



## Town of Chino Valley

### MEETING NOTICE TOWN COUNCIL AGENDA

**STUDY SESSION  
TUESDAY, JANUARY 10, 2023  
5:00 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; ROLL CALL**
2. **Pg.5** Discussion regarding the Parks and Recreation Advisory Board bylaws. (Cyndi Thomas, Community Services Director)
3. **Pg.19** Review and discussion regarding rosters for Council subcommittees and entity appointments. (Erin Deskins, Town Clerk)
4. **ADJOURNMENT**

**REGULAR MEETING  
TUESDAY, JANUARY 10, 2023  
6:00 P.M.**

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

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE; ROLL CALL**
2. **INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**
  - a. **Pg.20** Presentation of Certificates of Appreciation and Recognition for Outstanding Volunteerism to the Town of Chino Valley Animal Shelter volunteers. (Terri Denemy, Assistant to the Town Manager; Marilee Easton, Civilian Operations Supervisor.)
  - b. **Pg.21** Presentation of the APS Solar Communities Program by APS and staff. (Maggie Tidaback, Economic Development Project Manager)

**3. CALL TO THE PUBLIC- Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.**

*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 at the discretion of the Council and not required by law. Individuals are limited to speak for three (3) minutes, yielding of time will not be permitted. 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. Disrespectful behavior will not be tolerated; this includes loud outbursts, profanity and disruptive discussions among our audience.*

**4. CURRENT EVENT SUMMARIES AND REPORTS**

*This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.*

- a. Status reports by Mayor and Council regarding current events.
- b. Status report by Town Manager Cindy Blackmore regarding Town accomplishments, and current or upcoming projects.

**5. CONSENT AGENDA**

*All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.*

- a. **Pg.22** Consideration and possible action to approve Ordinance No. 2023-926, amending Chino Valley Town Code Chapter 90 relating to animals. (Chuck Wynn, Police Chief)
- b. **Pg.39** Consideration and possible action to approve the December 13, 2022, regular meeting minutes. (Erin N. Deskins, Town Clerk)

**6. ACTION ITEMS**

*The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.*

- a. **Pg.52** Consideration and possible action to accept the Comprehensive Annual Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2022, as prepared by Henry & Horne, LLP, Certified Public Accountants. (Joe Duffy, Administrative Services Director)

**Recommended Action:** Accept the Comprehensive Annual Audited Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2022, as prepared by Henry & Horne, LLP, Certified Public Accountants.

- b. Pg.210** Consideration and possible action to approve 4.5 % average Market Adjustments for sworn officer pay. (Laura Kyriakakis, Human Resources Director)

**Recommended Action:** Approve 4.5% average recommended Market Adjustment, for sworn officers, beginning with the 1/27/2023 paychecks.

- c. Pg.212** Public hearing, consideration, and possible action to approve Ordinance No. 2023-928 to rezone approximately one acre of property located at 3699 North State Route 89 (APN 306-04-018A), from Commercial Light to Commercial Heavy. (Will Dingee, Senior Planner)

**Recommended Action:** i) Hold Public Hearing ii) Approve Ordinance No. 2023-928.

- d. Pg.236** Public hearing, consideration, and possible action to approve Ordinance 2023-929 to rezone approximately 5.83 acres of property located at 575 West Road 1 North (APN 306-23-078F), from Agricultural Residential 5-Acre Minimum to Single-Family Residential 1-Acre Minimum (Will Dingee, Senior Planner)

**Recommended Action:** i) Hold a Public Hearing ii) Approve Ordinance 2023-929.

- e. Pg.260** Public hearing, consideration, and possible action to approve Ordinance No. 2023-930 to rezone the northernmost approximately 2,500 square foot portion of approximately 1.59 acres of property (APN 306-29-041E), which portion is located directly south of 722 West Road 2 South (APN 306-29-041D), from Single-Family Residential 1-Acre Minimum to Agricultural Residential 5 Acre Minimum. (Will Dingee, Senior Planner)

**Recommended Action:** i) Hold a Public Hearing ii) Approve Ordinance No. 2023-930

- f. Pg.285** Public hearing, consideration, and possible action to approve Ordinance No. 2023-927 to rezone approximately 10 acres of property generally located at the northeast corner of East Road 2 North and Peppertree Place (APN 306-18-017C and 306-18-017D), from Agricultural Residential 5 Acre Minimum to Single-Family Residential 12,000 Square Foot Minimum. (Will Dingee, Senior Planner)

**Recommended Action:** i) Hold a Public Hearing. ii) Approve Ordinance No. 2023-927.

## 7. ADJOURNMENT

Dated this 5th day of January, 2023.

By: *Erin N. Deskins, 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 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.

Council meetings are live-streamed on Town of Chino Valley Facebook page, and Zoom.

Click to join webinar: <https://us02web.zoom.us/j/82819522800>  
 One tap mobile : US: +12532158782,83455013925# or +13462487799,83455013925#  
 Telephone: 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)  
 Webinar ID: 828 1952 2800

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: \_\_\_\_\_  
Erin N. Deskins, Town Clerk





## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

2.

**Meeting Date:** 01/10/2023

**Contact Person:** Cyndi Thomas, Community Services Manager  
Phone: 9286369114 x-1247

**Department:** Community Services

**Estimated length  
of Staff Presentation:**

**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Discussion regarding the Parks and Recreation Advisory Board bylaws. (Cyndi Thomas, Community Services Director)

### SITUATION & ANALYSIS:

The dynamics of Parks and Recreation and their Advisory Board have changed over the years. The current structure of the Advisory Board was crucial and beneficial during economic challenges; the board planned and facilitated events when there was no sufficient staff to do so. As the Department has grown and restructured, the need for the Advisory board has also changed. Currently, the board is set up with nine (9) members with an array of duties. The vision is for the Board to be more of a strategic planning committee/board with no more than five (5) members to help identify the short-term, midterm and long-range recreational needs of Chino Valley. Therefore, there is a need for new by-laws to align with the goals, plans and visions within the Parks and Recreation Division of Community Services.

### Attachments

Proposed PRAB Bylaws  
2008 PRAB Original Bylaws  
Amended PRAB Bylaws 2018

TOWN OF CHINO VALLEY  
PARKS AND RECREATION ADVISORY BOARD

BYLAWS

\_\_\_\_\_, 2023

Section 1: Mission Statement

The mission of the Parks and Recreation Advisory Board ("the Board") is to advise and make recommendations through staff to the Chino Valley Town Council regarding strategic planning of the Town's parks and recreation services and facilities in order to foster a healthy lifestyle, provide meaningful leisure activities, and enhance the sense of community for all residents of Chino Valley.

Section 2: -Organization and Responsibilities

- A. The responsibilities of the Board shall be to advise the Town Council through staff regarding strategic planning for Parks and Recreation services and facilities by:
1. Obtaining input on recreational needs and priorities from the public, Town Staff, and the Board; and prioritizing a short-term, mid-term, and long-term plan.
  2. Discuss possible funding sources and strategies.
- B. The Board's advice and recommendations shall take into consideration the recreational needs of all members of the Chino Valley community, public safety and welfare.

Section 3: Membership

- A. The Board shall consist of no less than three (3) and no more than five (5) members, appointed by the Town Council following recommendation of the Council Appointments Subcommittee. Each member shall serve for a term of three (3) years each, with staggered terms. Initially, one (1) [or two (2)] terms will expire June 30, 2022 and two (2) [or three (3)] terms will expire June 30, 2023. An appointment to fill a vacant seat where there is an unexpired term shall be for the remainder of the term of the vacant seat to which the member is appointed.
- B. A majority of the Board, three (3) members, shall constitute a quorum.
- B. Members of the Board serve at the pleasure of the Council and may be removed with or without cause.

- C. Persons eligible to serve as Board members shall reside in Yavapai County in an area served by the Town's parks, recreation, and aquatics facilities.
- D. Town employees are not eligible to serve as Board members.
- E. Board members shall be bound by the Town Code, Title III, Chapter 35 Code of Ethics, and by all other provisions of Federal, State, and local laws.

#### Section 4: Meetings of the Board

- A. The Board shall meet no less than two (2) times per year; the day, time and place of such meetings to be determined by the Staff Liaison(s) and members of the Board.
- B. The Chair may call special meetings at least forty-eight (48) hours in advance of such meeting, or the meeting may be called at the request of two (2) members of the Board.
- C. The Board shall comply with all relevant provisions of the Arizona Revised Statutes (Including Arizona Open Meeting Laws), the Chino Valley Town Code and these bylaws. For rules of procedure not otherwise set forth, *Robert's Rules of Order, Newly Revised* shall govern the proceedings of the Board.
- D. Except in an emergency, a Board member shall notify the Chair or Staff Liaison of any intended absence from a Board meeting not less than twenty-four (24) hours prior to any scheduled meeting.

#### Section 5: Officers

- A. Officers of the Board shall be a Chair and a Vice-Chair.
- B. The Chair and Vice-Chair shall be elected by the Board at their first meeting after July 1 of each year and shall serve a one-year term or until the successor officers are duly elected. If an Officer position becomes vacant during the term, an election shall be conducted at the next Regular or Special Board meeting to fill the position for the remainder of the term.
- C. It is the responsibility and duty of the Chair to:
  1. Work with Staff to set and prepare the agenda for each meeting of the Board according to the Town Clerk's agenda distribution schedule.
  2. Preside at all meetings of the Board.
  3. Call special meetings of the Board, as needed.
  4. Mediate any problems arising among Board members.

D. In the absence or incapacity of the Chair, the Vice-Chair shall assume the duties of the Chair. In the absence of both Chair and Vice-Chair, the Staff Liaison shall call the meeting to order and the Board shall elect one of their members to serve as Acting Chair.

#### Section 6: Staff Liaison(s)

A. The Staff Liaison shall work with the Chair and the Town Clerk's Office to ensure that meetings are noticed in compliance with Arizona Open Meeting Laws, that meeting minutes, agendas, and appropriate attachments are sent to all Board Members prior to any meeting, and ensure accurate records of the Board's proceedings are kept as public records of the Town.

#### Section 7: Meeting Agenda

A. Agenda requests shall be presented to the Chair or Staff Liaison in accordance with the Town Clerk's agenda distribution schedule.

B. The Chair and Staff Liaison shall determine the items to be placed on the agenda.

C. Meeting agendas shall be posted as required by state law.

D. The format of the agenda for Board meetings shall be as follows:

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF MINUTES
4. REPORTS FROM COMMUNITY SERVICES STAFF; BOARD CHAIR AND MEMBERS
5. CALL TO THE PUBLIC
6. UNFINISHED BUSINESS
7. NEW BUSINESS
9. ADJOURNMENT

Section 8: Resignations

- A. A Board member who wishes to resign shall submit the resignation in writing to the Chair stating the effective date of the resignation.
- B. The Chair shall immediately forward the resignation to the Town Clerk, who will work with the Council Appointments Subcommittee to make a recommendation for Council action to appoint a new board member.

DRAFT

**RESOLUTION NO. 08-862**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI AND STATE OF ARIZONA, RESCINDING RESOLUTION NO. 04-698, CREATING THE TOWN OF CHINO VALLEY PARKS AND RECREATION ADVISORY BOARD, AND SETTING FORTH ITS DUTIES, RESPONSIBILITIES, AND PROCEDURES.**

**WHEREAS**, the Council adopted Resolution No. 04-698 on May 13, 2004, adopting criteria for the makeup and mission of the Parks and Recreation Committee; and

**WHEREAS**, the Town of Chino Valley wishes to create a Parks and Recreation Advisory Board; and

**WHEREAS**, the Town of Chino Valley wishes to adopt Parks and Recreation Advisory Board duties, responsibilities, and Rules of Procedures;

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

Section 1: RATIFICATION

The creation of the Parks and Recreation Advisory Board is hereby ratified.

Section 2: PURPOSE OF PARKS AND RECREATION ADVISORY BOARD

The purpose of the Chino Valley Parks and Recreation Advisory Board ("Board") is as follows:

- A. To advise the Mayor and Common Council regarding Parks and Recreation policies, programs, services and facilities.
- B. To make recommendations to the Mayor and Common Council regarding Parks and Recreation budget matters.
- C. To present to the Mayor and Common Council during a regularly scheduled Town Council meeting in July an Annual Report describing the accomplishments of the Advisory Board in the previous year and plans for the next year.

### Section 3: MEMBERSHIP

- A. The Board shall consist of seven (7) members appointed by the Mayor and Common Council at the first regular Common Council meeting held after this Resolution becomes operative. Thereafter, upon expiration of each Board member's term, the members of the Board shall be appointed by the Mayor and Common Council at a Common Council meeting in June. Each member to serve for a term of two (2) years, with three (3) terms expiring on June 30 of even-numbered years and four (4) terms expiring on June 30 of odd-numbered years. Appointments to fill un-expired terms shall be for the remainder of the term.
- B. The Advisory Board shall make recommendations to the Mayor and Common Council for appointments to the Board to fill expired terms or vacancies on the Board. A person may be appointed to serve as a Board member for an unlimited number of terms.
- C. Members of the Board shall serve at the pleasure of the Council.
- D. Persons eligible to serve as Board members shall live within the Town limits, except three (3) members who may reside outside Town limits in Yavapai County and in an area normally served by the Town's Parks and Recreation Department.
- E. Full and part-time Town employees are not eligible to serve as Board members. An individual who works for the Town in the capacity of a temporary employee is eligible to serve as a Board member.

### Section 4: QUORUM

A majority of the Board, four (4) members, shall constitute a quorum.

### Section 5: MEETINGS OF THE BOARD

- A. The Board shall meet monthly; the day, time and place of such meetings to be determined by the members of the Board.
- B. The Chairman may call special meetings at least forty-eight (48) hours in advance of such meetings, or a meeting may be called at the request of four (4) members of the Board.
- C. The Board shall adhere to all relevant provisions of Arizona Revised Statutes, the Chino Valley Town Code of Ordinances and this Resolution. For rules of procedure not otherwise set forth, Robert's Rules of Order, Newly Revised shall govern the proceedings of the Board.

## Section 6: OFFICERS

- A. Officers of the Board shall be a Chairperson, Vice-Chairperson and Secretary. These Officers shall also serve as the Executive Committee.
- B. When the term of a Board member serving as an Officer expires, and said Board member is re-appointed to the board by Mayor and Council, said Board member shall not automatically resume their previous position and duties. All appointments to serve as an Officer of the Board must be done by election at the annual July meeting. If an Officer position becomes vacant during the term, an election shall be conducted at the next scheduled Board meeting to fill the position for the remainder of the term.
- C. The Chairperson shall:
  - 1. Set the agenda for meetings of the Board and so advise the Secretary no less than one week prior to the regular meeting.
  - 2. Preside at all meetings of the Board.
  - 3. Call special meetings of the Board.
  - 4. Mediate any problems arising among Board members.
- D. In the absence of the Chairperson, the Vice-Chairperson shall assume the duties of the Chairperson.
- E. The Secretary, or designee, shall:
  - 1. Post copies of meeting agendas no less than twenty-four (24) hours prior to a meeting of the Board.
  - 2. Mail or deliver meeting minutes, agenda, and appropriate attachments to all members of the Board no less than five (5) days prior to the regular meeting.
  - 3. Keep a true and accurate account of all proceedings of the Board.
  - 4. Provide copies of the minutes of any regular or special meeting to all Board members and to the Parks and Recreation Director; and, after Board approval, to the Town Clerk, and upon request, to the public and comply with the provisions of Arizona law regarding public meetings, including, without limitation, A.R.S. 38-431 and A.R.S. 38-431.01.



## Section 7: COMMITTEES

- A. The Board shall create such special committees as it deems necessary; standing committees shall include: Parks/Trails, Recreation, Aquatics and Finance.
- B. At the annual July meeting, the Chairperson of the Board shall appoint a Committee Chair for each of the standing committees, and the Board must ratify such appointments. The term for all Committee Chair positions shall be for one year. Chairs of standing committees may be appointed to serve consecutive terms. If a Committee Chair position becomes vacant during the term, the Chairperson of the Board shall, at the next regularly scheduled Board Meeting, appoint a new Committee Chair and the Board must ratify such appointment. Appointments to fill un-expired Committee Chair terms shall be for the remainder of the term.
- C. The Chairperson of the Board shall be an ex-officio member of all Standing or Special Committees.
- D. Each Committee Chair shall appoint at least three (3) members selected from community members who are actively involved in Parks and Recreation.
- E. Any Special Committee may be disbanded after the Committee has made a final report to the Board.
- F. The duties of the Parks/Trails Chair shall include the following:
  - 1. With staff, develop plans for new and rehabilitative park and trail projects.
  - 2. With staff, develop strategies for community relations.
  - 3. With staff, identify alternative funding sources for projects.
  - 4. With staff, develop and update the Parks and Recreation master plan.
  - 5. With staff, develop marketing strategies.
  - 6. Report at monthly Board meetings.
  - 7. Perform duties as assigned by the Chairperson of the Board.

- G. The duties of the Recreation Chair shall include the following:
1. With staff, develop plans and schedules for recreational programming and events.
  2. With staff, develop strategies for community relations.
  3. With staff, identify alternative funding sources for programming, events and capital improvements.
  4. With staff, develop and update the Parks and Recreation master plan.
  5. With staff, develop marketing strategies.
  6. Report at monthly Board meetings.
  7. Perform duties as assigned by the Chairperson of the Board.
- H. The duties of the Aquatics Chair shall include the following:
1. With staff, develop plans and schedules for aquatic programming.
  2. With staff, develop strategies for community relations.
  3. With staff, identify alternative funding sources for programming and capital improvements.
  4. With staff, develop and update the Parks and Recreation master plan.
  5. With staff, develop marketing strategies.
  6. Report at monthly Board meetings.
  7. Perform duties as assigned by the Chairperson of the Board.
- I. The duties of the Finance Chair shall include the following:
1. With staff, identify alternative funding sources for Parks and Recreation including grants, endowments and sponsorships.
  2. With staff, develop annual and program budgets.
  3. Report at monthly Board meetings.
  4. Perform duties as assigned by the Chairperson of the Board.

## Section 8: MEETING AGENDA

- A. Any agenda request shall be presented to the Chairperson or Secretary at least one (1) week prior to a Board meeting.
- B. The Chairperson shall determine the items to be placed on the agenda.
- C. Meeting agendas shall be posted as required by state law.
- D. The format of the agenda for Board meetings shall be as follows:
  - 1. CALL TO ORDER
  - 2. ROLL CALL
  - 3. APPROVAL OF MINUTES
  - 4. PARKS AND RECREATION DIRECTOR'S REPORT
  - 5. COMMITTEE CHAIR REPORTS
  - 6. CALL TO THE PUBLIC
  - 7. CORRESPONDENCE
  - 8. OLD BUSINESS
  - 9. NEW BUSINESS
  - 10. FUTURE AGENDA SUGGESTIONS
  - 11. ADJOURNMENT

## Section 9: STANDING RULES

The Board may draft Standing Rules to govern procedures so long as they are not in conflict with the provisions of this resolution. Such Rules shall be adopted by an affirmative vote of two-thirds (5) of the members of the Board.

## Section 10: ABSENCES; REMOVAL FOR UN-EXCUSED ABSENCES

- A. Except in emergencies, a Board member shall notify the Chairperson or the Secretary of any intended absence from a Board meeting not less than twenty-four (24) hours prior to that meeting.

- B. In the event that a Board member misses three (3) consecutive meetings without excuses by the Chairperson or Secretary, or in the event that a Board member misses five (5) regular meetings without being excused by the Chairperson or Secretary with a twelve (12) month period, the Board shall forward a recommendation to the Parks and Recreation Director for consideration by the Council of removal of said Board member.

#### Section 11: RESIGNATIONS

- A. A Board member who wishes to resign shall submit the resignation in writing to the Chairperson stating the effective date of the resignation.
- B. The Chairperson shall immediately forward the resignation to the Parks and Recreation Director for Council action.

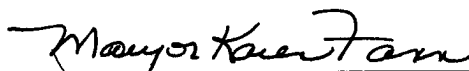
#### Section 12: BOARD MEMBERS SHALL COMPLY WITH THE LAW

Board members shall be bound by the Town Code of Ordinances, Chapter 35; Code of Ethics, and by all other provisions of law.

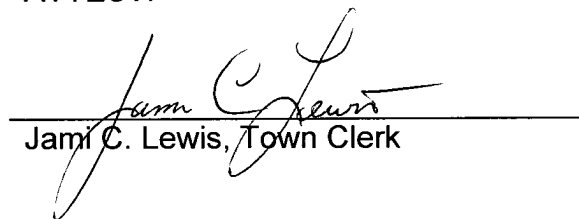
#### Section 13: REPEAL OF RESOLUTION NO. 04-698

Resolution No. 04-698 and any resolution or parts of resolutions in conflict with the provisions of this resolution are hereby repealed.

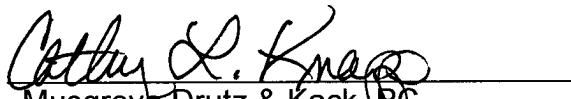
**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 24<sup>th</sup> day of January, 2008.

