, the applicant has abided by all conditions set forth in CUP17-001 and under the new zoning district.

STAFF RECOMMENDATION

Staff and Planning and Zoning Commission forward a recommendation of approval to Town Council to adopt Ordinance 18-858 to rezone 2.71 acres of real property from CH (Commercial Heavy) zoning district to CL (Commercial Light) zoning district for APN 306-04-010U.

APPENDIX: A SITE PLAN





PROJECT DATA	
APN:	306-04-010U
Site Address:	868 East Road 4 North
Site Area:	2.7 Acres (118,047 sf)
Existing Zoning:	Commercial Heavy
General Plan Land Use Designation:	Potential Community Core
Site Improvements:	Two (3) Commercial Buildings, One (1) Office Building
Proposed Project Description:	Request to rezone approximately 2.71 acres from CH zoning district to CL zoning district.

ORDINANCE NO. 2019-858

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, APPROVING A CHANGE OF ZONING AND AMENDMENT TO THE OFFICIAL ZONING MAP FOR APPROXIMATELY 2.71 ACRES OF REAL PROPERTY GENERALLY LOCATED APPROXIMATELY 375 FEET EAST OF THE NORTHEAST CORNER OF STATE ROUTE 89 AND ROAD 4 NORTH, AT 868 EAST ROAD 4 NORTH, FROM THE CH (COMMERCIAL HEAVY) ZONING DISTRICT TO THE CL (COMMERCIAL LIGHT), ZONING DISTRICT.

WHEREAS, the Mayor and Common Council of the Town of Chino Valley (the "Town Council") desires to amend the Town of Chino Valley Official Zoning Map for a ±2.71 acre parcel zoned CH (Commercial Heavy) to CL (Commercial Light); and

WHEREAS, the Town Council has determined that this amendment to the Official Zoning Map conforms with the Town of Chino Valley General Plan and any applicable specific area plan, neighborhood plan, or other plan, and any overlay zoning district; and

WHEREAS, all required public notice was provided and all required public meetings and hearings were held in accordance with applicable state and local laws; and

WHEREAS, the Planning and Zoning Commission recommended approval of the rezoning; and

WHEREAS, the Town Council has considered the individual property rights and personal liberties of the residents of the Town before adopting this Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

Section 1. The recitals above are incorporated as if fully set forth herein.

Section 2. The Official Zoning Map is hereby amended for property consisting of approximately 2.71 acres, described in Exhibit 1 and as shown on the Zoning Exhibit (map) in Exhibit 2, both attached hereto and incorporated herein by this reference, to rezone it from CH (Commercial Heavy) to CL (Commercial Light). The Property described herein shall be used in accordance with the Town of Chino Valley Unified Development Ordinance.

Section 3. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Ordinance.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 8th day of January, 2019.

_____
Darryl L. Croft, Mayor

ATTEST:

_____
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Ordinance No. 2019-858 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on January 8, 2019, and that quorum was present, and that the vote thereon was ___ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

_____
Jami C. Lewis, Town Clerk

EXHIBIT 1
TO
ORDINANCE NO. 2019-858

[Legal Description]

See following pages.

The East 1102 feet of the Southeast quarter of the Southeast quarter of Section 3, Township 16 North. Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, lying East of U.S. Highway 89.

EXCEPTING therefrom the East 600 and the North 1034.1 feet, and EXCEPTING the following described parcel:

Beginning at the Southwest corner of the above described parcel;

Thence East along the South line of the Southeast quarter of said Section 3, 130 feet;

Thence North 375 feet to a point on the North line of the above described parcel;

Thence West 130 feet along said North line;

Thence South 375 feet along the West line of said parcel, to the TRUE POINT OF BEGINNING, as recorded in Book 2381 of Official Records, Page 450, records of Yavapai County, Arizona.