  
Karen Fann, Mayor

ATTEST:

  
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

  
Musgrove Drutz & Kack, PC  
Town Attorney

## RESOLUTION NO. 18-1129

### A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, YAVAPAI COUNTY, ARIZONA, AMENDING CERTAIN PROCEDURES FOR THE TOWN OF CHINO VALLEY PARKS AND RECREATION ADVISORY BOARD.

**WHEREAS**, the Mayor and Common Council of the Town of Chino Valley (the "Town Council") adopted Resolution No. 08-862 on January 24, 2008, adopting duties, responsibilities, and rules of procedure for the Parks and Recreation Advisory Board (the "Advisory Board"); and

**WHEREAS**, the Town Council desires to amend the rules of procedure for the Advisory Board (the "Board Rules") to modify the conditions of membership and the number of members of the Advisory Board.

**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 recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Board Rules, Section 3 (Membership), is hereby amended as follows:

#### Section 3: MEMBERSHIP

- A. The Board shall consist of ~~NINE~~ seven (7) members appointed by the Mayor and Common Council ~~at the first regular Common Council meeting held after this Resolution becomes operative.~~ Thereafter, Upon expiration of each Board member's term, the members of the Board shall be appointed by the Mayor and Common Council at a Common Council meeting in June, OR AT SUCH OTHER TIMES AS A VACANCY OCCURS. Each member to serve for a term of two (2) years, with ~~FIVE~~ three (3) terms expiring on June 30 of even-numbered years and four (4) terms expiring on June 30 of odd-numbered years. Appointments to fill un-expired terms shall be for the remainder of the term.
- B. The Advisory Board shall make recommendations to the Mayor and Common Council for appointments to the Board to fill expired terms or vacancies on the Board. A person may be appointed to serve as a Board member for an unlimited number of terms.
- C. Members of the Board shall serve at the pleasure of the COMMON Council.
- D. Persons eligible to serve as Board members shall live within the Town limits, ~~except up to three (3) members who may reside outside Town limits in Yavapai County and in an area normally served by the Town's Parks and Recreation Department.~~
- E. Full and part-time Town employees are not eligible to serve as Board members; ~~An individual who works for the Town in the capacity of a temporary employeeS~~ is ARE eligible to serve as Board memberS.

SECTION 3. The Board Rules, Section 4 (Quorum), is hereby amended as follows:

Section 4: QUORUM

A majority of the Board, FIVE ~~four~~ (45) members, shall constitute a quorum.

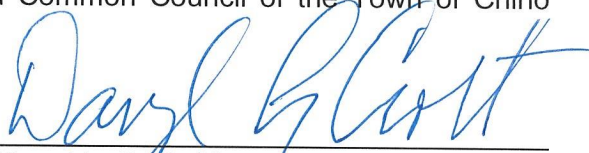
SECTION 4. The Board Rules, Section 9 (Standing Rules), is hereby amended as follows:

Section 9: STANDING RULES

The Board may draft Standing Rules to govern procedures so long as they are not in conflict with the provisions of this resolution. Such Rules shall be adopted by an affirmative vote of SIX ~~two-thirds~~ (56) of the members of the Board.

SECTION 5. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

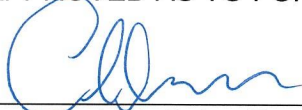
**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona this 14th day of August, 2018.

  
Darryl L. Croft, Mayor

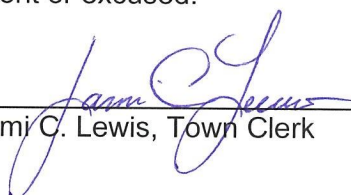
ATTEST:

  
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. 18-1129 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on August 14, 2018, and that quorum was present thereat and that the vote thereon was 7 ayes and 0 nays and 0 abstentions. 0 Council members were absent or excused.

  
Jami C. Lewis, Town Clerk



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

3.

**Meeting Date:** 01/10/2023  
**Contact Person:** Erin Deskins, Town Clerk  
Phone: 928-636-2646 x-1208  
**Department:** Town Clerk  
**Estimated length  
of Staff Presentation:**  
**Physical location of item:** N/A

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#### AGENDA ITEM TITLE:

Review and discussion regarding rosters for Council subcommittees and entity appointments. (Erin Deskins, Town Clerk)

#### SITUATION & ANALYSIS:

After each regular election, Council reviews and updates the rosters for Council subcommittees, and staff and Council review the appointments to various outside entities for corrections and/or updates. Mayor Miller would like to review these rosters during the study session to give Councilmembers an opportunity to request a change in position(s), if so desired. Staff will make said changes and bring the item back for Council final approval on January 24, 2023.

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#### Attachments

*No file(s) attached.*

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

2. a.

**Meeting Date:** 01/10/2023  
**Contact Person:** Terri Denemy, Assistant to the Town Manager  
 Phone: 928-636-2646 x-1301  
**Department:** Town Manager  
**Estimated length of Staff Presentation:** 5 minutes  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Presentation of Certificates of Appreciation and Recognition for Outstanding Volunteerism to the Town of Chino Valley Animal Shelter volunteers. (Terri Denemy, Assistant to the Town Manager; Marilee Easton, Civilian Operations Supervisor.)

### SITUATION & ANALYSIS:

The Town of Chino Valley Police Department, Animal Control and Shelter Services Division recognizes the following individuals for their time, energy & enthusiasm volunteering at the Chino Valley Animal Shelter. Their tireless efforts not only support the diverse needs of the stray and owner surrendered animals in our care, but also overall animal control and animal shelter operations. They help with every imaginable task from walking dogs, to cleaning kennels, to helping with paperwork. We know we could not provide the high level of care to our animals or service to the public without our committed volunteer base. Their dedication helps us provide a safe, caring environment for the dogs and cats awaiting return to their owners or while finding their “forever” home. We thank them for their outstanding community spirit, and their enduring contribution to the quality of life of both our two-legged and four-legged residents.

**Volunteer Lead:** Pam Cirasole. **Weekly Volunteers:** Cristine Montaine-Cooke, Gonzalo Pantoja, Jeanne Dunk, Dave Morefield, Michele Wolfgram, Daniel Ray, Kari Herrington, Sabrina Struck. **Volunteers:** Dorothy "Dottie" George, Suzanne Dodds, Leah Marley, Robin McNamara, Steven McNamara, Angela O. Chamberlin, Rebecca Laurence, Lisa Unterseher, Carol Castillo, Veronica Camero, Moorea Camero, Clay Camero, Steve Williams, Betty LaVoie, Jeri Rubio, Wil Williams, Nora Zortman, Donald Pons, Lorrie Nebrig, Laura Williams, Austin Smith, Jan Anderson, Hoke Rose. **Youth Volunteer:** Ashley Morrow.

### Attachments

*No file(s) attached.*





## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

2. b.

**Meeting Date:** 01/10/2023  
**Contact Person:** Maggie Tidaback, Economic Development Project Manager  
 Phone: 928-636-2646 x-1201  
**Department:** Town Manager  
**Estimated length of Staff Presentation:** 10 minutes  
**Physical location of item:** Chino Valley Police Department and Town Hall

### AGENDA ITEM TITLE:

Presentation of the APS Solar Communities Program by APS and staff. (Maggie Tidaback, Economic Development Project Manager)

### SITUATION & ANALYSIS:

The APS Solar Communities Program was developed to help live APS' vision to create a sustainable energy future for Arizona, while serving our customers with clean, reliable, and affordable energy. In this program, we are providing an opportunity to our customers to lower their electric bills, as well as partner with APS to achieve our sustainable goals for Arizona. Our focused customer eligibility for this program are Low Income Residential Customers, Low Income Housing Developments, Title I Schools, Non-profit Organizations, and Rural Government & Municipal locations. The program provides a free solar-covered parking structure that will be owned and maintained by APS for 20 years. In return, APS provides a bill credit to our customers. For government & municipal customers, the bill credit is based on the size of the solar system installed at the location. This bill credit is applied every month once the site has become operational.

### Attachments

*No file(s) attached.*



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

5. a.

**Meeting Date:** 01/10/2023  
**Contact Person:** Marrilee Easton, Civilian Officer  
 Phone: 928-636-4223 x-1283  
**Department:** Police  
**Estimated length of staff presentation:** None  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Consideration and possible action to approve Ordinance No. 2023-926, amending Chino Valley Town Code Chapter 90 relating to animals. (Chuck Wynn, Police Chief)

### RECOMMENDED ACTION:

Approve Ordinance No. 2023-926.

### SITUATION AND ANALYSIS:

Action to update our Chino Valley Code Chapter 90: Animals  
 90.02 - Definitions

- Added "Nuisance" and "Excessive Dog Noise", to become more consistent with other surrounding areas Ordinance, it is now better defined for the citizens of Chino Valley and the Chino Valley Magistrate Court.
- Updated "At Large" and "Under Control", worked with our Town Attorney to word differently to make it better defined.

Update to 90.05 - Dog at Large

- Added the definition of "Under Control" and added "6 feet in length" to the leash or other tether. This better defines the ordinance and improves the safety of our community.

Update to 90.06 - Impoundment

- Changed the impoundment from minimum of ten days to five days. This was changed to be consistent with surrounding shelters and gives us more availability to have more room in the shelter for other strays, plus it cuts down on the amount of feeding.

Update to 90.12 - Excessive Dog Noise

- Worked with our Town Attorney to word differently and add time frames to make it better defined.

### Fiscal Impact

**Fiscal Impact?:** No

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

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**Attachments**

ORD - 2023-926

Code Amendments - Ch. 90

Current vs. Proposed - Redline

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## ORDINANCE NO. 2023-926

**AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, DECLARING THE DOCUMENT ENTITLED “JANUARY 2023 AMENDMENTS TO CHINO VALLEY TOWN CODE CHAPTER 90: ANIMALS” AS A PUBLIC RECORD; ADOPTING THE “JANUARY 2023 AMENDMENTS TO CHINO VALLEY TOWN CODE CHAPTER 90: ANIMALS” BY REFERENCE; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR PENALTIES.**

**WHEREAS**, the Mayor and Common Council of the Town of Chino Valley (the “Town Council”) desires to update Chino Valley Town Code (the “Town Code”) Chapter 90 (Animals) for the benefit of the Town.

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

Section 1. The above recital is hereby incorporated as if fully set forth herein.

Section 2. That certain document entitled “January 2023 Amendments to Chino Valley Town Code Chapter 90: Animals” (the “ACO Amendments”), of which one paper copy and one electronic copy are maintained, in compliance with ARIZ. REV. STAT. § 44-7041, on file in the office of the Town Clerk as required by ARIZ. REV. STAT. § 9-802, and available for public use and 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 3. The Town Code is hereby amended by amending Chapter 90 (Animals) as set forth in the ACO Amendments, which document is hereby adopted by reference and incorporated herein as if fully set forth in this ordinance.

Section 4. Violations of this ordinance are subject to the following penalties:

### § 90.05 DOGS AT LARGE; DESIGNATION AS AGGRESSIVE DOG

- (B) The dog’s owner or responsible person shall control the dog in a manner that ensures it does not violate § 90.05(A)(1) and (2) and, in addition to any penalties under this chapter, shall be responsible for injury to any person or damage to any property caused by a dog in violation thereof.

### § 90.99 VIOLATION; PENALTY.

- (A) Any person convicted of violating any provision of this chapter for which no specific penalty is prescribed shall be guilty of a Class 1 misdemeanor, punishable as set forth in § 10.99 of this Code.
- (B) Any person convicted of violating any provision of §§ 90.03, 90.04, 90.08, 90.10, 90.13 or 90.15 shall be guilty of a Class 3 misdemeanor, punishable by a fine not to exceed \$500, imprisonment for a period not to exceed 30 days, or by any combination of such fine and imprisonment.

- (C) Any person convicted of violating any provision of §§ 90.05 or 90.12(B) that does not involve biting or attacking shall be guilty of a civil offense punishable as set forth in § 10.99 of this Code and subject to the habitual offender provisions set forth in § 10.99(D).
- (D) Any person convicted of violating any provision of § 90.05 that involves biting or attacking shall be guilty of a Class 3 misdemeanor, punishable as set forth in subsection (B) of this section.
- (E) Any fine, fee or monetary restitution amount assessed for loss of property due to the unlawful actions of a dog may be ordered by the court at the time of sentencing if payment was not received prior to sentencing.

Section 5. All ordinances and parts of ordinances in conflict with the provisions of this ordinance or with any part of the ACO Amendments adopted herein by reference are hereby repealed.

Section 6. If any section, subsection, sentence, clause, phrase, or portion of this ordinance or any part of the ACO Amendments 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 thereof.

Section 7. The Mayor, the Town Manager, the Town Clerk, and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this ordinance.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 10th day of January, 2023.

\_\_\_\_\_  
Jack W. Miller, Mayor

ATTEST:

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Andrew J. McGuire, Town Attorney  
Gust Rosenfeld, PLC

I hereby certify that the foregoing Ordinance No. 2023-926 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on January 10, 2023, and that quorum was present, and that the vote thereon was \_\_\_\_ ayes and \_\_\_\_ nays and \_\_\_\_ abstentions. \_\_\_\_ Council members were absent or excused.

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

**JANUARY 2023 AMENDMENTS TO CHINO VALLEY TOWN CODE CHAPTER 90:  
ANIMALS**

**SECTION 1.** The reference to Section 90.12 (Excessive Barking; Nuisance Behavior) in the Table of Contents of Chino Valley Town Code, Chapter 90 (Animals), is hereby amended as follows (deletions shown in ~~strike through~~ and additions shown in **bold**):

§ 90.12        Excessive ~~barking~~ **dog noise**; nuisance behavior

**SECTION 2.** The following definitions in Chino Valley Town Code, Chapter 90 (Animals), Section 90.02 (Definitions), are hereby amended as follows (deletions shown in ~~strike through~~ and additions shown in **bold**):

**AGGRESSIVE DOG.** **A dog that causes injury or reasonable fear of attack or bodily injury by violating § 90.05(A)(2).** ~~Any dog that has bitten, attacked or molested a person, domestic animal, fowl, poultry, pet, and/or livestock and has been deemed designated as such by a hearing officer or court of jurisdiction pursuant to § 90.05.~~

~~**DOG-AT LARGE.** Has the meaning prescribed in § 90.05(A)(1). A dog that is not on the premises of the owner or responsible person, and is not under the control of the owner or responsible person. Any dog in a suitable enclosure or physically restrained by the owner or responsible person shall not be considered to be at large.~~

**NUISANCE.** That which causes offense, annoyance, trouble, or injury.

**EXCESSIVE DOG NOISE.** Frequent, habitual, or continuous barking, howling, whining, yelping, or other irritating dog noises that are audible beyond the property line of the premises where the dog is located, and that unreasonably disturb the peace and quiet of the neighborhood.

~~**Restraint.** Confinement of a dog within the real property limits of its owner, or secured by a leash or lead, or otherwise under control of a responsible person, or confinement within a vehicle in a manner that prevents escape.~~

**UNDER CONTROL.** **When a dog is confined within the real property limits of its owner or responsible person, Physically physically restrained by a leash, rope, cord, chain, or other device not more than six (6) feet in length, or confined within a vehicle in a manner that prevents escape.** ~~and/or under the direct supervision and control of the owner or responsible person.~~

**SECTION 3.** The Chino Valley Town Code, Chapter 90 (Animals), Section 90.05 (Dogs at Large; Designation as Aggressive Dog), is hereby deleted in its entirety and replaced with the following:

§ 90.05 DOGS AT LARGE; DESIGNATION AS AGGRESSIVE DOG.

(A) It shall be unlawful for a dog to:

(1) Be at large. Except as otherwise provided in this section, a dog is at large when it is not under control, as defined in § 90.01. A dog is not at large when:

(a) Engaged in obedience training and accompanied by its owner, responsible person, or trainer.

(b) Being used for legitimate hunting purposes.

(c) Being exhibited in a sanctioned event.

(d) Being utilized as a service dog for a disabled person, or as a seeing-eye dog for a legally blind person, and the handler exercises sufficient control.

(e) Being used to control livestock.

(f) Being used to assist a police officer engaged in law enforcement duties.

(g) In a designated off-leash area in a dog park.

(2) Attack, bite, molest, tackle, terrorize, menace, chase, or harass any person, domestic animal, fowl, poultry, pet, or livestock.

(B) The dog's owner or responsible person shall control the dog in a manner that ensures it does not violate § 90.05(A)(1) and (2) and, in addition to any penalties under this chapter, shall be responsible for injury to any person or damage to any property caused by a dog in violation thereof.

(C) An animal control officer or police officer may apprehend and impound any dog at large. An animal control officer may issue a citation to the owner or responsible person of the dog at large. The procedure for the issuance of a notice to appear shall be as provided for peace officers in A.R.S. § 13-3903, except the animal control officer shall not make an arrest before issuing the notice. The issuance of citations pursuant to this chapter shall be subject to the provisions of A.R.S. § 13-3899.

(D) A person is not in violation of § 90.05(B) when the dog:

(1) Is on the owner's or responsible person's property and the incident occurred after provocation from the person, domestic animal, fowl, poultry, pet, or livestock the dog attacked, bit, molested, tackled, terrorized, chased, or harassed.

(2) Is owned by a governmental agency and is in use for military or police work.



(3) Is a service dog, and the incident occurred while the dog was providing a service to the owner.

(4) Was engaged in the lawful act of hunting, ranching, farming, or other agricultural purpose.

(E) After a conviction of a violation of § 90.05(B), the prosecutor may request a hearing to establish that the involved dog should be designated as an aggressive dog as follows:

(1) After a first conviction, the dog may be designated by the court as an aggressive dog.

(2) After a second or subsequent conviction, the dog may be designated by the court as an aggressive dog, and if so designated, shall be maintained in conformance with § 90.14.

(F) An owner of an aggressive dog may petition the court to have the aggressive dog designation removed. The petition shall request a hearing at which the owner may present facts and circumstances to the court supporting the request. While the request is pending and until the court determines that the dog is not an aggressive dog, the dog shall be maintained in conformance with § 90.14.

Penalty, see § 90.99

**SECTION 4.** The Chino Valley Town Code, Chapter 90 (Animals), Section 90.06 (Impoundment of Dogs; Destruction; Emergency Assistance), is hereby amended as follows (deletions shown in ~~strike through~~ and additions shown in **bold**):

§ 90.06 IMPOUNDMENT OF DOGS; DESTRUCTION; EMERGENCY ASSISTANCE.

(A) Any ~~stray~~ dog **at large** shall be impounded. All impounded dogs shall be given proper care and maintenance.

(B) Each impounded licensed or microchipped dog shall be kept and maintained at the Animal Control Shelter for a minimum of ~~ten~~ **five** days, unless claimed by its owner or responsible person. An unlicensed dog shall be kept and maintained at the Animal Control Shelter for a minimum of three days. Any dog found without a tag or microchip device identifying its owner shall be deemed not owned.

(C) An impounded licensed or unlicensed dog may be adopted upon expiration of the impoundment period, provided the adopting person pays the appropriate adoption fees and complies with licensing and vaccinating provisions of this chapter. Adoption fees may be waived for recognized nonprofit dog rescue groups. No dog shall be released for use in medical research. Animal control officers may destroy impounded sick, or injured dogs whenever the destruction is

deemed by a licensed veterinarian to be necessary to prevent the dog from suffering, or to prevent the spread of disease.

(D) Any licensed impounded dog may be reclaimed by its owner or responsible person within five days of its impoundment, provided the person reclaiming the dog furnishes proof of the right to do so, proof of rabies vaccination, pays all dog shelter fees, medical fees, **and** service and license fees as applicable. If the dog is not reclaimed within the impoundment period, the animal control officer shall take possession of the dog and may place the dog for adoption, or dispose of the dog in a humane manner as prescribed by a licensed veterinarian.

(E) A dog showing signs or symptoms of rabies, may be destroyed by a ~~state-licensed~~ **state-licensed** veterinarian or any other means deemed necessary to protect ~~the~~ public health and safety.

(F) Upon surrender of a dog by its owner or responsible person to the town for destruction, the town shall become the person responsible for the dog. Prior to the surrender, the owner or responsible person shall pay all associated fees to the town.

(G) ~~Emergency assistance of animal.~~ If a peace officer or animal control officer observes an animal in imminent danger of death or inhumane suffering, the peace officer or animal control officer may assist the animal as needed.

Penalty, see § 90.99

**SECTION 5.** The Chino Valley Town Code, Chapter 90 (Animals), Section 90.12 (Excessive Dog Noise; Nuisance Behavior), is hereby amended as follows (deletions shown in ~~strike through~~ and additions shown in **bold**):

§ 90.12 EXCESSIVE ~~BARKING~~ **DOG NOISE**; NUISANCE BEHAVIOR.

(A) It shall be unlawful for a dog to:

(1) Cause a disturbance to the peace and enjoyment of any reasonable person residing within the town limits by **making** excessive **dog noise** ~~barking or other noise making including, but not limited to, howling, screeching, yelping, or baying.~~ **It shall be a violation of this section if excessive dog noise occurs:**

a. For more than fifteen (15) continuous minutes between the hours of 10:00 p.m. – 8:00 a.m.; or

b. For more than thirty (30) continuous minutes between the hours of 8:00 a.m. – 10:00 p.m.; or

**c. For any duration on at least half of the days of a ten (10) day period and such occurrences are attested to by complaints from persons residing at two or more separate properties.**

(2) Engage in nuisance behavior, including but not limited to damaging, soiling, defiling, or defecating on private property other than the owner's or on public sidewalks, trails, or recreation areas, unless such waste is immediately removed and properly disposed of by the owner or person responsible.

~~(B) Any person desiring to pursue civil or criminal charges against any person for a violation of subsection (A) above, shall complete a witness statement (provided by the animal control officer or other representative of the Police Department) and assist in the prosecution.~~  
**The dog's owner or responsible person shall control the dog in a manner that ensures it does not violate § 90.12(A).**

**(C) Any person desiring to pursue civil or criminal charges against any person for a violation of § 90.12(B) shall complete a witness statement (provided by the animal control officer or other Police Department representative) and assist in the prosecution.**

**(D) It shall be a defense to a violation of § 90.12(B) if the owner of the dog proves by a preponderance of the evidence that the dog was barking, howling, yelping, baying, or making other irritating noises because it was being provoked by a person or otherwise being incited to make noise.**

**SECTION 6.** The Chino Valley Town Code, Chapter 90 (Animals), Section 90.99 (Violation; Penalty), is hereby amended as follows (deletions shown in ~~strikethrough~~ and additions shown in **bold**):

**§ 90.99 VIOLATION; PENALTY.**

(A) Any person convicted of violating any provision of this chapter for which no specific penalty is prescribed shall be guilty of a Class 1 misdemeanor, punishable as set forth in § 10.99 of this Code.

(B) Any person convicted of violating any provisions of §§ 90.03, 90.04, 90.08, 90.10, ~~90.12(B)~~, 90.13 or 90.15 of this chapter shall be guilty of a Class 3 misdemeanor, punishable by a fine not to exceed \$500, imprisonment for a period not to exceed 30 days, or by any combination of such fine and imprisonment.

(C) Any person convicted of violating any provision of §§ 90.05 or ~~90.12(A)~~**(B)** that does not involve biting or attacking shall be guilty of a civil offense punishable as set forth in § 10.99 of this Code and subject to the habitual offender provisions set forth in § 10.99(D).

(D) Any person convicted of violating any provision of § 90.05 that involves biting or attacking shall be guilty of a Class 3 misdemeanor, punishable as set forth in subsection (B) of this section.

(E) Any fine, fee or monetary restitution amount assessed for loss of property due to the unlawful actions of a dog may be ordered by the court at the time of sentencing if payment was not received prior to sentencing.

§ 90.12 Excessive ~~barking~~dog noise; nuisance behavior

\* \* \*

§ 90.02 DEFINITIONS.

[This list comprises only the definitions being amended; it is not a complete list]

**AGGRESSIVE DOG.** ~~Any~~A dog that ~~has bitten, attacked or molested a person, domestic animal, fowl, poultry, pet, and/or livestock and has been deemed designated as such by a hearing officer or court of jurisdiction pursuant to~~causes injury or reasonable fear of attack or bodily injury by violating § 90.05(A)(2).

~~**DOG AT LARGE.** A dog that is not on the premises of the owner or responsible person, and is not under the control of the owner or responsible person. Any dog in a suitable enclosure or physically restrained by the owner or responsible person shall not be considered to be at large.~~

~~*Restraint. Confinement of*~~

**AT LARGE.** Has the meaning prescribed in § 90.05(A)(1).

**NUISANCE.** That which causes offense, annoyance, trouble, or injury.

**EXCESSIVE DOG NOISE.** Frequent, habitual, or continuous barking, howling, whining, yelping, or other irritating dog noises that are audible beyond the property line of the premises where the dog is located, and that unreasonably disturb the peace and quiet of the neighborhood.

**UNDER CONTROL.** When a dog is confined within the real property limits of its owner, or ~~secured by a leash or lead, or otherwise under control of a responsible person, or confinement within a vehicle in a manner that prevents escape.~~

~~**UNDER CONTROL.** Physically~~physically restrained by a leash, rope, cord, chain, or other device ~~and/or under the direct supervision and control of the owner or responsible person~~not more than six (6) feet in length, or confined within a vehicle in a manner that prevents escape.

\* \* \*

§ 90.05 DOGS AT LARGE; DESIGNATION AS AGGRESSIVE DOG.

~~(A) It is unlawful for an owner or responsible person of a dog to allow it to be at large within the town limits. The owner or responsible person of a dog shall provide adequate fencing and/or enclosures to keep the dog contained on his or~~

~~her property. If a dog is off the owner or responsible person's property, the owner or responsible person shall maintain direct supervision and control of the dog at all times.~~

~~(B) Any dog at large may be apprehended and impounded by an~~

(A) It shall be unlawful for a dog to:

(1) Be at large. Except as otherwise provided in this section, a dog is at large when it is not under control, as defined in § 90.01. A dog is not at large when:

(a) Engaged in obedience training and accompanied by its owner, responsible person, or trainer.

(b) Being used for legitimate hunting purposes.

(c) Being exhibited in a sanctioned event.

(d) Being utilized as a service dog for a disabled person, or as a seeing-eye dog for a legally blind person, and the handler exercises sufficient control.

(e) Being used to control livestock.

(f) Being used to assist a police officer engaged in law enforcement duties.

(g) In a designated off-leash area in a dog park.

(2) Attack, bite, molest, tackle, terrorize, menace, chase, or harass any person, domestic animal, fowl, poultry, pet, or livestock.

(B) The dog's owner or responsible person shall control the dog in a manner that ensures it does not violate § 90.05(A)(1) and (2) and, in addition to any penalties under this chapter, shall be responsible for injury to any person or damage to any property caused by a dog in violation thereof.

(C) An animal control officer or police officer:

~~(1) Animal may apprehend and impound any dog at large. An animal control officers may issue a citation(s) for a dog at large to the owner or responsible person of the dog at large.~~

~~(2) The procedure for the issuance of a notice to appear shall be as provided for peace officers in A.R.S. § 13-3903, except the animal control officer shall not make an arrest before issuing the notice.~~

~~(3)~~ The issuance of citations pursuant to this chapter shall be subject to the provisions of A.R.S. § 13-3899.

~~(C) The owner or responsible person of the dog shall be liable for any injury to a person or damage to any property resulting from a dog at large in violation of this section.~~

(D) A dog person is not ~~at large~~:

~~(1) If it is engaged in obedience training, accompanied by and under the control of its owner or trainer.~~

~~(2) While it is being used for legitimate hunting purposes.~~

~~(3) While it is being exhibited in a sanctioned event.~~

~~(4) If while off the premises of the owner or responsible person, it is under the owner's or responsible person's direct supervision and control or by use of a leash or other tether device directly controlled by the owner or responsible person.~~

~~(5) If it is being utilized as a service dog for a handicapped person or a seeing-eye dog in assisting a legally blind person, and sufficient control is exercised by the handler.~~

~~(6) If it is being used to control livestock.~~

~~(7) While it is being used to assist a police officer engaged in law enforcement duties.~~

~~(E) A dog owner or responsible person shall control the dog in a manner that prevents the dog from biting, attacking, molesting, or interfering with a person, domestic animal, fowl, poultry, pet and/or livestock or chasing vehicles.~~

~~(F) A person is not~~ in violation of ~~subsection § 90.05~~ (EB) if when the dog:

~~(1) The dog is is on the ~~owners'~~ owner's or responsible person's property and the ~~biting, attacking, molesting, or interfering occurs~~ incident occurred after provocation from the person, domestic animal, fowl, poultry, pet, or livestock ~~that was bit,~~ the dog attacked, bit, molested ~~or interfered with;~~ or, tackled, terrorized, chased, or harassed.~~

~~(2) The dog is is owned by a governmental agency and is in use for military or police work;~~ or,

~~(3) The dog is is a service dog,~~ and the incident occurred while the dog was providing a service to the owner.

(4) ~~The dog was~~ Was engaged in the lawful act of hunting, ranching, farming, or other agricultural purpose.

(~~GE~~) After a conviction of a violation of § 90.05(~~EB~~) ~~involving the attacking and/or biting of a person, domestic animal, fowl, poultry, pet and/or livestock~~, the prosecutor may request a hearing to establish ~~probable cause to have that~~ the involved dog ~~classified~~ should be designated as an aggressive dog as follows:

(1) After a first conviction, the dog may be designated by the court as an aggressive dog.

(~~H~~) ~~If a dog is involved in two or more violations of § 90.05(~~E2~~) involving an attack and/or biting of a person, domestic animal, pet and/or livestock off the owner's property the dog shall, upon the~~ After a second or subsequent conviction, the dog may be ~~deemed~~ designated by the court ~~to be as~~ an aggressive dog, and ~~the dog if so designated,~~ shall be maintained in conformance with § 90.14.

(~~IF~~) An owner ~~whose dog is deemed to be of~~ an aggressive dog may petition the court to ~~de-classify~~ have the ~~dog as~~ aggressive dog designation removed. The petition shall request a hearing at which the owner may present facts and circumstances to the court supporting the request. While the request is pending and until the ~~hearing officer makes a determination~~ court determines that the dog is not an aggressive dog, the dog shall be maintained in conformance with § 90.14.

Penalty, see § 90.99

\* \* \*

#### § 90.06 IMPOUNDMENT OF DOGS; DESTRUCTION; EMERGENCY ASSISTANCE.

(A) Any ~~stray~~ dog at large shall be impounded. All impounded dogs shall be given proper care and maintenance.

(B) Each impounded licensed or microchipped dog shall be kept and maintained at the Animal Control Shelter for a minimum of ~~ten~~ five days, unless claimed by its owner or responsible person. An unlicensed dog shall be kept and maintained at the Animal Control Shelter for a minimum of three days. Any dog found without a tag or microchip device identifying its owner shall be deemed not owned.

(C) An impounded licensed or unlicensed dog may be adopted upon expiration of the impoundment period, provided the adopting person pays the appropriate adoption fees and complies with licensing and vaccinating provisions of this chapter. Adoption fees may be waived for recognized nonprofit dog rescue groups. No dog shall be released for use in medical research. Animal control



officers may destroy impounded sick, or injured dogs whenever the destruction is deemed by a licensed veterinarian to be necessary to prevent the dog from suffering, or to prevent the spread of disease.

(D) Any licensed impounded dog may be reclaimed by its owner or responsible person within five days of its impoundment, provided the person reclaiming the dog furnishes proof of the right to do so, proof of rabies vaccination, pays all dog shelter fees, medical fees, and service and license fees as applicable. If the dog is not reclaimed within the impoundment period, the animal control officer shall take possession of the dog and may place the dog for adoption, or dispose of the dog in a humane manner as prescribed by a licensed veterinarian.

(E) A dog showing signs or symptoms of rabies, may be destroyed by a state licensed veterinarian or any other means deemed necessary to protect ~~the~~ public health and safety.

(F) Upon surrender of a dog by its owner or responsible person to the town for destruction, the town shall become the person responsible for the dog. Prior to the surrender, the owner or responsible person shall pay all associated fees to the town.

(G) ~~Emergency assistance of animal.~~ If a peace officer or animal control officer observes an animal in imminent danger of death or inhumane suffering, the peace officer or animal control officer may assist the animal as needed.

~~Penalty, see § 90.99~~

\* \* \*

## § 90.12 EXCESSIVE ~~BARKING~~DOG NOISE; NUISANCE BEHAVIOR.

(A) It shall be unlawful for a dog to:

(1) Cause a disturbance to the peace and enjoyment of any reasonable person residing within ~~the~~ town limits by making excessive ~~barking or other dog~~ noise ~~making including, but not limited to, howling, screeching, yelping, or baying.~~ It shall be a violation of this section if excessive dog noise occurs:

a. For more than fifteen (15) continuous minutes between the hours of 10:00 p.m. – 8:00 a.m.; or

b. For more than thirty (30) continuous minutes between the hours of 8:00 a.m. – 10:00 p.m.; or

c. For any duration on at least half of the days of a ten (10) day period and such occurrences are attested to by complaints from persons residing at two or more separate properties.

(2) Engage in nuisance behavior, including but not limited to damaging, soiling, defiling, or defecating on private property other than the owner's or on public sidewalks, trails, or recreation areas, unless such waste is immediately removed and properly disposed of by the owner or person responsible.

(B) The dog's owner or responsible person shall control the dog in a manner that ensures it does not violate § 90.12(A).

(C) Any person desiring to pursue civil or criminal charges against any person for a violation of ~~subsection § 90.12~~(AB) above, shall complete a witness statement (provided by the animal control officer or other ~~representative of the~~ Police Department representative) and assist in the prosecution.

(D) It shall be a defense to a violation of § 90.12(B) if the owner of the dog proves by a preponderance of the evidence that the dog was barking, howling, yelping, baying, or making other irritating noises because it was being provoked by a person or otherwise being incited to make noise.

\* \* \*

#### § 90.99 VIOLATION; PENALTY.

(A) Any person convicted of violating any provision of this chapter for which no specific penalty is prescribed shall be guilty of a Class 1 misdemeanor, punishable as set forth in § 10.99 of this Code.

(B) Any person convicted of violating any provisions of §§ 90.03, 90.04, 90.08, 90.10, 90.12(B), ~~90.13~~ or 90.15 ~~of this chapter~~ shall be guilty of a Class 3 misdemeanor, punishable by a fine not to exceed \$500, imprisonment for a period not to exceed 30 days, or by any combination of such fine and imprisonment.

(C) Any person convicted of violating any provision of §§ 90.05 or 90.12(AB) that does not involve biting or attacking shall be guilty of a civil offense punishable as set forth in § 10.99 of this Code and subject to the habitual offender provisions set forth in § 10.99(D).

(D) Any person convicted of violating any provision of § 90.05 that involves biting or attacking shall be guilty of a Class 3 misdemeanor, punishable as set forth in subsection (B) of this section.

(E) Any fine, fee or monetary restitution amount assessed for loss of property due to the unlawful actions of a dog may be ordered by the court at the time of sentencing if payment was not received prior to sentencing.



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

5. b.

**Meeting Date:** 01/10/2023

**Contact Person:** Erin Deskins, Town Clerk  
Phone: 928-636-2646 x-1208

**Department:** Town Clerk

**Item Type:** Consent

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#### AGENDA ITEM TITLE:

Consideration and possible action to approve the December 13, 2022, regular meeting minutes. (Erin N. Deskins, Town Clerk)

#### RECOMMENDED ACTION:

Approve the December 13, 2022, regular meeting minutes.

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#### Attachments

December 13, 2022 Regular Meeting Minutes

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# DRAFT

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

**TUESDAY, DECEMBER 13, 2022  
6:00 P.M.**

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

**Present:** Mayor Jack Miller; Vice-Mayor Annie Perkins; Councilmember Tom Armstrong; Councilmember Eric Granillo; Councilmember John McCafferty; Councilmember Lon Turner

**Absent:** Councilmember Cloyce Kelly

**Staff** Town Manager Cindy Blackmore; Town Attorney John Gaylord; Administrative Services Director  
**Present:** Joe Duffy; Human Resources Director Laura Kyriakakis; Police Chief Chuck Wynn; Economic Development Project Manager Maggie Tidaback; Public Works Director/Town Engineer Frank Marbury; Development Services Director Laurie Lineberry; Senior Planner Will Dingee; Planner Bethan Heng; IT Manager Spencer Guest; Audio Visual Technician Lawrence Digges; Deputy Town Clerk Sara Burchill; Town Clerk Erin N. Deskins

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

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

### **2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**

- a)** Recognition of elected officials for the following years of service:
- Lon Turner--11.5 years as Councilmember, 2 years as Vice-Mayor;
  - Cloyce Kelly--4.5 years as Councilmember.
  - Annie Perkins--July 2021-Dec 2022 as Vice-Mayor. (Jack Miller, Mayor, and Cindy Blackmore, Town Manager)

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Tom Armstrong to move item 6(a) to be heard first.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Lon Turner

**6 - 0 PASSED - Unanimously**

\*See Item discussion and action under Item 6(a).

## **ROLL CALL**

Mayor Miller requested a roll call of the new Councilmembers.

Present: Mayor Jack Miller; Vice-Mayor Annie Perkins; Councilmember Tom Armstrong; Councilmember Eric Granillo; Councilmember John McCafferty; Councilmember Sherri Phillips; Councilmember Robert Schacherer

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Tom Armstrong to hear item 6b next.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

**7 - 0 PASSED - Unanimously**

\*See Item discussion and action under Item 6(b).

### **3) CALL TO THE PUBLIC- Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.**

*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 at the discretion of the Council and not required by law. Individuals are limited to speak for three (3) minutes, yielding of time will not be permitted. 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. Disrespectful behavior will not be tolerated; this includes loud outbursts, profanity and disruptive discussions among our audience.*

- Mike Covell – He was there to speak about the 9/11 Memorial. He was a 34-year employee for United Airlines. He thought it was a well-designed memorial, except that the memorial plaque for United Flight 93 had an error. There were two people that had signed the certification process for Flight 93's 757 aircraft, but they had not signed off on engines three and four systems and structures, because the 757 only had two engines. The memorial plaque showed four engines. The two men that prevented the plane from reaching the Pentagon graduated from the same high school as he did. Flight 93 was a special aircraft, and the Pentagon and the World Trade Center were special buildings. He thought the memorial plaque for Flight 93 needed to be corrected showing an aircraft with only two engines. He wondered how many people had looked at the plaque and noticed the error.
- Rachelle Fernow – She wanted to address public information she had seen regarding the General Plan Steering Committee (GPSC). After seeing the names on the list, she thought

the amount of nepotism was flagrantly obvious. She had a problem with family members and close friends of the Council being on the GPSC. She did not think the Council should appoint people, because she thought the GPSC represented the community, not the Council. She liked the people on the committee, but she thought the steps taken were not in the best interest of representing the Town as a whole. She hoped going forward they would make better decisions and choose better representation for the community.

- Randy Stuflick – More than 30 days had passed since his attorney sent a letter to each Councilmember asking for a response within that 30-day timeframe. They had received a certified return receipt on November 9<sup>th</sup>. He asked the Councilmembers if they received the letter. Mayor Miller explained that the Council was not able to respond. Mr. Stuflick understood, and asked if they had not received the letter, to request it.
- Staff was directed to meet with Mr. Covell, line out Ms. Fernow on the GPSC process, and to have the attorney respond to Mr. Stuflick.

#### 4) **CURRENT EVENT SUMMARIES AND REPORTS**

*This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.*

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

Councilmember Perkins reported on the December to Remember event from the past weekend.

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

Town Manager Blackmore reported on the following:

- Reminded people that the current meeting was the only Council meeting for December due to the holidays.
- The Town Clerk was still accepting applications for the Planning and Zoning (P&Z) Commission and the Building Advisory Board.

#### 5) **CONSENT AGENDA**

*All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.*

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Tom Armstrong to approve Consent items a-d as written.

AYE: Mayor Jack Miller, Vice-Mayor Eric Granillo, Councilmember Annie Perkins, Councilmember Tom Armstrong, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

**7 - 0 PASSED - Unanimously**

- a) Consideration and possible action to adopt the 2023 Base Council Meeting Schedule. (Erin Deskins, Town Clerk)
- b) Consideration and possible action to approve the October 25, 2022, regular meeting minutes. (Erin N. Deskins, Town Clerk)
- c) Consideration and possible action to approve the November 3, 2022, joint meeting minutes. (Erin N. Deskins, Town Clerk)
- d) Consideration and possible action to approve the November 8, 2022, study session and regular meeting minutes. (Erin N. Deskins, Town Clerk)

**6) ACTION ITEMS**

*The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.*

- a) Administer Oaths of Office to Mayor-Elect Jack Miller and Councilmembers-Elect John McCafferty, Sherri Phillips, and Robert Schacherer. (Erin N. Deskins, Town Clerk)

\*This Item was moved to the top of the agenda and heard after Item 2(a).

Town Clerk Deskins administered the Oath of Office to Mayor-Elect Jack Miller and Councilmembers Elect John McCafferty, Sherri Phillips, and Robert Schacherer.

- b) Consideration and possible action to nominate and elect a Councilmember to serve as Vice-Mayor. (Jack Miller, Mayor)

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

\*This Item was moved to the top of the agenda and heard after Item 6(a) and roll call of the new Council.

MOVED by Mayor Jack Miller, seconded by Councilmember Tom Armstrong to nominate Councilmember Granillo as Vice-Mayor.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

**7 - 0 PASSED - Unanimously**

- c) Public hearing and consideration, and possible action to approve a conditional use permit for applicants Derek and Luiz Pereira to operate an equine rescue center on residential property located at 680 S. Firesky Lane. (Will Dingee, Senior Planner)

**Recommended Action:** i. Hold public hearing  
 ii. Approve Conditional Use Permit CUP-2022-01 as presented, subject to the staff report, the information provided during this hearing, and the Conditions of Approval in Attachment 1.

Councilmember McCafferty explained that he had discussions with the Pereria's early in the process. His only role had been to facilitate communications with Town staff and the Pereira's after discussions had broken down. He had done minor business with the Pereira's, but they were not friends. He thought he could be unbiased when deciding on the topic. Town Attorney John Gaylord explained that the individual Councilmember would need to decide if it was a conflict of interest. The Council could not weigh in on the issue, and the decision to make a statement for the sake of transparency was the choice of the Councilmember. If he was concerned that there was a conflict, it was a decision he had to make. Councilmember McCafferty thought he was unbiased and would not have any issues making a fair decision.