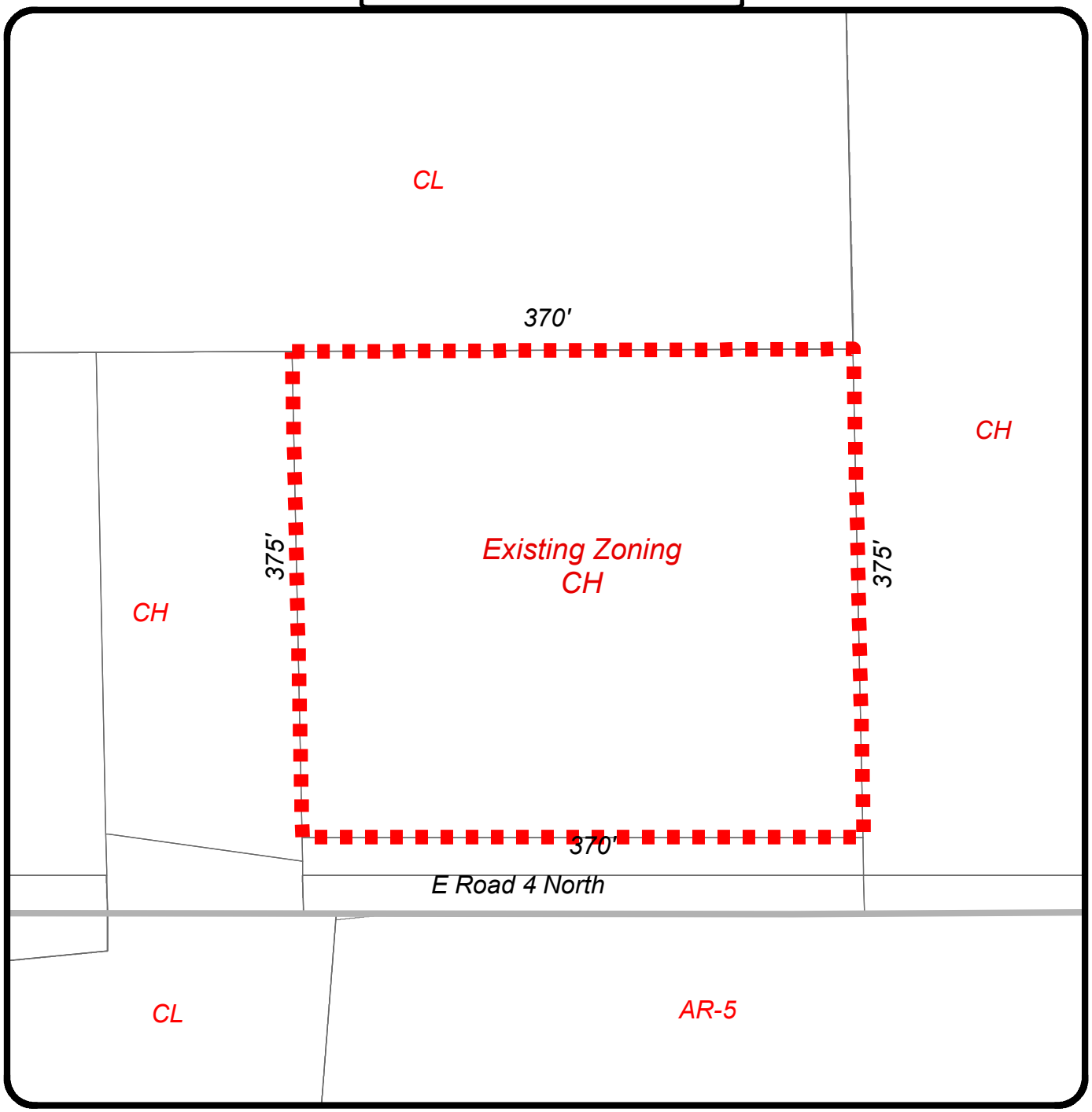
ALSO EXCEPT any portion lying within dedicated roadway known as East Road 4 North.

EXHIBIT 2
TO
ORDINANCE NO. 2019-858

[Zoning Exhibit]

See following pages.

Zoning Exhibit A



Z18-000022: MENDOZA

Subject Property

Applicant: Corey Mendoza

Request: Rezone 2.71 acres from CH zoning district to CL zoning district.

Location: 864 East Road 4 North Chino Valley, AZ 86323

APN: 306-04-010U

N

Not to Scale

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting **8.a.**

Meeting Date:	01/08/2019
Contact Person:	Martin Scribner, Interim Development Services Director
	Phone: 928-636-4427 x-1217
Department:	Development Services
Estimated length of Staff Presentation:	None
Physical location of item:	N/A

AGENDA ITEM TITLE:

An executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the Town Attorney regarding a current zoning case. (Martin Scribner, Interim Development Services Director)

Attachments

No file(s) attached.