Senior Planner Will Dingee presented the following:

- The applicant was requesting a conditional use permit (CUP) for an equine rescue center.
- Staff provided a brief background and explanation of CUP's.
- A brief description of the five-acre property's location was provided. It was part of a defunct subdivision called Mingus Acres Subdivision.
- The existing permitted land use was a single-family residence and the keeping of livestock. The existing unpermitted land use was the current equine rescue center and the sale of hay, manure, straw, railroad ties, and other donated assets both from the property and delivered from the property.
- The zoning for the parcel and the surrounding properties was Single Family Residential (SR) 2.5 acre minimum.
- The area of Town had properties that were one acre or more of land. Properties of this size had the allowance to keep livestock and have agricultural uses on the property. The Town was the only community that did not have a maximum quantity limit on horses or cattle keeping. There was a limit on swine.
- The case had been active since early 2022. It started with several code enforcement complaints from surrounding neighbors regarding animals onsite, property well-being, and the number of flies generated from the onsite activities. Staff contacted the property owner in May 2022 for a pre-application meeting, with the goal of pursuing the path of either a CUP, a rezone, or a way to shape the property activity into something that was compatible with the surrounding neighbors. The property owner opted to move forward with a CUP.
- A neighborhood meeting was held in June 2022. Following the meeting, staff issued a substantial list of conditions for the proposed CUP. Reviewing and getting applicant approval of the list of conditions took a significant amount of time. Because of this, the timeline exceeded the Town's regular case schedule, and the case was continued. Once the parties came to an agreement, the application went to P&Z in October.
- The P&Z recommended several modifications to the proposed conditions after



considerable dialogue between the applicant, the Town, and community members. P&Z decided to continue the application until staff could address the changes. It was presented again in November for a final discussion. With the changes addressed, the P&Z forwarded a recommendation of approval with a 5-1 vote, with further restrictions that limited the self-imposed capacity of the livestock onsite.

- Staff had received six letters from neighboring properties in opposition to the application.
- There were 12 conditions, four of which were discussed by staff, which were the main talking points brought up by neighbors. The conditions were crafted to mitigate the issues brought up.

3. *The conditional use permit was valid for an initial 12-month period.* Staff had considered a 6-month period, but it put the project into winter and would be difficult to get the required sitework completed. After the 12-month period, it would go back to P&Z to ensure the owners were meeting the conditions. If conditions were met, the CUP could be extended for five years.

4. *Livestock maximum capacity.* The maximum capacity had been set at 50 during a natural disaster, but P&Z cut it down to 30. The applicant had originally wanted a maximum of 70 to be split between cattle and horses. At the last November meeting, P&Z cut the number down to 20 for daily activities and 30 during an emergency. The applicant did not agree with those numbers and wanted to request an increase from the Council.

5. *Hours of operation:* The original request was from dawn to dusk, but that was changed to 7:00 a.m. to 7:00 p.m., Monday through Saturday for fund-raising activities, and all equine activities Monday - Sunday, 7:00 a.m. to 7:00 p.m. Veterinarian emergencies were considered exempt.

6. *Property maintenance:*

- The applicant shall feed and remove animal manure from enclosures daily.
- The applicant shall place animal manure in an enclosed waste area until it is removed off-site each week. Manure cannot be spread on site. This was important because of the size of the property and spreading it had created a nuisance to the surrounding neighbors. The applicant had contracted with Prescott Dirt to accept weekly donations of the manure.
- The applicant shall provide water to livestock on site at all times.
- The applicant shall provide shade for the cattle and horses through shade structures in each grazing area. The applicant was constructing the structures.
- The applicant shall maintain security of livestock enclosures with a wrapped-wire, welded fence or an equivalent, to keep livestock from wandering off the subject property.
- The applicant shall maintain adequate fly control on site through the use of bagged fly traps or other biological methods. It was expected that the manure mitigation would help substantially with the issue.
- Staff recommended Council open the public hearing, and the P&Z forwarded a recommendation of approval with the corrected conditions presented.

Council and staff discussed the following:

- Staff would perform periodic inspections to ensure that the property was brought up to code, per the conditions of the CUP. They did not have a set schedule yet. They had 12 months to bring the property into compliance with the conditions. If it was not adhered to in that timeline, the CUP would be revoked. It could be revoked earlier if conditions worsened on the property during the 12-month period. It was the hope that the conditions mitigated some of the neighborhood issues over that 12-month period.
- The letters were received following the neighborhood meeting, but staff thought there

were many still opposed to the activity even with the conditions.

- This originally was an animal code enforcement issue that would be resolved through a CUP and substantial reductions in the number of livestock allowed on the property (there was no Town cap). The applicant wanted to increase the 20-animal limit condition that had been imposed.
- The hay sales were already happening and had been for five years. The Town had not required any traffic study for the CUP. There had been concerns about the traffic from the hay delivery, but staff hoped to prevent issues by implementing the hours of operation. It was a paved road.
- The livestock would be on 3.4 acres of the property's five acres.
- The property owner was not issued a citation. Staff hoped to resolve the issue before it came to that.
- A precedent could be set for other similar properties in that they would have to follow the same conditions set for the subject property.
- There was no set number for the type of animal (horse or cattle), as long as the 20-animal total was not exceeded.
- An equine rescue was not a permitted use, nor was it listed as a conditional use, but any uses that could be considered by the zoning administrator as a compatible use with the conditions, could be considered. AR4 and AR5 allowed for commercial agriculture and livestock keeping, and staff thought that was a potential option for the property owners.
- There were five equine rescue places within the Town that staff knew about. The number of animals kept onsite for those operations varied. It had not been a code enforcement issue with the other businesses, because the properties were well kept. Staff thought the number of animals was not set by code, because it was up to the property owner to ensure that whatever quantity was onsite was adequately maintained. This was an issue with the current property owner because they were unable to maintain the quantity of animals when the case was initiated. Most of the other rescue places were five acres, with a couple that were larger.

Council and applicant, Derek Pereira, discussed the following:

- A complaint had been made that delivery trucks blocked the street until the property gates were unlocked. The applicant explained that they kept the gate locked to keep people off the property. He was typically the person driving the truck and he was the person that unlocked the gate. When other delivery vehicles came, the driver gave them notice they were on the way, and they could park in the throat of the driveway until it was unlocked.
- The applicant had recently rehomed three horses, which left them with 16 horses and 13 cattle, some goats, chickens, and dogs. He thought it was interesting that P&Z did not think barbed wire kept cattle contained, but there were cattle around Town on barbed wire land. He had waited months until the livestock inspector checked out some of his cattle before they could go to auction.
- The applicant overviewed the structures that housed the animals. The cattle were kept on 0.9 acres, and the horses were kept on 1.1 acres. There was also a smaller, fenced 1.4-acre area as well. They had covers that were donated and they planned to build covered areas in the animal spaces for shade.
- The Equine Rescue was the business name, and it was a 501(c)(3) non-profit entity. They had been in business since 2018.
- He gave the animals as much space as he could give them, while other rescue places kept the animals in 20' x 12' stalls.
- The applicant had been getting as much done per the conditions as possible, but they had initially talked about having 30 animals with P&Z. He thought the 30-animal limit was more doable than the 20-animal limit in the conditions. There were certain animals on

the property that were sanctuary horses, and they were hoping some of the cows as well.

- The applicant and his father lived on the property.
- The County had stricter policies for animals. Farm animals on lots 1.6 acres or larger were limited to two full-sized hooved animals per acre or fraction thereof. Any additional acreage over 1.6 was given a point system for goats and llamas.

Mayor Miller opened the Public Hearing.

- Cathy Middlested – She supported the project but had a couple of issues. A P&Z motion was made to reduce the animals to 20 with an additional 10 animals during a natural disaster. She wondered if animals referred to horses, cattle, a combination of the two, or if it included other animals like dogs and goats. In P&Z discussions, they had always used the term “combination of horses and cows,” so she wanted it clarified. During a disaster, the applicant was only given three weeks to get the extra 10 animals off the land, and she wondered how someone could do that during a disaster. 30 horses on 1.1 acres gave each horse 1,597 square feet, the size of a three-bedroom house. 20 horses would have 2,396 square feet. During the GPSC meetings most people said they wanted to keep the Town rural. She thought the equine rescue was an admirable thing, and there was an obvious need, but she wanted to ensure the horses were cared for. The underlying zone in the UDO did not limit the number of animals he could have.
- Larry Holt – He was at a loss for words because staff said they did not have an ordinance that restricted the number of animals, but now they wanted to restrict the number of animals. Whenever the Town did lot splits, they talked about personal property rights in Arizona, but they did not take into consideration how it affected neighbors but now they were talking about how horses affected the neighbors. It was a rural property, and he did not think it was a mess. Flies came around with animals but were around in the summer normally. If the owner maintained the property and animals, he did not think the Town should restrict the number of animals unless the ordinance was changed for everyone. A person down the street with barely an acre had five horses with no room to work the animals. He thought the animals looked cared for, and he agreed they were doing something admirable. He thought it would be difficult to get rid of animals after a disaster. The whole area was agricultural, and he thought they should let him do it.
- Jim Boyd – He described his work and veteran background. Animal rescue was a not-for-profit organization that was duly incorporated in the state, that accepted unwanted animals from an animal shelter or other places, and attempted to find homes for them and promoted adoption of the animals. An animal sanctuary was a place where animals were brought to live and to be protected for the rest of their lives. Both of those were found on the subject property. The applicant sold hay, and he bought hay from him. He knew the money was going back into the property and to the animals. He urged the Council to visit the property. He worked on the property as a volunteer because he believed in animals. New fences had been installed, manure removed to help grow plants, and shade structures were to be installed in the spring. In the future, the members of the Yavapai County probation system would be able to help with the continued maintenance of the animals and facilities. There would be help moving the manure. It was a winning situation, because the probation members would learn something new and would have the chance to heal within themselves. Veterans had a high rate of suicide, and they were looking at getting a grant to further enhance the healing activities that the horses provided. He had also adopted two of the horses from the applicant.
- Marsi George – She lived two houses down from the subject property and said that most of what had been said at the meeting was untrue. There were no new fences, and they had only hauled off four or five tons of manure. The manure was at least four feet deep, and it was rancid. Her recent guest was astounded by the smell. When painting her house in August, the flies were so bad, they had to stop painting as the flies were sticking to the

paint. It had to be repainted. The times he came and went with his truck were off the charts. He also had goats, that he was setting up a whole pad, and over 300 chickens and turkeys, and a lot of dogs. There was manure from all the animals. There was another woman that wanted to speak at the meeting, but she was afraid the applicant would retaliate against her if she spoke against him. The gate was locked a lot, and they marched around the property with guns, and she did not think that was welcoming as a rescue. No one ever worked with the animals. She did not understand how it could work with all the other animals on the property. She was familiar with horses and knew there were ways to manage flies.

- Uziel Sotelo – Lived next door and said that the 0.9 acres was inaccurate. They had a small bull pen that they used chicken wire and barbed wire to hold the bull, which had crossed onto his property several times. The manure was five feet underground and the gas could be seen. It went onto his property when it rained. The feathers from the chickens went on his property. He had videos and pictures of how the animals were mistreated. He had never seen the animals cared for by anyone. The animals could get sick from the amount of manure on the property. They had hay stacked over seventeen feet tall, and could have fallen and hit someone on his property, but the applicant wouldn't do anything about it. It was a dangerous place for the animals. He had heard the animals screaming during the night because they were starving. He thought they had been doing the business for at least seven years, and they were only getting the CUP as a business aspect. The number of flies in the area was ridiculous. He did not think it was a suitable business for a residential area. He hoped that the Council did not approve it.

- James Anderson - He could pull his truck and trailer into the driveway without being on the street. The applicant was not in the road for more than three minutes. He discussed the area where the animal feeders and water were located. He pointed out the area with the horse pens and where the hay was stored. The animals were cared for, and when an animal needed attention, they got it. The applicant was outside and walked the property a lot. There were people there to help with the maintenance, sales, and that supported him. He was doing a good thing. He purchased hay from the applicant every other week. Sometimes the truck did come back late because things happened on the road. There was never a problem with traffic on the road.

- Ana Sotelo – She lived next door to the applicant. She did not know what kind of people would put their animals with the applicant. It was a business, not a rescue. He never fixed anything, and she had feathers and garbage on her property from his property. Her fence had been destroyed several times. She wondered why he had to have so many animals and thought he needed bigger property. She had friends with animals who had clean and maintained properties. She heard noises in the night, and they were fighting each other because they did not want to do the job. They needed to respect their neighbors.

- Kevin Pereira – He had a dog and did not abuse him. He was Derek Pereira's twin brother. He was astonished at what had been said and the lies. He had come to show support for his brother's business. He helped his brother. Their bull had gotten out of their property, but the neighbor's fence was not built properly, with no top row or tension wire. They had been working on mitigating the flies. He thought that if they had to come into compliance, the neighbors should be required to do the same, and everyone should be held to the same standards. The manure was being removed and dealt with. The people in opposition were lying. The animals were being taken care of.

Mayor Miller closed the public hearing.

Council, Town attorney, the applicant, and staff discussed the following:

- The regulations and conditions were only for the cows and horses. The only animals regulated by Town code was large-hooved animals and swine. Smaller animals had not

been part of the discussions. Although there was not a quantity limit on large hooved animals in Town Code, they were recommending implementing a quantity limit on the applicant.

- It was up to the property owner to get the additional 10 animals off the property within three weeks after a natural disaster.
- To keep livestock animals off private property, a state level ordinance required private property owners to erect a fence around the private property. Members thought it was up to the applicant to keep their animals on their property, and not the neighbor's responsibility.
- The property had substantially improved from the original condition back in May 2022, and it was meeting the intent of the code and the recommended conditions. Staff were comfortable with the current status, or they would not be forwarding a recommendation of approval.
- The other animal rescue facilities were all in the AR district and had different provisions for livestock, and the keeping of commercial animals was allowed. The applicant had the largest single family residential zoning district the Town had that allowed for a level of agricultural livestock keeping, as long as it was primarily non-commercial.
- The hay sale was a type of commercial business but was a fundraising type of sale. The CUP was the best path to try and merge the existing use to make it compatible.
- The property was not yet in compliance with the recommended conditions.
- Members discussed the proposed conditions and accommodation of both the applicant and the neighbors. Discussion included requiring the applicant to bring the facility up to compliance before issuing the CUP. The biggest concerns remaining were the manure and fly control, but conditions five and six would resolve many of the issues.
- Giving the applicant until May of 2023 to resolve the issues would be 12 months from the time the process began in May of 2022.
- Staff would be responsible for ensuring the applicant was meeting the conditions.
- Due to the number of animals and the size of the property, the fly issue could not be fully resolved with any type of mitigation efforts.
- The manure had been difficult to handle during heavy rain, but the applicant was working to get added help, including workers on probation.
- The applicant thought they would have 12 months from the time the CUP was granted to come into compliance but thought that within six months they could be in full compliance.
- Members discussed allowing the applicant to continue with their operations but requiring compliance within six months. After six months, staff could give a status report to Council.
- Tabling the issue until they came into compliance was not the same as issuing the CUP. The applicant was not currently in compliance and tabling the issue would leave it at status quo. It would leave staff in a position of deciding if they needed to enforce the noncompliance issue. The Council had the ability to change the conditions and grant the CUP.
- Complaints had been received for several years, with the bulk of them received in the spring of 2022. They currently did not have a business license. Some of the neighbors that complained had been there before the applicant moved in, while others had recently purchased property in the neighborhood.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember John McCafferty to approve the CUP as presented with the following changes: condition three to six months and condition four to 20 animals maximum, and the conditions of approval in attachment 1.

AYE: Mayor Jack Miller, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

NAY: Councilmember Annie Perkins, Councilmember Tom Armstrong

**5 - 2 PASSED**

- d) Consideration and possible action to authorize the Public Works Director to waive sewer connection requirements for 1775 Pinto Lane. (Frank Marbury, Public Works Director/Town Engineer)

**Recommended Action:** Authorize the Public Works Director to waive sewer connection requirements for 1775 Pinto Lane (Parcel 306-18-008E) pending County approval of a septic system.

Public Works Director Frank Marbury presented the following:

- The resident on Pinto Lane (location provided), which had been vacant, was building a home, and had paid the sewer connection fees. Staff discovered there was no lateral lines installed on that section.
- The existing lines were 14 feet deep, and they would need to dig 20 feet or more, and staff did not think it was practical to dig that deep for one connection.
- After extensive discussion with the Utility Committee and the Town attorney, they were recommending that the property be approved for a septic system until the Town extended sewer lines down Pinto Lane, at which time the subject property would be required to connect. If the Town extended lines in the future, it would be at a more manageable depth.
- Digging down 20 feet on Perkinsville Road would require special equipment and could be very dangerous. The road would need to be closed for several days.

Council and staff discussed the following:

- The Town was trying to get as many homes connected to the Town's sewer system so the water could be treated and recaptured.
- The lots in Chino Meadows 1 were all on sewer. Staff was not aware of any neighboring properties that were on Town sewer and would need to research the issue further.
- Staff would not recommend installing lines down the side of the road, because it went against engineering practices to have lateral service running in front of other properties. It needed to be a main line. The main line in this location was too deep to safely access.
- There were no other properties being developed on Pinto Lane, and the future of sewer installation would be answered in their Sewer Masterplan, which had not yet been developed. It would most likely be years before a line was put in.
- The process for installing the lines and the necessary road detours was overviewed. There was no engineer's estimate of the cost.
- The development's sewer main line design and County approval were discussed.
- The County would approve the property's septic system.
- Under the current Town rules, the property was required to connect to Town sewer. The Council would be suspending that action until it was more feasible to connect Town sewer.
- The property owner would eventually be paying for both systems.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Annie Perkins to approve the installation of the septic system at 1775 Pinto Lane until the Town's sewer system is extended down Pinto Lane, at which time the property will be required to connect.

AYE: Vice-Mayor Eric Granillo, Councilmember Annie Perkins, Councilmember Tom Armstrong, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

NAY: Mayor Jack Miller

**6 - 1 PASSED**

## 7) **ADJOURNMENT**

MOVED by Councilmember Sherri Phillips, seconded by Councilmember Tom Armstrong to adjourn the meeting at 7:54 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Eric Granillo, Councilmember Annie Perkins, Councilmember Tom Armstrong, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

**7 - 0 PASSED - Unanimously**

\_\_\_\_\_  
Jack W. Miller, Mayor

ATTEST:

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

## CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the \_\_\_\_\_ day of \_\_\_\_\_, 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Erin N. Deskins, Town Clerk



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

6. a.

**Meeting Date:** 01/10/2023  
**Contact Person:** Joe Duffy, Finance Director  
 Phone: 928-636-2646 x-1211  
**Department:** Finance  
**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, 2022, as prepared by Henry & Horne, LLP, Certified Public Accountants. (Joe Duffy, Administrative Services Director)

### RECOMMENDED ACTION:

Accept the Comprehensive Annual Audited Financial Report and the Annual Expenditure Limitation Report for the fiscal year ended June 30, 2022, 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, 2022.

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

### Other Pertinent Documents Available Upon Request:

Appendix 6a-1. A printed copy of the report is being provided to Council and pertinent staff separately. The report is available on the Town's website at <http://www.chinoaz.net/AgendaCenter> with the January 10, 2023, Council Meeting documents.

### Fiscal Impact

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

### Attachments

CAFR 2022



## Expenditure Report

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**TOWN OF CHINO VALLEY, ARIZONA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**





**Prepared by the Finance Department**

**Joe R. Duffy, CPA, Administrative Services Director**

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Town of Chino Valley, Arizona

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# Introductory Section

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

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

November 28, 2022

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, 2022 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, 2022 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, 2020 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, Senior Center, and Aquatic 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 28,000 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.

The Town is actively promoting the development of the Chino Valley Regional Business Park at Old Home Manor. The business park includes a new access road, water and sewer infrastructure for prospective businesses. 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 2020 to be used through June 2025.

Under the Local Alternative Expenditure Limitation, the Town is allowed to adjust the state imposed expenditure base from \$9,707,846 to \$41,300,000 for fiscal year 2021-2022.

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

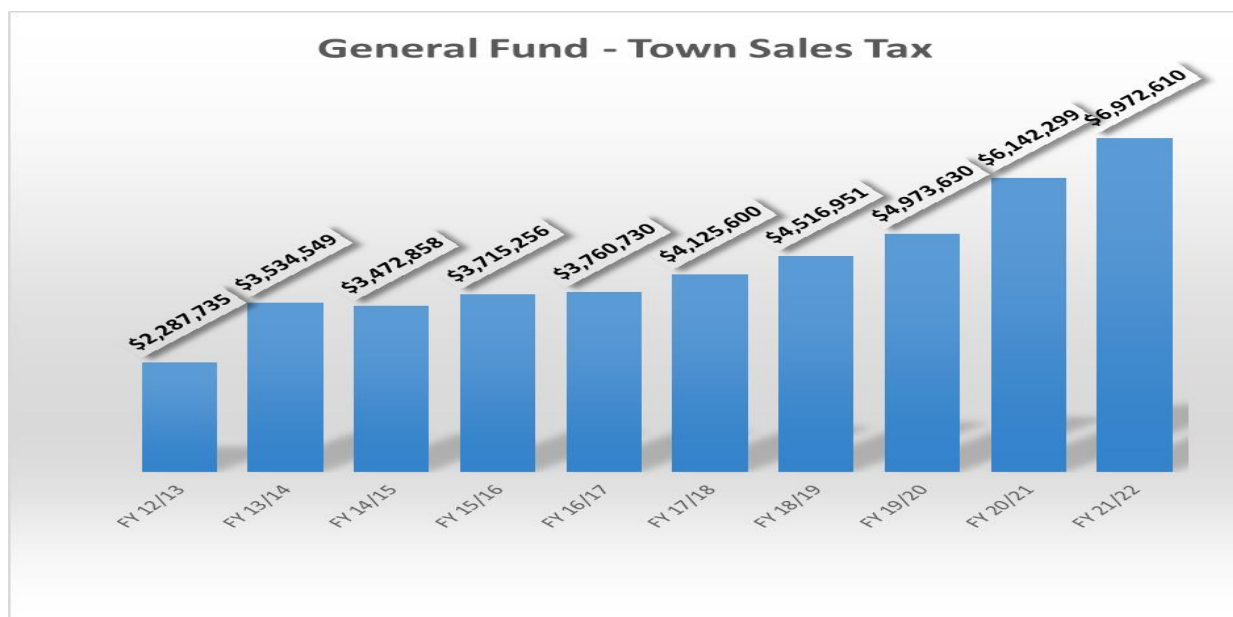
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Chino Valley operates.

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 few fiscal years.

In 2000, Chino Valley's population was 7,901; in 2010 the new census revealed a population of 10,825. Chino Valley is experiencing strong growth with the 2022 population estimated at 13,492. Growth was driven by three major housing subdivisions and several smaller developments. Chino Valley has recovered from the economic and housing downturn with a significant increase in new housing over the last three fiscal years.

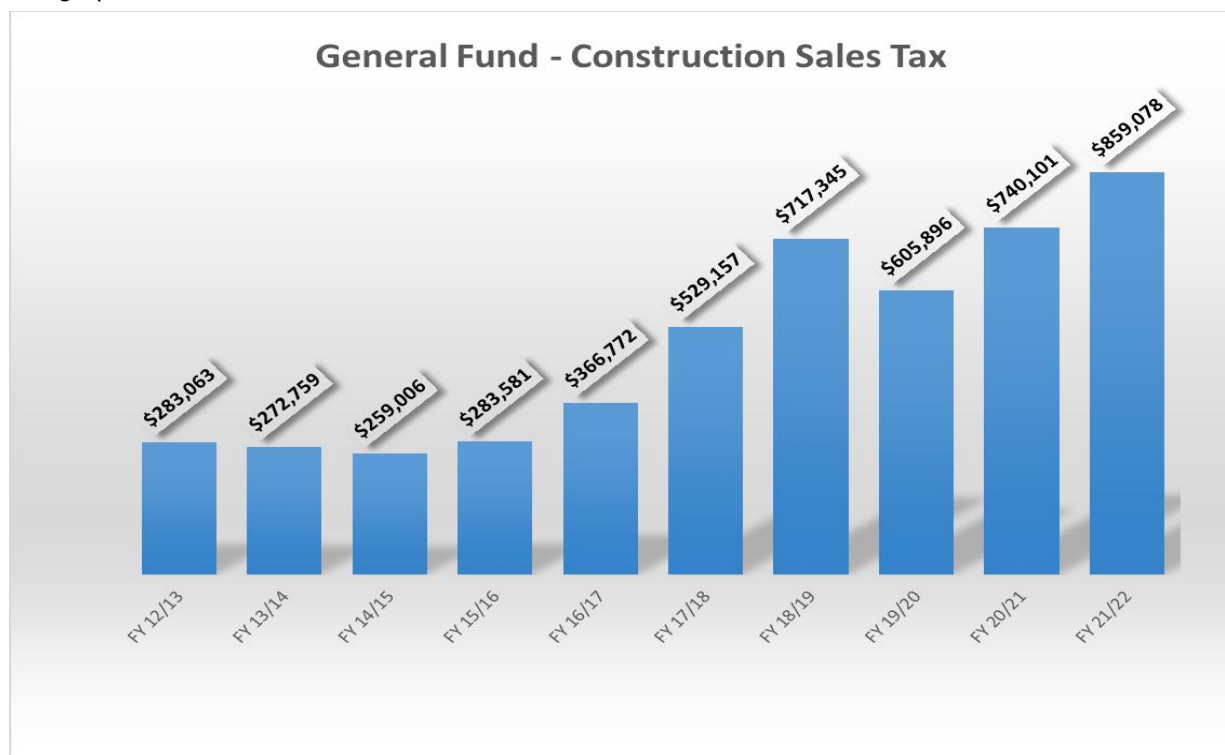
Local Sales Tax, also known as Town Sales Tax, indicators have been mixed since 2013. Local Sales Taxes are comprised of retail, construction, manufacturing, restaurant/bar, hotel/motel, and other taxing categories.

The Town's Sales Tax collections have shown steady growth since 2013. 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. The Town has seen steady growth each year since fiscal year 2015.



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% is transferred to the Capital Improvement Fund.

Construction sales tax by its nature can be volatile and unstable although it has been relatively stable starting in fiscal year 2012/2013, and has shown steady growth through fiscal year 2018/2019. The graph below shows the fluctuations in construction sales tax from 2012/2013 to 2021/2022.



The Town conservatively budgets the amount of construction sales tax each year taking into account the volatility 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 2022 the Town completed a major project at Old Home Manor extending water and sewer lines and road improvements. An RV Park is in the preliminary planning stage at Old Home Manor.

The Town began construction of a new Police Department scheduled to be completed in the spring of 2023.

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 assisted with a new traffic signal at Road 1 North.
- The Town began engineering several water and sewer line extensions to be constructed in Fiscal Year 2023.
- The Town purchased new playground equipment at the Community Center Park.

The Town made improvements to its facilities including new roofs and HVAC units on several of the Town's buildings, made major repairs at the waste water treatment plant, road improvements, and acquired several pieces of equipment including 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 Amendments of 1996 and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The independent auditor's report and federal compliance reports are included in the Financial Sections of this report.

### **Certificate of Achievement**

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Chino Valley for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a one-year period only. We believe our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

### **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 her 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  
Administrative Services Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Chino Valley  
Arizona**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

## TOWN OF CHINO VALLEY, ARIZONA



### LIST OF PRINCIPAL OFFICIALS

#### **Town Council**

Jack Miller, Mayor

Annie Perkins, Vice Mayor

Lon Turner, Council Member

Eric Granillo, Council Member

John McCafferty, Council Member

Tom Armstrong, Council Member

Cloyce Kelly, Council Member

#### **Town Manager**

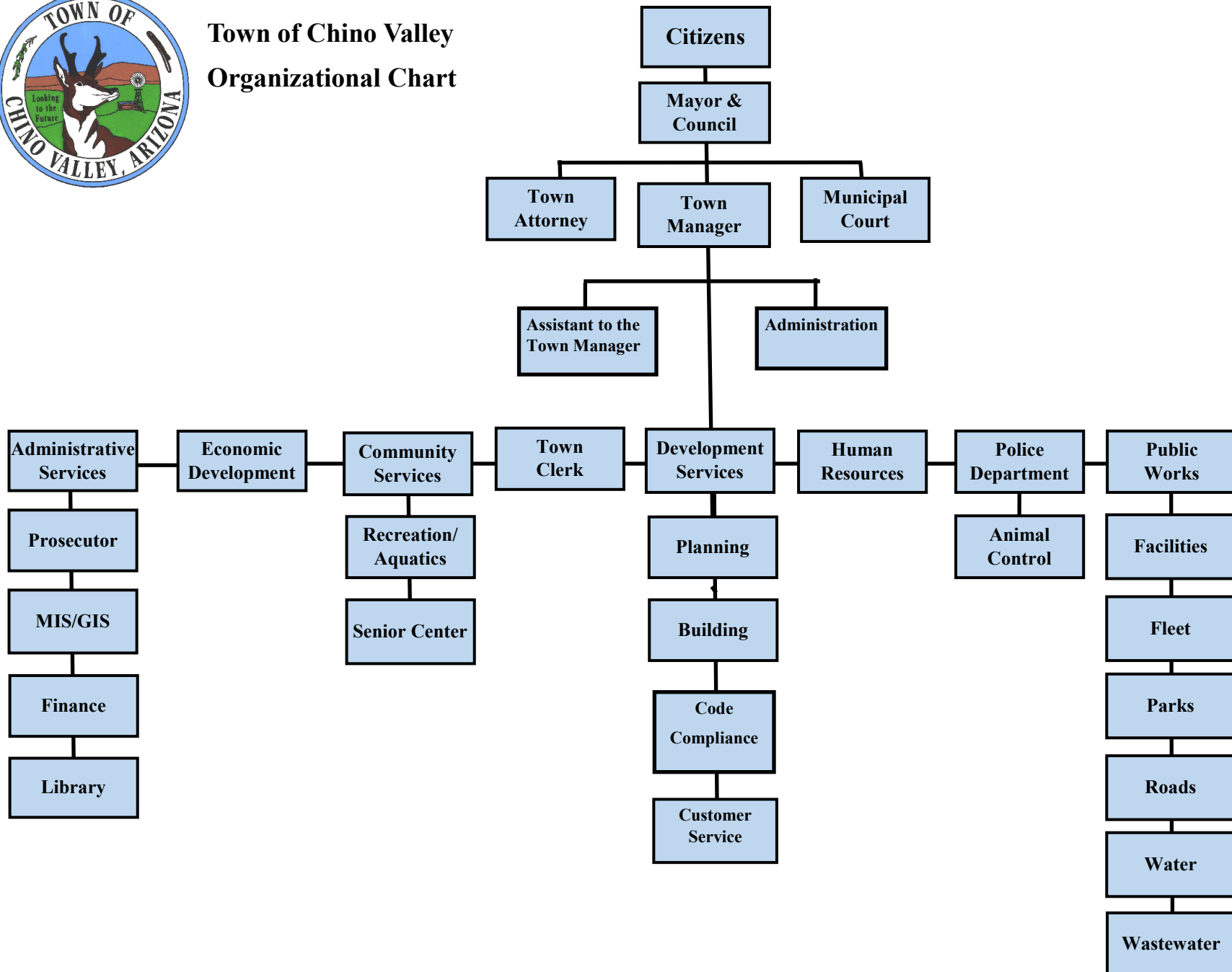
Cindy Blackmore

#### **Administrative Services Director**

Joe R. Duffy, CPA



# **Town of Chino Valley Organizational Chart**







# Financial Section

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## INDEPENDENT AUDITORS' REPORT

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

### Opinions

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 the Town of Chino Valley, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Chino Valley's basic financial statements as listed in the table of contents.

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, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Chino Valley, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

### Other Matters

*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.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Chino Valley's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Chino Valley's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Chino Valley's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**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 is the responsibility of management and, 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 Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Chino Valley's basic financial statements. The other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 financial section, is fairly stated, in all material respects, in relation to the basic financial statements as a whole

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022 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.

A handwritten signature in black ink that reads "Henry + Horne, LLP". The signature is written in a cursive, flowing style.

Tempe, Arizona  
November 28, 2022

# Financial Section

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## Management's Discussion & Analysis





**TOWN OF CHINO VALLEY, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

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, 2022. 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 and deferred outflows of resources exceeded total liabilities and deferred inflows of resources (net position) by \$39 million at the close of the fiscal year.
- Total net position, excluding the impact of GASB Statement 68, increased by \$8.7 million.
- Governmental taxes and other governmental revenues exceeded expenses, including transfers by \$8,409,183.
- Business-type revenues exceeded total business-type expenses, including transfers by \$302,449.
- Total revenues from all sources were \$26.1 million.
- The total cost of all Town programs was \$17.4 million.
- The General Fund reported excess revenue over expenditures and transfers of \$5.1 million.
- At the end of the current fiscal year, fund balance for the General Fund was \$14.8 million or 129% 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 21-28 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 31-35 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 38-70 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 71-81 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 85-93 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

- Net position may serve over time as a useful indicator of the Town's financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$39 million at the close of June 30, 2022 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.

|                                   | Governmental<br>Activities |               | Business-type<br>Activities |               | Total<br>Government |               |
|-----------------------------------|----------------------------|---------------|-----------------------------|---------------|---------------------|---------------|
|                                   | 6/30/2022                  | 6/30/2021     | 6/30/2022                   | 6/30/2021     | 6/30/2022           | 6/30/2021     |
| Current and other assets          | \$ 26,200,042              | \$ 18,325,956 | \$ 580,912                  | \$ 875,495    | \$ 26,780,954       | \$ 19,201,451 |
| Capital assets                    | 24,938,689                 | 17,791,938    | 24,192,950                  | 24,411,065    | 49,131,639          | 42,203,003    |
| Total assets                      | 51,138,731                 | 36,117,894    | 24,773,862                  | 25,286,560    | 75,912,593          | 61,404,454    |
| Deferred outflows of resources    | 3,049,866                  | 3,533,215     | 97,597                      | 96,686        | 3,147,463           | 3,629,901     |
| Long-term liabilities outstanding | 22,060,480                 | 18,583,617    | 9,283,100                   | 10,140,546    | 31,343,580          | 28,724,163    |
| Other liabilities                 | 2,830,467                  | 2,758,119     | 2,675,357                   | 2,755,032     | 5,505,824           | 5,513,151     |
| Total liabilities                 | 24,890,947                 | 21,341,736    | 11,958,457                  | 12,895,578    | 36,849,404          | 34,237,314    |
| Deferred inflows of resources     | 2,818,535                  | 239,441       | 131,328                     | 8,443         | 2,949,863           | 247,884       |
| Net position:                     |                            |               |                             |               |                     |               |
| Net investment in capital assets  | 12,627,404                 | 9,405,857     | 15,389,102                  | 14,879,202    | 28,016,506          | 24,285,059    |
| Restricted                        | 5,961,508                  | 3,018,753     | 919,404                     | 1,094,561     | 6,880,912           | 4,113,314     |
| Unrestricted                      | 7,890,203                  | 5,645,322     | (3,526,832)                 | (3,494,538)   | 4,363,371           | 2,150,784     |
| Total net position                | \$ 26,479,115              | \$ 18,069,932 | \$ 12,781,674               | \$ 12,479,225 | \$ 39,260,789       | \$ 30,549,157 |

## Governmental Activities

The cost of all Governmental activities, excluding transfers, this year was \$14.2 million which is 1% higher than last fiscal year. As shown on the statement of Changes in Net Position below, \$974,527 was paid for by those who directly benefited from the programs; \$5,696,551 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 \$7.2 million. General taxes and investment earnings totaled \$15.5 million.

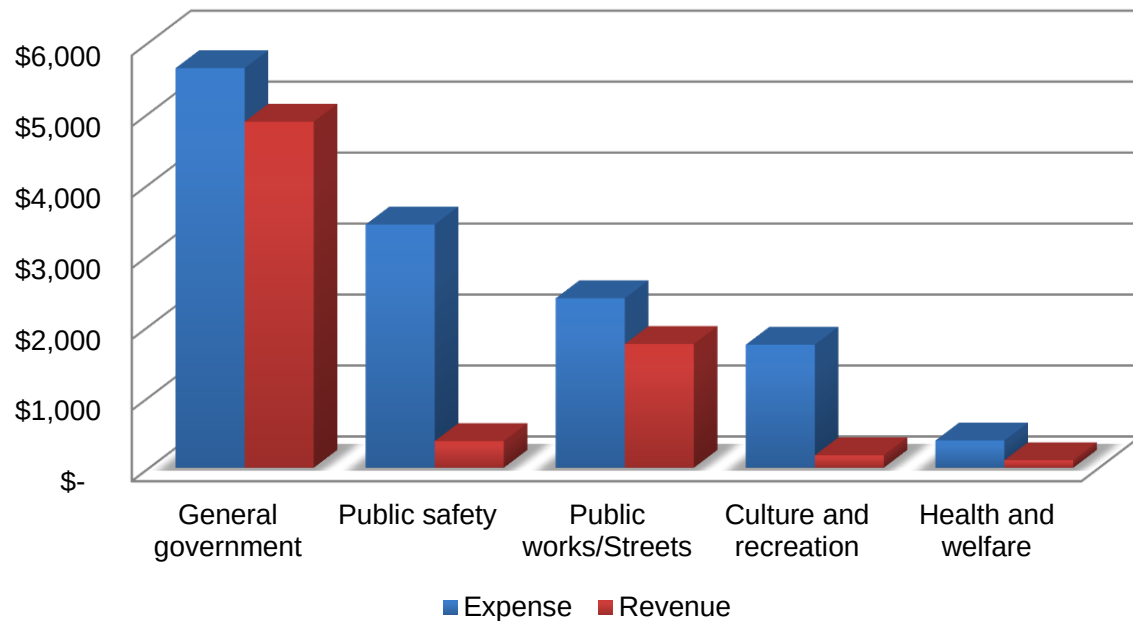
The Town's programs include: General Government, Public Safety, Public Works/Streets, Culture & Recreation, Health & Welfare, Water, and Sewer Services. Each programs' net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the extent to which the Town's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

Total resources available during the year to finance governmental operations were \$40.7 million, consisting of net position at July 1, 2021 of \$18.0 million, program revenues of \$7.2 million and General Revenues of \$15.5 million. Total Governmental Activities during the year were \$14.2 million; thus Governmental Net Position was increased by \$8.4 million to \$26 million. Operating grants and contributions increased due to the receipt of Federal Covid-19 State and Local Fiscal Recovery Funds. Taxes revenue increased due to a 13% increase in Town Sales Tax collections.

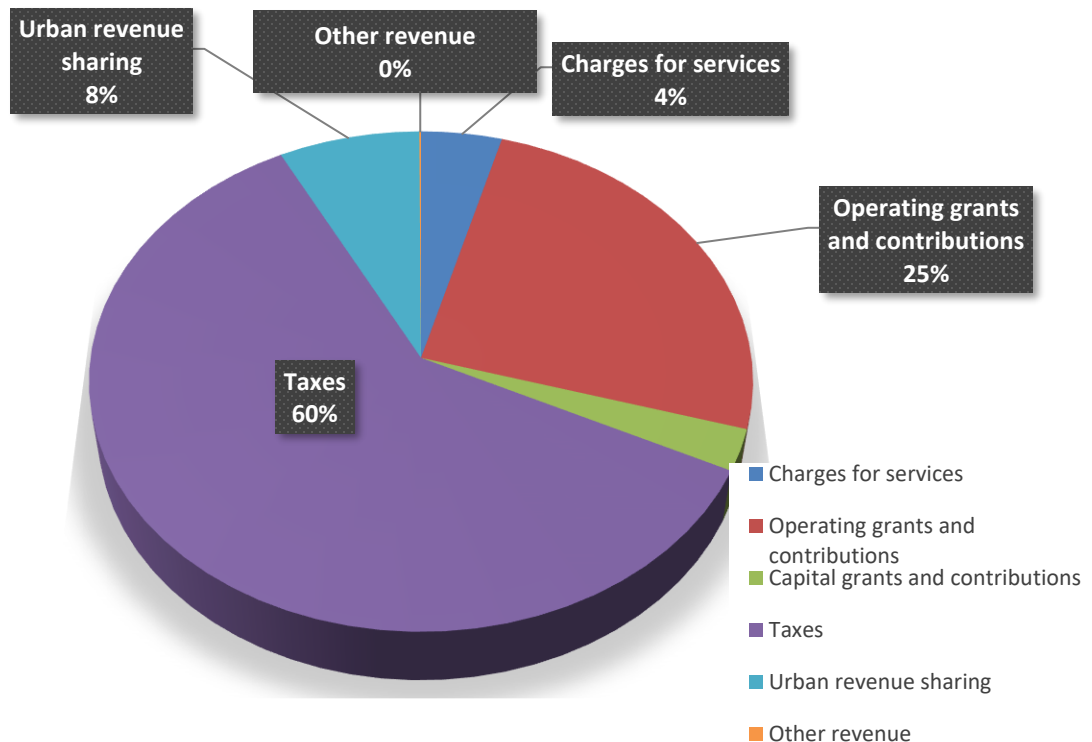
|                                                                          | Governmental<br>Activities |                      | Business-type<br>Activities |                      | Total<br>Government  |                      |
|--------------------------------------------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|                                                                          | 6/30/2022                  | 6/30/2021            | 6/30/2022                   | 6/30/2021            | 6/30/2022            | 6/30/2021            |
| Revenues:                                                                |                            |                      |                             |                      |                      |                      |
| Program revenues:                                                        |                            |                      |                             |                      |                      |                      |
| Charges for services                                                     | \$ 974,527                 | \$ 1,047,609         | \$ 2,537,090                | \$ 2,434,600         | \$ 3,511,617         | \$ 3,482,209         |
| Operating grants and contributions                                       | 5,696,551                  | 2,317,179            | -                           | -                    | 5,696,551            | 2,317,179            |
| Capital grants and contributions                                         | 604,887                    | 287,937              | 649,847                     | 824,605              | 1,254,734            | 1,112,542            |
| General revenues:                                                        |                            |                      |                             |                      |                      |                      |
| Taxes                                                                    | 13,603,121                 | 11,984,095           | -                           | -                    | 13,603,121           | 11,984,095           |
| Urban revenue sharing                                                    | 1,700,042                  | 1,768,560            | -                           | -                    | 1,700,042            | 1,768,560            |
| Other revenue/(expense)                                                  | 286,479                    | 4,409                | 66,007                      | 54,227               | 352,486              | 58,636               |
| Total revenues                                                           | <u>22,865,607</u>          | <u>17,409,789</u>    | <u>3,252,944</u>            | <u>3,313,432</u>     | <u>26,118,551</u>    | <u>20,723,221</u>    |
| Expenses:                                                                |                            |                      |                             |                      |                      |                      |
| General government                                                       | 5,629,961                  | 5,550,638            | -                           | -                    | 5,629,961            | 5,550,638            |
| Public safety                                                            | 3,426,275                  | 3,864,279            | -                           | -                    | 3,426,275            | 3,864,279            |
| Public works/Streets                                                     | 2,387,337                  | 2,380,503            | -                           | -                    | 2,387,337            | 2,380,503            |
| Culture and recreation                                                   | 1,733,179                  | 1,544,436            | -                           | -                    | 1,733,179            | 1,544,436            |
| Health and welfare                                                       | 383,233                    | 337,132              | -                           | -                    | 383,233              | 337,132              |
| Interest on long-term debt                                               | 641,439                    | 432,332              | -                           | -                    | 641,439              | 432,332              |
| Water                                                                    | -                          | -                    | 837,746                     | 745,412              | 837,746              | 745,412              |
| Sewer                                                                    | -                          | -                    | 2,367,749                   | 2,301,563            | 2,367,749            | 2,301,563            |
| Total expenses                                                           | <u>14,201,424</u>          | <u>14,109,320</u>    | <u>3,205,495</u>            | <u>3,046,975</u>     | <u>17,406,919</u>    | <u>17,156,295</u>    |
| Increase / (decrease) in net position before special items and transfers | 8,664,183                  | 3,300,469            | 47,449                      | 266,457              | 8,711,632            | 3,566,926            |
| Special items                                                            | -                          | -                    | -                           | -                    | -                    | -                    |
| Transfers in (out)                                                       | (255,000)                  | -                    | 255,000                     | -                    | -                    | -                    |
| Change in net position                                                   | <u>8,409,183</u>           | <u>3,300,469</u>     | <u>302,449</u>              | <u>266,457</u>       | <u>8,711,632</u>     | <u>3,566,926</u>     |
| Net position, beginning                                                  | <u>18,069,932</u>          | <u>14,769,463</u>    | <u>12,479,225</u>           | <u>12,212,768</u>    | <u>30,549,157</u>    | <u>26,982,231</u>    |
| Ending net position                                                      | <u>\$ 26,479,115</u>       | <u>\$ 18,069,932</u> | <u>\$ 12,781,674</u>        | <u>\$ 12,479,225</u> | <u>\$ 39,260,789</u> | <u>\$ 30,549,157</u> |

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

**Expense and Program Revenues - Governmental Activities**  
(in Thousands)



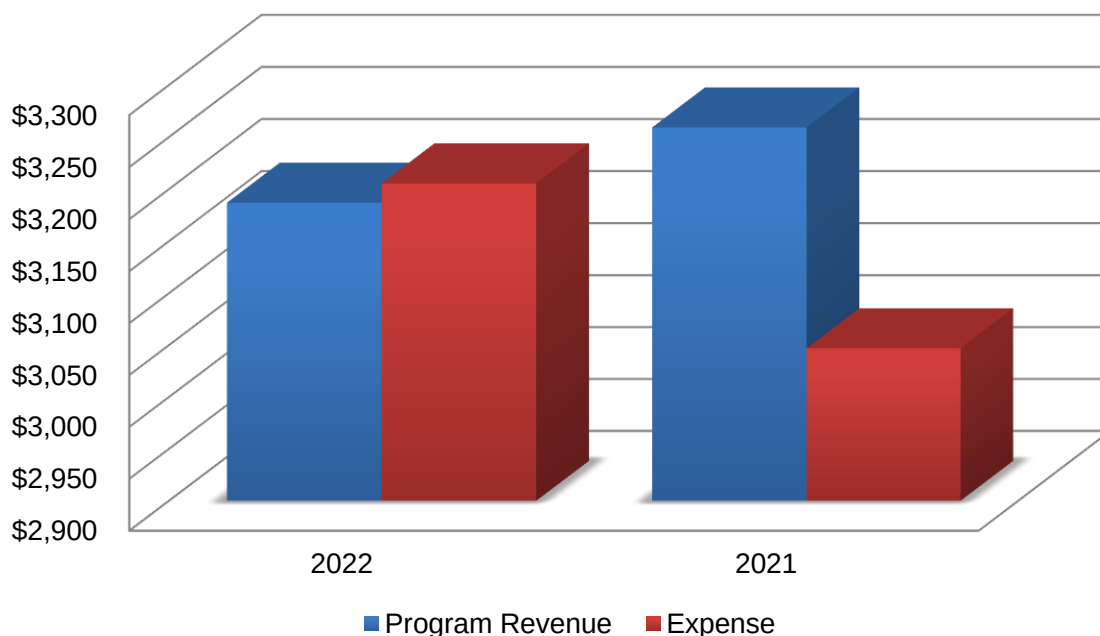
**Revenue by Source - Governmental Activities**



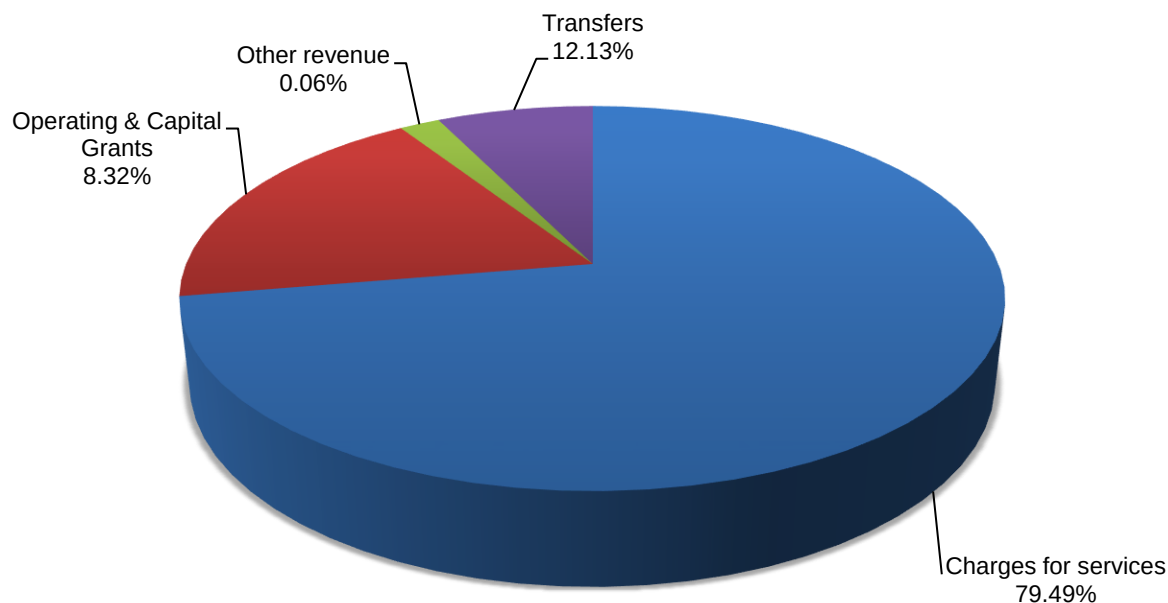
### Business Type Activities

Net position of the Business Type activities at June 30, 2022, as reflected in the Statement of Net Position was \$12.7 million. The cost of providing all Proprietary (Business Type) activities this year was \$3.2 million. As shown in the statement of Changes in Net Position, the amounts paid by users of the system were \$2.5 million and there was \$649,847 subsidized by capital grants and contributions. Both Enterprise Funds showed a modest increase in user service fees due to adding additional accounts. Interest earnings and other revenue were \$66,007. The Net Position increased by \$302,449.

**Expenses and Program Revenues - Business-type Activities**  
(in Thousands)



**Revenue by Source - Business-type Activities**



## 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 \$22,828,557 an increase of \$7,278,095 in comparison with the prior year. Approximately, 55% of this total amount, \$14,087,857 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 \$14,087,857 while total fund balance is \$14,792,064. 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 114% of total general fund expenditures, while total fund balance represents 95% of the same amount.

During the year, the Town of Chino Valley's General fund balance increased by \$5,166,433. The key factor in this increase was the Town's receipt of Covid-19 State and Local Fiscal Recovery funds and continued expenditure control efforts and realized increases in Intergovernmental Revenues and Charges for Service. The Grants fund balance increased by \$77,392. The Highway Use Revenue fund increased \$110,642.

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 \$12.78 million as of June 30, 2022. Operating revenues in fiscal year 2022 were \$829,529 for water and \$1,771,725 for sewer while operating expenses were \$825,503 for water and \$2,173,221 for sewer, resulting in operating loss of \$8,216 for water and an operating loss of \$594,182 for sewer. The water and sewer operating expenses increased from the prior year mainly due to increased maintenance and repair costs. The sewer net operating loss was partially offset by buy in and connection fees.



## **General Fund Budgetary Highlights**

Actual expenditures, excluding transfers, for the General Fund at year-end were \$852,907 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 2022, net capital assets of the government activities totaled \$24.9 million and the net capital assets of the business-type activities totaled \$24.1 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 \$13.1 million in governmental type debt, and \$8.4 million in proprietary debt. The debt is a liability of the government and amounts to \$1,598 per capita. During the current fiscal year, the Town refunded two bond issues to take advantage of lower interest rates and issued new debt for the construction of the new police department. (See note 6 to the financial statements)

## **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

In building the Town Budget for fiscal year 2022/2023, the Town Council and management considered the slight increase in state shared revenues, and the adopted utility rate increases and established expenditure budgets accordingly.

Chino Valley's continues to see strong housing and commercial development suggesting the local economy continues to grow. 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](http://www.chinoaz.net).

# Financial Section

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## 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 CHINO VALLEY, ARIZONA  
STATEMENT OF NET POSITION  
June 30, 2022

|                                                    | Primary Government   |                      |                      |
|----------------------------------------------------|----------------------|----------------------|----------------------|
|                                                    | Governmental         | Business-type        |                      |
|                                                    | Activities           | Activities           | Total                |
| ASSETS                                             |                      |                      |                      |
| Cash and cash equivalents                          | \$ 16,861,579        | \$ 460,265           | \$ 17,321,844        |
| Receivables (net of allowances)                    | 3,892,945            | 211,866              | 4,104,811            |
| Leases receivable                                  | 461,853              | -                    | 461,853              |
| Internal balances                                  | 1,010,623            | (1,010,623)          | -                    |
| Prepaid items                                      | 6,057                | -                    | 6,057                |
| Restricted cash and cash equivalents               | 3,966,985            | 919,404              | 4,886,389            |
| Capital assets:                                    |                      |                      |                      |
| Not being depreciated/amortized                    | 7,900,633            | 4,557,676            | 12,458,309           |
| Being depreciated/amortized (net)                  | 17,038,056           | 19,635,274           | 36,673,330           |
| Total assets                                       | <u>51,138,731</u>    | <u>24,773,862</u>    | <u>75,912,593</u>    |
| DEFERRED OUTFLOWS OF RESOURCES                     |                      |                      |                      |
| Deferred amount on refunding                       | 296,927              | -                    | 296,927              |
| Deferred outflows of resources related to pensions | 2,752,939            | 97,597               | 2,850,536            |
| Total deferred outflows of resources               | <u>3,049,866</u>     | <u>97,597</u>        | <u>3,147,463</u>     |
| LIABILITIES                                        |                      |                      |                      |
| Accounts payable and other current liabilities     | 2,354,898            | 166,493              | 2,521,391            |
| Accrued wages and benefits                         | 104,771              | 5,584                | 110,355              |
| Interest payable                                   | 370,798              | 104,283              | 475,081              |
| Unearned revenue                                   | -                    | 2,398,997            | 2,398,997            |
| Noncurrent liabilities:                            |                      |                      |                      |
| Due within one year:                               |                      |                      |                      |
| Compensated absences                               | 250,000              | 11,000               | 261,000              |
| Loans/ developer agreements payable                | -                    | 697,917              | 697,917              |
| Bonds payable                                      | 827,385              | 22,616               | 850,001              |
| Due in more than one year:                         |                      |                      |                      |
| Compensated absences                               | 297,195              | 30,038               | 327,233              |
| Loans/ developer agreements payable                | -                    | 7,840,257            | 7,840,257            |
| Bonds payable                                      | 14,514,448           | 243,058              | 14,757,506           |
| Net pension liability                              | 6,171,452            | 438,214              | 6,609,666            |
| Total liabilities                                  | <u>24,890,947</u>    | <u>11,958,457</u>    | <u>36,849,404</u>    |
| DEFERRED INFLOWS OF RESOURCES                      |                      |                      |                      |
| Deferred inflows related to pensions               | 2,365,368            | 131,328              | 2,496,696            |
| Deferred inflows related to leases                 | 453,167              | -                    | 453,167              |
| Total deferred inflows of resources                | <u>2,818,535</u>     | <u>131,328</u>       | <u>2,949,863</u>     |
| NET POSITION                                       |                      |                      |                      |
| Net investment in capital assets                   | 12,627,404           | 15,389,102           | 28,016,506           |
| Restricted for:                                    |                      |                      |                      |
| Highways and streets                               | 2,462,626            | -                    | 2,462,626            |
| Capital projects                                   | 2,733,621            | -                    | 2,733,621            |
| Debt service                                       | 483,750              | 919,404              | 1,403,154            |
| Public safety                                      | 248,481              | -                    | 248,481              |
| Culture and recreation                             | 33,030               | -                    | 33,030               |
| Unrestricted (deficit)                             | <u>7,890,203</u>     | <u>(3,526,832)</u>   | <u>4,363,371</u>     |
| Total net position                                 | <u>\$ 26,479,115</u> | <u>\$ 12,781,674</u> | <u>\$ 39,260,789</u> |

See accompanying notes.

TOWN OF CHINO VALLEY, ARIZONA  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022

| Functions/Programs                   | Expenses             | Program Revenues        |                                          |                                        |
|--------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|
|                                      |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| Primary government                   |                      |                         |                                          |                                        |
| Governmental activities              |                      |                         |                                          |                                        |
| General government                   | \$ 5,629,961         | \$ 740,030              | \$ 4,135,885                             | \$ -                                   |
| Public safety                        | 3,426,275            | 178,217                 | 64,253                                   | 133,277                                |
| Public works/streets                 | 2,387,337            | 2,575                   | 1,270,324                                | 470,476                                |
| Culture and recreation               | 1,733,179            | 52,892                  | 121,340                                  | 1,134                                  |
| Health and welfare                   | 383,233              | 813                     | 104,749                                  | -                                      |
| Interest on long-term debt           | 641,439              | -                       | -                                        | -                                      |
| Total governmental activities        | <u>14,201,424</u>    | <u>974,527</u>          | <u>5,696,551</u>                         | <u>604,887</u>                         |
| Business-type activities             |                      |                         |                                          |                                        |
| Water                                | 837,746              | 818,951                 | -                                        | 203,176                                |
| Sewer                                | 2,367,749            | 1,718,139               | -                                        | 446,671                                |
| Total business-type activities       | <u>3,205,495</u>     | <u>2,537,090</u>        | <u>-</u>                                 | <u>649,847</u>                         |
| Total primary government             | <u>\$ 17,406,919</u> | <u>\$ 3,511,617</u>     | <u>\$ 5,696,551</u>                      | <u>\$ 1,254,734</u>                    |
| General revenues                     |                      |                         |                                          |                                        |
| Taxes:                               |                      |                         |                                          |                                        |
| Town 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               |                      |                         |                                          |                                        |
| 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<br>Activities                        | Business-type<br>Activities | Total                |
| \$ (754,046)                                      | \$ -                        | \$ (754,046)         |
| (3,050,528)                                       | -                           | (3,050,528)          |
| (643,962)                                         | -                           | (643,962)            |
| (1,557,813)                                       | -                           | (1,557,813)          |
| (277,671)                                         | -                           | (277,671)            |
| (641,439)                                         | -                           | (641,439)            |
| <u>(6,925,459)</u>                                | <u>-</u>                    | <u>(6,925,459)</u>   |
| -                                                 | 184,381                     | 184,381              |
| -                                                 | (202,939)                   | (202,939)            |
| <u>-</u>                                          | <u>(18,558)</u>             | <u>(18,558)</u>      |
| <u>(6,925,459)</u>                                | <u>(18,558)</u>             | <u>(6,944,017)</u>   |
| 10,615,250                                        | -                           | 10,615,250           |
| 132,509                                           | -                           | 132,509              |
| 4,098                                             | -                           | 4,098                |
| 1,016,479                                         | -                           | 1,016,479            |
| 1,834,785                                         | -                           | 1,834,785            |
| 1,700,042                                         | -                           | 1,700,042            |
| 20,360                                            | 1,843                       | 22,203               |
| 266,119                                           | 64,164                      | 330,283              |
| <u>(255,000)</u>                                  | <u>255,000</u>              | <u>-</u>             |
| <u>15,334,642</u>                                 | <u>321,007</u>              | <u>15,655,649</u>    |
| 8,409,183                                         | 302,449                     | 8,711,632            |
| <u>18,069,932</u>                                 | <u>12,479,225</u>           | <u>30,549,157</u>    |
| <u>\$ 26,479,115</u>                              | <u>\$ 12,781,674</u>        | <u>\$ 39,260,789</u> |

See accompanying notes.



# Financial Section

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## 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.

#### **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.

#### **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, 2022

|                                     | General              | Grants            | Highway User<br>Revenue Fund |
|-------------------------------------|----------------------|-------------------|------------------------------|
| ASSETS                              |                      |                   |                              |
| Cash and cash equivalents           | \$ 11,988,975        | \$ 175,265        | \$ 2,336,997                 |
| Receivables, net:                   |                      |                   |                              |
| Accounts receivable                 | 118,428              | -                 | -                            |
| Intergovernmental                   | 3,119,320            | 105,170           | 197,911                      |
| Leases receivable                   | 461,853              | -                 | -                            |
| Due from other funds                | 1,390,573            | -                 | -                            |
| Prepays                             | 6,057                | -                 | -                            |
| Restricted cash and investments     | -                    | -                 | -                            |
|                                     |                      |                   |                              |
| Total assets                        | <u>\$ 17,085,206</u> | <u>\$ 280,435</u> | <u>\$ 2,534,908</u>          |
| LIABILITIES                         |                      |                   |                              |
| Accounts payable                    | \$ 1,667,718         | \$ -              | \$ 139,208                   |
| Court bonds                         | 3,891                | -                 | -                            |
| Accrued wages and benefits          | 98,471               | -                 | 6,300                        |
| Accrued liabilities                 | 68,236               | 105               | 11                           |
| Matured interest payable            | -                    | -                 | -                            |
| Customer deposits                   | 1,659                | -                 | -                            |
| Due to other funds                  | -                    | -                 | -                            |
|                                     |                      |                   |                              |
| Total liabilities                   | <u>1,839,975</u>     | <u>105</u>        | <u>145,519</u>               |
| DEFERRED INFLOWS OF RESOURCES       |                      |                   |                              |
| Unavailable revenue - grants        | -                    | 87,851            | -                            |
| Deferred inflows related to leases  | 453,167              | -                 | -                            |
|                                     |                      |                   |                              |
| Total deferred inflows of resources | <u>453,167</u>       | <u>87,851</u>     | <u>-</u>                     |
| FUND BALANCES                       |                      |                   |                              |
| Nonspendable                        |                      |                   |                              |
| Prepaid items                       | 6,057                | -                 | -                            |
| Restricted                          |                      |                   |                              |
| Highways and streets                | 72,404               | -                 | 2,389,389                    |
| Capital improvements                | -                    | -                 | -                            |
| Culture and recreation              | -                    | 33,030            | -                            |
| Debt service                        | -                    | -                 | -                            |
| Public safety                       | 89,032               | 159,449           | -                            |
| Committed                           |                      |                   |                              |
| Assigned                            |                      |                   |                              |
| Capital improvements                | 536,714              | -                 | -                            |
| Unassigned                          | 14,087,857           | -                 | -                            |
|                                     |                      |                   |                              |
| Total fund balances                 | <u>14,792,064</u>    | <u>192,479</u>    | <u>2,389,389</u>             |
|                                     |                      |                   |                              |
| Total liabilities and fund balances | <u>\$ 17,085,206</u> | <u>\$ 280,435</u> | <u>\$ 2,534,908</u>          |

| Debt<br>Service     | Capital<br>Improvement | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------|------------------------|------------------------------------|--------------------------------|
| \$ -                | \$ 2,359,551           | \$ 791                             | \$ 16,861,579                  |
| -                   | -                      | 1,176                              | 119,604                        |
| -                   | 350,940                | -                                  | 3,773,341                      |
| -                   | -                      | -                                  | 461,853                        |
| -                   | -                      | -                                  | 1,390,573                      |
| -                   | -                      | -                                  | 6,057                          |
| 1,233,364           | 2,733,621              | -                                  | 3,966,985                      |
| <u>\$ 1,233,364</u> | <u>\$ 5,444,112</u>    | <u>\$ 1,967</u>                    | <u>\$ 26,579,992</u>           |
| \$ -                | \$ 474,070             | \$ -                               | \$ 2,280,996                   |
| -                   | -                      | -                                  | 3,891                          |
| -                   | -                      | -                                  | 104,771                        |
| -                   | -                      | -                                  | 68,352                         |
| 370,798             | -                      | -                                  | 370,798                        |
| -                   | -                      | -                                  | 1,659                          |
| 378,816             | -                      | 1,134                              | 379,950                        |
| 749,614             | 474,070                | 1,134                              | 3,210,417                      |
| -                   | -                      | -                                  | 87,851                         |
| -                   | -                      | -                                  | 453,167                        |
| -                   | -                      | -                                  | 541,018                        |
| -                   | -                      | -                                  | 6,057                          |
| -                   | -                      | 833                                | 2,462,626                      |
| -                   | 2,733,621              | -                                  | 2,733,621                      |
| -                   | -                      | -                                  | 33,030                         |
| 483,750             | -                      | -                                  | 483,750                        |
| -                   | -                      | -                                  | 248,481                        |
| -                   | 2,236,421              | -                                  | 2,773,135                      |
| -                   | -                      | -                                  | 14,087,857                     |
| 483,750             | 4,970,042              | 833                                | 22,828,557                     |
| <u>\$ 1,233,364</u> | <u>\$ 5,444,112</u>    | <u>\$ 1,967</u>                    | <u>\$ 26,579,992</u>           |

TOWN OF CHINO VALLEY, ARIZONA  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 GOVERNMENTAL FUNDS  
 June 30, 2022

|                                                                                                                                                                                                   |                     |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|
| Total governmental funds balances                                                                                                                                                                 |                     | \$ 22,828,557               |
| 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                                                                                                                                                                       | \$ 40,513,635       |                             |
| Accumulated depreciation                                                                                                                                                                          | <u>(15,574,946)</u> | 24,938,689                  |
| Grant revenues earned but not received within 60 days of year-end are deferred for the governmental statements, but are recognized as revenue for the government-wide statements.                 |                     |                             |
|                                                                                                                                                                                                   |                     | 87,851                      |
| 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                                                                                                                                                                             | (6,171,452)         |                             |
| Bonds payable                                                                                                                                                                                     | (13,178,845)        |                             |
| Bond premiums                                                                                                                                                                                     | (2,162,988)         |                             |
| Compensated absences                                                                                                                                                                              | <u>(547,195)</u>    | (22,060,480)                |
| 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                                                                                                                                                                      | 296,927             |                             |
| Deferred outflows of resources related to pensions                                                                                                                                                | 2,752,939           |                             |
| Deferred inflows of resources related to pensions                                                                                                                                                 | <u>(2,365,368)</u>  | 684,498                     |
| Total net position of governmental activities                                                                                                                                                     |                     | <u><u>\$ 26,479,115</u></u> |



TOWN OF CHINO VALLEY, ARIZONA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2022

|                                                              | General              | Grants            | Highway User<br>Revenue Fund |
|--------------------------------------------------------------|----------------------|-------------------|------------------------------|
| REVENUES                                                     |                      |                   |                              |
| Taxes                                                        | \$ 8,093,947         | \$ -              | \$ -                         |
| Licenses, permits and fees                                   | 571,510              | -                 | 2,575                        |
| Intergovernmental revenues                                   | 8,896,630            | 197,825           | 1,669,251                    |
| Charges for services                                         | 155,411              | -                 | -                            |
| Fines and forfeitures                                        | 201,699              | -                 | -                            |
| Interest income                                              | 18,861               | -                 | 1,057                        |
| Other revenues                                               | 131,691              | 116,952           | 16,428                       |
| Total revenues                                               | <u>18,069,749</u>    | <u>314,777</u>    | <u>1,689,311</u>             |
| EXPENDITURES                                                 |                      |                   |                              |
| Current:                                                     |                      |                   |                              |
| General government                                           | 5,436,115            | 7,474             | -                            |
| Public safety                                                | 3,911,207            | 25,431            | -                            |
| Public works/streets                                         | -                    | 103,335           | 2,995,747                    |
| Culture and recreation                                       | 1,320,960            | 19,283            | -                            |
| Health and welfare                                           | 384,803              | 38,502            | -                            |
| Capital outlay                                               | 407,608              | 43,360            | 1,605,471                    |
| Debt service:                                                |                      |                   |                              |
| Principal retirement                                         | -                    | -                 | -                            |
| Interest and fiscal charges                                  | -                    | -                 | -                            |
| Debt issuance cost                                           | -                    | -                 | -                            |
| Total expenditures                                           | <u>11,460,693</u>    | <u>237,385</u>    | <u>4,601,218</u>             |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>6,609,056</u>     | <u>77,392</u>     | <u>(2,911,907)</u>           |
| OTHER FINANCING SOURCES (USES)                               |                      |                   |                              |
| Refunding bonds issued                                       | -                    | -                 | -                            |
| Pledged revenue bonds issued                                 | -                    | -                 | -                            |
| Premium on refunding bonds issued                            | -                    | -                 | -                            |
| Premium on pledged revenue bonds issued                      | -                    | -                 | -                            |
| Payment to refunding bond escrow agent                       | -                    | -                 | -                            |
| Sale of capital assets                                       | 4,877                | -                 | 67,549                       |
| Transfers in                                                 | 400,000              | -                 | 2,955,000                    |
| Transfers out                                                | (1,847,500)          | -                 | -                            |
| Total other financing sources<br>and (uses)                  | <u>(1,442,623)</u>   | <u>-</u>          | <u>3,022,549</u>             |
| Net change in fund balances                                  | 5,166,433            | 77,392            | 110,642                      |
| Fund balances - beginning of year                            | <u>9,625,631</u>     | <u>115,087</u>    | <u>2,278,747</u>             |
| Fund balances - end of year                                  | <u>\$ 14,792,064</u> | <u>\$ 192,479</u> | <u>\$ 2,389,389</u>          |

| Debt<br>Service | Capital<br>Improvement | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------|------------------------|------------------------------------|--------------------------------|
| \$ -            | \$ 2,653,812           | \$ 4,098                           | \$ 10,751,857                  |
| -               | -                      | -                                  | 574,085                        |
| -               | -                      | 1,134                              | 10,764,840                     |
| -               | -                      | -                                  | 155,411                        |
| -               | -                      | -                                  | 201,699                        |
| -               | 442                    | -                                  | 20,360                         |
| 1,048           | -                      | -                                  | 266,119                        |
| 1,048           | 2,654,254              | 5,232                              | 22,734,371                     |
| -               | -                      | -                                  | 5,443,589                      |
| -               | -                      | -                                  | 3,936,638                      |
| -               | -                      | 3,907                              | 3,102,989                      |
| -               | -                      | -                                  | 1,340,243                      |
| -               | -                      | 1,134                              | 424,439                        |
| -               | 4,986,751              | -                                  | 7,043,190                      |
| 493,082         | -                      | -                                  | 493,082                        |
| 341,052         | -                      | -                                  | 341,052                        |
| 176,968         | 180,739                | -                                  | 357,707                        |
| 1,011,102       | 5,167,490              | 5,041                              | 22,482,929                     |
| (1,010,054)     | (2,513,236)            | 191                                | 251,442                        |
| 7,024,031       | -                      | -                                  | 7,024,031                      |
| -               | 6,155,000              | -                                  | 6,155,000                      |
| 1,227,374       | -                      | -                                  | 1,227,374                      |
| -               | 1,025,740              | -                                  | 1,025,740                      |
| (8,222,918)     | -                      | -                                  | (8,222,918)                    |
| -               | -                      | -                                  | 72,426                         |
| 991,500         | -                      | -                                  | 4,346,500                      |
| -               | (2,754,000)            | -                                  | (4,601,500)                    |
| 1,019,987       | 4,426,740              | -                                  | 7,026,653                      |
| 9,933           | 1,913,504              | 191                                | 7,278,095                      |
| 473,817         | 3,056,538              | 642                                | 15,550,462                     |
| \$ 483,750      | \$ 4,970,042           | \$ 833                             | \$ 22,828,557                  |

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, 2022

Amounts reported for governmental activities in the statement of activities  
 are different because:

Net change in fund balances - total governmental funds \$ 7,278,095

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/amortization expense.  
 This is the difference between depreciation expense and capital outlay  
 in the current period.

|                                   |                    |           |
|-----------------------------------|--------------------|-----------|
| Capital outlay                    | \$ 8,403,225       |           |
| Depreciation/amortization expense | <u>(1,252,212)</u> | 7,151,013 |

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 (4,262)

Revenues in the Statement of Activities that do not provide current financial  
 resources are not reported as revenues in the funds. 70,476

Town pension contributions are reported as expenditures in the governmental  
 governmental funds when made. However, they are reported as deferred  
 outflows of resources in the Statement of Net Position because the reported  
 net position 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 | 1,357,835        |         |
| Pension expense            | <u>(748,988)</u> | 608,847 |

Debt proceeds provide current financial resources to the governmental funds,  
 but issuing debt increases long-term liabilities in the Statement of Activities.

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.

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.

|                                                          |               |             |
|----------------------------------------------------------|---------------|-------------|
| Debt issued or incurred                                  | (13,178,845)  |             |
| Premiums issued                                          | (2,253,113)   |             |
| Principal repaid                                         | 8,716,000     |             |
| Amortization of bond discount/premium                    | (254)         |             |
| Amortization of deferred charge/credit on bond refunding | <u>57,387</u> | (6,658,825) |

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. (36,161)

|                                                   |                     |
|---------------------------------------------------|---------------------|
| Change in net position of governmental activities | <u>\$ 8,409,183</u> |
|---------------------------------------------------|---------------------|

# Financial Statements

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## Proprietary Funds

### **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 CHINO VALLEY, ARIZONA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2022

|                                                    | Business-type Activities-Enterprise Funds |              |               |
|----------------------------------------------------|-------------------------------------------|--------------|---------------|
|                                                    | Water                                     | Sewer        | Total         |
| <b>ASSETS</b>                                      |                                           |              |               |
| Current assets                                     |                                           |              |               |
| Cash                                               | \$ 460,265                                | \$ -         | \$ 460,265    |
| Receivables (net of allowance)                     | 104,221                                   | 96,392       | 200,613       |
| Total current assets                               | 564,486                                   | 96,392       | 660,878       |
| Noncurrent assets                                  |                                           |              |               |
| Restricted cash and investments                    | -                                         | 919,404      | 919,404       |
| Hookups receivable                                 | -                                         | 11,253       | 11,253        |
| Capital assets, not being depreciated/amortized    | 4,054,443                                 | 503,233      | 4,557,676     |
| Capital assets, being depreciated/amortized (net)  | 1,583,618                                 | 18,051,656   | 19,635,274    |
| Total noncurrent assets                            | 5,638,061                                 | 19,485,546   | 25,123,607    |
| Total assets                                       | 6,202,547                                 | 19,581,938   | 25,784,485    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                           |              |               |
| Deferred outflows of resources related to pensions | 53,496                                    | 44,101       | 97,597        |
| Total deferred outflows of resources               | 53,496                                    | 44,101       | 97,597        |
| <b>LIABILITIES</b>                                 |                                           |              |               |
| Current liabilities                                |                                           |              |               |
| Accrued wages and benefits                         | 2,792                                     | 2,792        | 5,584         |
| Accrued liabilities                                | 14,785                                    | -            | 14,785        |
| Interest payable                                   | 7,019                                     | 97,264       | 104,283       |
| Due to other funds                                 | -                                         | 1,010,623    | 1,010,623     |
| Customer deposits                                  | 38,828                                    | 112,880      | 151,708       |
| Unearned revenue                                   | -                                         | 2,398,997    | 2,398,997     |
| Compensated absences                               | 5,500                                     | 5,500        | 11,000        |
| Loans payable - current portion                    | -                                         | 697,917      | 697,917       |
| Bonds payable - current portion                    | 22,616                                    | -            | 22,616        |
| Total current liabilities                          | 91,540                                    | 4,325,973    | 4,417,513     |
| Noncurrent liabilities                             |                                           |              |               |
| Compensated absences                               | 15,019                                    | 15,019       | 30,038        |
| Developer agreement payable                        | 420,733                                   | -            | 420,733       |
| Loans payable, net of current portion              | -                                         | 7,419,524    | 7,419,524     |
| Bonds payable, net of current portion              | 243,058                                   | -            | 243,058       |
| Net pension liability                              | 227,929                                   | 210,285      | 438,214       |
| Total noncurrent liabilities                       | 906,739                                   | 7,644,828    | 8,551,567     |
| Total liabilities                                  | 998,279                                   | 11,970,801   | 12,969,080    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                                           |              |               |
| Deferred inflows of resources related to pensions  | 64,807                                    | 66,521       | 131,328       |
| <b>NET POSITION</b>                                |                                           |              |               |
| Net investment in capital assets                   | 4,951,654                                 | 10,437,448   | 15,389,102    |
| Restricted for debt service                        | -                                         | 919,404      | 919,404       |
| Unrestricted                                       | 241,303                                   | (3,768,135)  | (3,526,832)   |
| Total net position                                 | \$ 5,192,957                              | \$ 7,588,717 | \$ 12,781,674 |

TOWN OF CHINO VALLEY, ARIZONA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2022

|                                                  | Business-type Activities-Enterprise Funds |              |               |
|--------------------------------------------------|-------------------------------------------|--------------|---------------|
|                                                  | Water                                     | Sewer        | Total         |
| Operating revenues                               |                                           |              |               |
| Charges for services                             | \$ 818,951                                | \$ 1,718,139 | \$ 2,537,090  |
| Other revenues                                   | 10,578                                    | 53,586       | 64,164        |
| Total operating revenue                          | 829,529                                   | 1,771,725    | 2,601,254     |
| Operating expenses                               |                                           |              |               |
| Salaries                                         | 176,082                                   | 176,066      | 352,148       |
| Employee benefits                                | 66,840                                    | 66,856       | 133,696       |
| Service, supplies and other                      | 179,798                                   | 491,716      | 671,514       |
| Repairs and maintenance                          | 64,945                                    | 73,545       | 138,490       |
| Utilities                                        | 72,052                                    | 140,430      | 212,482       |
| Legal and professional                           | 8,137                                     | 8,002        | 16,139        |
| Contract service                                 | 28,592                                    | 36,000       | 64,592        |
| Training and travel                              | 2,551                                     | 1,255        | 3,806         |
| Office expenses                                  | 1,569                                     | -            | 1,569         |
| Dues and subscriptions                           | 1,614                                     | 6,000        | 7,614         |
| Depreciation and amortization                    | 210,404                                   | 1,173,351    | 1,383,755     |
| Miscellaneous                                    | 12,919                                    | -            | 12,919        |
| Total operating expenses                         | 825,503                                   | 2,173,221    | 2,998,724     |
| Operating income (loss)                          | 4,026                                     | (401,496)    | (397,470)     |
| Non-operating Revenues (Expenses)                |                                           |              |               |
| Interest income                                  | -                                         | 1,843        | 1,843         |
| Interest expense and fiscal charges              | (12,242)                                  | (194,529)    | (206,771)     |
| Total nonoperating revenue (expense)             | (12,242)                                  | (192,686)    | (204,928)     |
| Income (loss) before contributions and transfers | (8,216)                                   | (594,182)    | (602,398)     |
| Buy-in and connection fees                       | 203,176                                   | 446,671      | 649,847       |
| Transfers in                                     | 255,000                                   | -            | 255,000       |
| Change in net position                           | 449,960                                   | (147,511)    | 302,449       |
| Net position, beginning of year                  | 4,742,997                                 | 7,736,228    | 12,479,225    |
| Net position-end of year                         | \$ 5,192,957                              | \$ 7,588,717 | \$ 12,781,674 |



TOWN OF CHINO VALLEY, ARIZONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2022

|                                                                           | Business-type Activities-Enterprise Funds |              |              |
|---------------------------------------------------------------------------|-------------------------------------------|--------------|--------------|
|                                                                           | Water                                     | Sewer        | Total        |
| CASH FLOWS FROM OPERATING ACTIVITIES                                      |                                           |              |              |
| Cash received from customers, service fees                                | \$ 799,697                                | \$ 1,663,415 | \$ 2,463,112 |
| Cash received from customers, others                                      | 10,578                                    | 53,586       | 64,164       |
| Cash paid to suppliers                                                    | (382,989)                                 | (778,836)    | (1,161,825)  |
| Cash paid to employees                                                    | (245,677)                                 | (245,676)    | (491,353)    |
| Cash flows provided (used) by operating activities                        | 181,609                                   | 692,489      | 874,098      |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES                           |                                           |              |              |
| Interfund borrowing                                                       | -                                         | 516,353      | 516,353      |
| Interfund transfers                                                       | 255,000                                   | -            | 255,000      |
| Cash flows provided (used) by noncapital and related financing activities | 255,000                                   | 516,353      | 771,353      |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES                  |                                           |              |              |
| Purchase of capital assets                                                | (204,460)                                 | (961,180)    | (1,165,640)  |
| Capital debt proceeds                                                     | 270,064                                   | -            | 270,064      |
| Principal paid on long term debt                                          | (314,999)                                 | (678,239)    | (993,238)    |
| Interest paid on long-term debt                                           | (17,802)                                  | (203,115)    | (220,917)    |
| Receipts from buy-in and connection fees                                  | 203,176                                   | 456,692      | 659,868      |
| Cash flows provided (used) by capital and related financing activities    | (64,021)                                  | (1,385,842)  | (1,449,863)  |
| CASH FLOWS FROM INVESTING ACTIVITIES                                      |                                           |              |              |
| Receipts from investment earnings                                         | -                                         | 1,843        | 1,843        |
| Cash flows provided (used) by investing activities                        | -                                         | 1,843        | 1,843        |
| NET CHANGE IN CASH AND CASH EQUIVALENTS                                   | 372,588                                   | (175,157)    | 197,431      |
| Cash and cash equivalents at beginning of year                            | 87,677                                    | 1,094,561    | 1,182,238    |
| Cash and cash equivalents at end of year                                  | \$ 460,265                                | \$ 919,404   | \$ 1,379,669 |

|                                                                                                       | Business-type Activities-Enterprise Funds |                   |                     |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------|---------------------|
|                                                                                                       | Water                                     | Sewer             | Total               |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities:        |                                           |                   |                     |
| Net operating income (loss)                                                                           | \$ 4,026                                  | \$ (401,496)      | \$ (397,470)        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                           |                   |                     |
| Depreciation/amortization expense                                                                     | 210,404                                   | 1,173,351         | 1,383,755           |
| Provision for bad debt                                                                                | -                                         | 13,294            | 13,294              |
| Changes in operating assets and liabilities (Increase)/decrease in:                                   |                                           |                   |                     |
| Accounts receivable                                                                                   | (22,629)                                  | (25,025)          | (47,654)            |
| Deferred outflows of resources related to pensions                                                    | (456)                                     | (455)             | (911)               |
| Increase/(decrease) in:                                                                               |                                           |                   |                     |
| Accounts payable                                                                                      | (17,014)                                  | (21,888)          | (38,902)            |
| Accrued wages and benefits                                                                            | 974                                       | 974               | 1,948               |
| Accrued liabilities                                                                                   | 6,202                                     | -                 | 6,202               |
| Customer deposits                                                                                     | 3,375                                     | 5,308             | 8,683               |
| Unearned revenue                                                                                      | -                                         | (48,301)          | (48,301)            |
| Compensated absences                                                                                  | 1,406                                     | 1,406             | 2,812               |
| Net pension liability                                                                                 | (66,120)                                  | (66,123)          | (132,243)           |
| Deferred inflows of resources related to pensions                                                     | 61,441                                    | 61,444            | 122,885             |
| Net cash provided (used) by operating activities:                                                     | <u>\$ 181,609</u>                         | <u>\$ 692,489</u> | <u>\$ 874,098</u>   |
| Noncash investing, capital, and financing activities:                                                 |                                           |                   |                     |
| Amortization of bond premium                                                                          | \$ 4,841                                  | \$ -              | \$ 4,841            |
| Reconciliation of cash and cash equivalents to the statement of net position                          |                                           |                   |                     |
| Cash and cash equivalents                                                                             | \$ 460,265                                | \$ -              | \$ 460,265          |
| Restricted cash and cash equivalents                                                                  | <u>-</u>                                  | <u>919,404</u>    | <u>919,404</u>      |
| Total cash and cash equivalents                                                                       | <u>\$ 460,265</u>                         | <u>\$ 919,404</u> | <u>\$ 1,379,669</u> |



# Financial Statements

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## Notes to the Financial Statements





TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

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 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.

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.

TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

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.

TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 lease contracts are reported as other financing sources.

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.

TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Deposits and Investments (Continued)

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.

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, 2022, 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.

TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), including those that are leased by the Town, 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. Land, construction in progress, and water rights are not depreciated/amortized. The other property, plant, and equipment are depreciated/amortized 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 |

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

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 assets 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

K. Post-Employment Benefits

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.

TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Leases

As lessee, the Town recognizes lease liabilities with an initial, individual value of \$100,000 or more. The Town uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The Town's estimated incremental borrowing rate is based on the average interest rate of other financing instruments with similar terms and risks as those currently entered into by the Town.

As lessor, the Town recognizes lease receivables with an individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the Town charges the lessee) and the implicit cannot be determined, the Town uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The Town's estimated incremental borrowing rate is calculated as described above.

At the commencement of the lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

M. 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.

N. 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.

TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance Policies (Continued)

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.

O. 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

P. 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.

Q. 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.



TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. 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.

S. 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 May 26, 2021.
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.

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.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level. The individual Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual reports found in the required supplementary information and supplementary information present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2022. The General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual report an excess of expenditures over appropriations in public safety and health and welfare for the year ended June 30, 2022.

U. Change in Accounting Principle

For the year ended June 30, 2022, the Town implemented the provisions of GASB Statement No. 87, *Leases*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the Town's financial statements have been modified to reflect the recognition of certain lease assets for leases that were previously classified as rental income and recognized as inflows of resources based on the contract payment provisions. The Town's current lessee obligations are insignificant to the financial statements and have not been further disclosed.

NOTE 2 CASH AND INVESTMENTS

The following table summarizes the Town's cash and investments at June 30, 2022:

|                                         | Governmental<br>Activities | Business-type<br>Activities | Total                |
|-----------------------------------------|----------------------------|-----------------------------|----------------------|
| Cash and cash equivalents               | \$ 16,861,579              | \$ 460,265                  | \$ 17,321,844        |
| Restricted cash and<br>cash equivalents | 3,966,985                  | 919,404                     | 4,886,389            |
| Total                                   | <u>\$ 20,828,564</u>       | <u>\$ 1,379,669</u>         | <u>\$ 22,208,233</u> |

Deposits

Cash in bank - At June 30, 2022, the Town had \$2,203 of cash on hand. The carrying amount of the Town's cash in bank totaled \$4,752,470 and the bank balance was \$4,795,738. Of the bank balance, \$274,338 was covered by federal depository insurance, and \$4,521,400 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, 2022, the Town had restricted cash and cash equivalents of \$4,886,389, which was restricted for debt payments.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

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 68 days for Pool 5 and 70 days for Pool 7. The net asset value per share of the pool at June 30, 2022 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, 2022, the Town's funds invested with the State Treasurer totaled \$12,567,171. Additionally, the Town has \$919,404 invested with the State Treasurer as Debt Service Reserve Funds, which is included in restricted cash and cash equivalents.

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:

| <u>Investment Type</u>     | <u>Remaining Maturity<br/>12 Months or Less</u> |
|----------------------------|-------------------------------------------------|
| Primary Government<br>LGIP | \$ 13,486,575                                   |
| Total                      | <u>\$ 13,486,575</u>                            |

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

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.

| Investment Type    | Total         | Ratings    |      |               |
|--------------------|---------------|------------|------|---------------|
|                    |               | AAAF/S1+   | AAA  | Unrated       |
| Primary Government |               |            |      |               |
| LGIP               | \$ 13,486,575 | \$ 594,788 | \$ - | \$ 12,891,787 |
| Total              | \$ 13,486,575 | \$ 594,788 | \$ - | \$ 12,891,787 |

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 \$2,066,502 in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) from the federal government passed through the State of Arizona for the American Rescue Plan Act (ARPA) for the second tranche of funding.

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

|                                         | Water<br>Fund | Sewer<br>Fund | Total<br>Enterprise |
|-----------------------------------------|---------------|---------------|---------------------|
| Receivables:                            |               |               |                     |
| Service billings and hookups receivable | \$ 111,221    | \$ 157,645    | \$ 268,866          |
| Less: Allowance for doubtful accounts   | (7,000)       | (50,000)      | (57,000)            |
| Net Receivables                         | \$ 104,221    | \$ 107,645    | \$ 211,866          |

Hookups receivable of \$11,253 reported in the proprietary funds are for amounts receivable from customers for hookup fees that are paid over a ten year period.

Revenues of the enterprise funds are reported net of uncollectible amounts. The Sewer had recorded \$13,294 in bad debt expense for the current fiscal year.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 4 CAPITAL ASSETS

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

| <b>Governmental Activities</b>                            | <b>Beginning<br/>Balance</b> | <b>Increases</b>    | <b>Decreases</b>    | <b>Ending<br/>Balance</b> |
|-----------------------------------------------------------|------------------------------|---------------------|---------------------|---------------------------|
| Capital assets, not being depreciated/amortized:          |                              |                     |                     |                           |
| Land                                                      | \$ 2,418,867                 | \$ -                | \$ -                | \$ 2,418,867              |
| Construction in progress                                  | 562,726                      | 5,056,040           | (137,000)           | 5,481,766                 |
| Total capital assets not being depreciated                | 2,981,593                    | 5,056,040           | (137,000)           | 7,900,633                 |
| Capital assets, being depreciated/amortized:              |                              |                     |                     |                           |
| Buildings                                                 | 11,593,742                   | 237,908             | (7,099)             | 11,824,551                |
| Improvements other than buildings                         | 1,525,618                    | -                   | -                   | 1,525,618                 |
| Vehicles, furniture and equipment                         | 5,211,722                    | 304,014             | (455,424)           | 5,060,312                 |
| Infrastructure                                            | 11,260,259                   | 2,942,263           | -                   | 14,202,522                |
| Total capital assets being depreciated/amortized          | 29,591,341                   | 3,484,185           | (462,523)           | 32,613,003                |
| Less accumulated depreciation/amortization for:           |                              |                     |                     |                           |
| Buildings                                                 | (6,672,031)                  | (407,950)           | 7,099               | (7,072,882)               |
| Improvements other than buildings                         | (1,010,720)                  | (30,143)            | -                   | (1,040,863)               |
| Vehicles, furniture and equipment                         | (3,708,509)                  | (345,453)           | 451,162             | (3,602,800)               |
| Infrastructure                                            | (3,389,736)                  | (468,666)           | -                   | (3,858,402)               |
| Total accumulated depreciation /amortization              | (14,780,996)                 | (1,252,212)         | 458,261             | (15,574,947)              |
| Total capital assets,<br>being depreciated/amortized, net | 14,810,345                   | 2,231,973           | (4,262)             | 17,038,056                |
| Governmental activities<br>capital assets, net            | <u>\$ 17,791,938</u>         | <u>\$ 7,288,013</u> | <u>\$ (141,262)</u> | <u>\$ 24,938,689</u>      |

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

|                                         |                     |
|-----------------------------------------|---------------------|
| Governmental activities:                |                     |
| General government                      | \$ 230,261          |
| Public safety                           | 121,943             |
| Highway and streets                     | 516,882             |
| Culture and recreation                  | 378,302             |
| Health and Welfare                      | 4,824               |
| Total depreciation/amortization expense | <u>\$ 1,252,212</u> |

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 4 CAPITAL ASSETS (Continued)

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

| <b>Business-Type Activities</b>                           | <b>Beginning<br/>Balance</b> | <b>Increases</b> | <b>Decreases</b> | <b>Ending<br/>Balance</b> |
|-----------------------------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Capital assets, not being depreciated/amortized:          |                              |                  |                  |                           |
| Land                                                      | \$ 3,398,503                 | \$ -             | \$ -             | \$ 3,398,503              |
| Construction in progress                                  | 19,516                       | 386,600          | -                | 406,116                   |
| Water rights                                              | 668,553                      | 84,504           | -                | 753,057                   |
| Total capital assets not being<br>depreciated/amortized   | 4,086,572                    | 386,600          | -                | 4,557,676                 |
| Capital assets, being depreciated:                        |                              |                  |                  |                           |
| Treatment facilities                                      | 10,488,176                   | 542,318          | -                | 11,030,494                |
| Water distribution system                                 | 3,449,988                    | 58,144           | -                | 3,508,132                 |
| Sewer collection system                                   | 22,256,928                   | -                | -                | 22,256,928                |
| Machinery, equipment & vehicles                           | 1,062,675                    | 94,074           | -                | 1,156,749                 |
| Total capital assets being depreciated/amortized          | 37,257,767                   | 694,536          | -                | 37,952,303                |
| Less accumulated depreciation for:                        |                              |                  |                  |                           |
| Treatment facilities                                      | (3,177,090)                  | (236,948)        | -                | (3,414,038)               |
| Water distribution system                                 | (2,253,420)                  | (169,837)        | -                | (2,423,257)               |
| Sewer collection system                                   | (10,940,921)                 | (885,571)        | -                | (11,826,492)              |
| Machinery, equipment & vehicles                           | (561,843)                    | (91,399)         | -                | (653,242)                 |
| Total accumulated depreciation /amortization              | (16,933,274)                 | (1,383,755)      | -                | (18,317,029)              |
| Total capital assets,<br>being depreciated/amortized, net | 20,324,493                   | (689,219)        | -                | 19,635,274                |
| Business-Type activities<br>capital assets, net           | \$ 24,411,065                | \$ (302,619)     | \$ -             | \$ 24,192,950             |

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

|                                         |              |
|-----------------------------------------|--------------|
| Business-type activities                |              |
| Water                                   | \$ 210,404   |
| Sewer                                   | 1,173,351    |
| Total depreciation/amortization expense | \$ 1,383,755 |

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 5 LEASES

As of June 30, 2022, the Town is reporting Leases Receivables of \$461,853 and Deferred Inflows Related to Leases of \$453,166. For the fiscal year 2022, the Town reported lease revenue of \$11,158 and interest revenue of \$19,639, related to lease payments received. From time to time the Town's lease contracts include variable lease payments, including residual value guarantees, that are not included in the lease receivable because they are not fixed in substance. The Town recognized an insignificant amount of revenue related to these variable lease payments and they have not been further disclosed or included in the measurement of the Town's lease receivables. These leases are summarized as follows:

| Lease            | Lease Receivable  | Deferred Inflows<br>Related to Leases | Lease Revenue    | Lease Interest<br>Revenue |
|------------------|-------------------|---------------------------------------|------------------|---------------------------|
| SunState Tower 1 | \$ 190,175        | \$ 186,598                            | \$ 4,339         | \$ 7,637                  |
| SunState Tower 2 | 271,678           | 266,568                               | 6,199            | 10,911                    |
|                  | <u>\$ 461,853</u> | <u>\$ 453,166</u>                     | <u>\$ 10,538</u> | <u>\$ 18,548</u>          |

In accordance with the provisions of GASB No. 87, each lease was retroactively measured as of July 1, 2021 at an interest rate of 4%, the Town's incremental borrowing rate used for lease measurements. Below are the details of each lease.

Sunstate Tower 1 - In May, 2015, Town of Chino Valley entered into a 25 year lease as Lessor for the use of land for communications towers. The lessee has 5 extension option(s), each for 5 years. The Town is reasonably certain the lessee will renew the lease. The lessee is required to make monthly fixed payments of \$700 for the first 25 years, and then at a 10% increase for each of the five extension periods. The lease has an interest rate of 4%. Based on this agreement, the Town is receiving payments through 2065. An initial lease receivable was recorded in the amount of \$190,937. As of 06/30/2022, the value of the lease receivable is \$190,175. The value of the deferred inflow of resources as of 06/30/2022 was \$186,598, and Town of Chino Valley, AZ recognized lease revenue of \$7,637 during the fiscal year.

Sunstate Tower 2 - In May, 2015, Town of Chino Valley entered into a 25 year lease as Lessor for the use of land for communications towers. The lessee has 5 extension option(s), each for 5 years. The Town is reasonably certain the lessee will renew the lease. The lessee is required to make monthly fixed payments of \$1,000 for the first 25 years, and then at a 10% increase for each of the five extension periods. The lease has an interest rate of 4%. Based on this agreement, the Town is receiving payments through 2065. An initial lease receivable was recorded in the amount of \$272,768. As of 06/30/2022, the value of the lease receivable is \$271,678. The value of the deferred inflow of resources as of 06/30/2022 was \$266,568, and Town of Chino Valley, AZ recognized lease revenue of \$6,199 during the fiscal year.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 5        LEASES (Continued)

Future payments due to the Town are as follows for the years ending June 30:

| Fiscal Year | Governmental Activities |                   |                     |
|-------------|-------------------------|-------------------|---------------------|
|             | Principal Payments      | Interest Payments | Total Payments      |
| 2023        | \$ 1,926                | \$ 18,474         | \$ 20,400           |
| 2024        | 2,003                   | 18,397            | 20,400              |
| 2025        | 2,083                   | 18,317            | 20,400              |
| 2026        | 2,166                   | 18,234            | 20,400              |
| 2027        | 2,253                   | 18,147            | 20,400              |
| 2028 - 2032 | 12,691                  | 89,309            | 102,000             |
| 2033 - 2037 | 15,441                  | 86,559            | 102,000             |
| 2038 - 2042 | 22,948                  | 83,132            | 106,080             |
| 2043 - 2047 | 39,385                  | 77,303            | 116,688             |
| 2048 - 2052 | 60,529                  | 67,827            | 128,356             |
| 2053 - 2057 | 87,517                  | 53,676            | 141,193             |
| 2058 - 2062 | 121,738                 | 33,574            | 155,312             |
| 2063 - 2065 | 91,174                  | 7,389             | 98,563              |
| Total       | <u>\$ 461,854</u>       | <u>\$ 590,338</u> | <u>\$ 1,052,192</u> |



TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 6 LONG-TERM DEBT

The following is a summary of changes in long-term obligations for the year ended June 30, 2022:

|                                  | Balance<br>6/30/21   | Additions            | Retirements            | Balance<br>6/30/22   | Due Within<br>One Year |
|----------------------------------|----------------------|----------------------|------------------------|----------------------|------------------------|
| <b>Governmental Activities:</b>  |                      |                      |                        |                      |                        |
| Bonds payable                    |                      |                      |                        |                      |                        |
| Revenue bond series 2016         | \$ 2,071,000         | \$ -                 | \$ (2,071,000)         | \$ -                 | \$ -                   |
| Revenue bond series 2010         | 6,645,000            | -                    | (6,645,000)            | -                    | -                      |
| Discount on bonds                | (90,379)             | -                    | 90,379                 | -                    | -                      |
| Refunding bond series 2021       | -                    | 7,023,845            | -                      | 7,023,845            | 702,385                |
| Premiums on refunding bond       | -                    | 1,025,739            | (41,030)               | 984,709              | -                      |
| Revenue bond series 2021         | -                    | 6,155,000            | -                      | 6,155,000            | 125,000                |
| Premium on revenue bond          | -                    | 1,227,374            | (49,095)               | 1,178,279            | -                      |
| Total bonds payable              | <u>8,625,621</u>     | <u>15,431,958</u>    | <u>(8,625,621)</u>     | <u>15,341,833</u>    | <u>827,385</u>         |
| Compensated absences             | 511,034              | 547,195              | (511,034)              | 547,195              | 250,000                |
| Net pension liability            | 9,446,962            | -                    | (3,275,510)            | 6,171,452            | -                      |
| Total other long term debt       | <u>9,957,996</u>     | <u>547,195</u>       | <u>(3,786,544)</u>     | <u>6,718,647</u>     | <u>250,000</u>         |
| Total Governmental Activities    | <u>\$ 18,583,617</u> | <u>\$ 15,979,153</u> | <u>\$ (12,412,165)</u> | <u>\$ 22,060,480</u> | <u>\$ 1,077,385</u>    |
| <b>Business-type Activities:</b> |                      |                      |                        |                      |                        |
| Bonds payable                    |                      |                      |                        |                      |                        |
| Revenue bond series 2010         | \$ 315,000           | \$ -                 | \$ (315,000)           | \$ -                 | \$ -                   |
| Premium on bonds                 | 450                  | -                    | (450)                  | -                    | -                      |
| Refunding Obligation 2021        | -                    | 226,155              | -                      | 226,155              | 22,616                 |
| Premium on Series 2021           | -                    | 43,910               | (4,391)                | 39,519               | -                      |
| Total bonds payable              | <u>315,450</u>       | <u>270,065</u>       | <u>(319,841)</u>       | <u>265,674</u>       | <u>22,616</u>          |
| Loans payable                    |                      |                      |                        |                      |                        |
| WIFA                             |                      |                      |                        |                      |                        |
| Series 2007                      | 589,540              | -                    | (91,697)               | 497,843              | 94,226                 |
| Series 2008                      | 2,179,217            | -                    | (286,007)              | 1,893,210            | 294,055                |
| Series 2014                      | 2,194,810            | -                    | (137,308)              | 2,057,502            | 140,068                |
| Series 2016                      | 3,585,980            | -                    | (151,323)              | 3,434,657            | 157,376                |
| Series 2017                      | 246,133              | -                    | (11,904)               | 234,229              | 12,192                 |
| Total loans payable              | <u>8,795,680</u>     | <u>-</u>             | <u>(678,239)</u>       | <u>8,117,441</u>     | <u>697,917</u>         |
| Compensated absences             | 38,226               | 41,037               | (38,225)               | 41,038               | 11,000                 |
| Developer agreement payable      | 420,733              | -                    | -                      | 420,733              | -                      |
| Net pension liability            | 433,695              | 4,519                | -                      | 438,214              | -                      |
| Total other long term debt       | <u>892,654</u>       | <u>45,556</u>        | <u>(38,225)</u>        | <u>899,985</u>       | <u>11,000</u>          |
| Total Business-type Activities   | <u>10,003,784</u>    | <u>315,621</u>       | <u>(1,036,305)</u>     | <u>9,283,100</u>     | <u>731,533</u>         |
| Total long-term liabilities      | <u>\$ 28,587,401</u> | <u>\$ 16,294,774</u> | <u>\$ (13,448,470)</u> | <u>\$ 31,343,580</u> | <u>\$ 1,808,918</u>    |

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 6 LONG-TERM DEBT (Continued)

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

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

| Fiscal year ending June 30, | Governmental Activities |                     | Business-type Activities |                     |
|-----------------------------|-------------------------|---------------------|--------------------------|---------------------|
|                             | Principal               | Interest            | Principal                | Interest            |
| 2023                        | \$ 827,385              | \$ 665,714          | \$ 720,533               | \$ 186,856          |
| 2024                        | 752,385                 | 546,825             | 740,811                  | 165,417             |
| 2025                        | 777,385                 | 510,450             | 761,710                  | 143,447             |
| 2026                        | 827,385                 | 472,450             | 783,248                  | 120,681             |
| 2027                        | 802,385                 | 434,075             | 2,651,122                | 384,374             |
| 2028 - 2032                 | 4,761,923               | 1,507,500           | 2,096,264                | 153,455             |
| 2033 - 2037                 | 1,200,000               | 770,000             | 589,911                  | 7,051               |
| 2038 - 2042                 | 1,455,000               | 504,900             | -                        | -                   |
| 2043 - 2047                 | 1,775,000               | 183,500             | -                        | -                   |
| Thereafter                  |                         |                     |                          |                     |
| Total                       | <u>\$ 13,178,845</u>    | <u>\$ 5,595,414</u> | <u>\$ 8,343,596</u>      | <u>\$ 1,161,281</u> |

The following is a listing of bonds payable outstanding as of June 30, 2022:

|                                                                                                                                                                                                 | Balance<br>6/30/22   | Due Within<br>One Year |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------|
| Bonds payable:                                                                                                                                                                                  |                      |                        |
| Governmental Activities:                                                                                                                                                                        |                      |                        |
| Pledged Revenue Bonds, Series 2021, due in annual principal and semi-annual interest installments ranging from \$280,412 to \$404,450 bearing interest at 3.00% to 5.00%, maturing August 2046. | \$ 6,155,000         | \$ 125,000             |
| Pledged Revenue Bonds, Series 2021, due in annual principal and semi-annual interest installments ranging from \$879,000 to \$953,000 bearing interest at 4.00% to 5.00%, maturing August 2031. | 7,023,845            | 702,385                |
| Business-type Activities:                                                                                                                                                                       |                      |                        |
| Pledged Revenue Bonds, Series 2021, due in annual principal and semi-annual interest installments ranging from \$36,000 to \$43,000 bearing interest at 4.00% to 5.00%, maturing August 2031.   | 226,155              | 22,616                 |
| Total bonds payable                                                                                                                                                                             | <u>\$ 13,405,000</u> | <u>\$ 850,001</u>      |

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 6 LONG-TERM DEBT (Continued)

The following is a listing of loans payable outstanding as of June 30, 2022:

|                                                                                                                                                                                    | Balance<br>6/30/22         | Due Within<br>One Year   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------|
| Loans payable:                                                                                                                                                                     |                            |                          |
| 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. | \$ 497,843                 | \$ 94,226                |
| 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. | 1,893,210                  | 294,055                  |
| 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. | 2,057,502                  | 140,068                  |
| 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. | 3,434,657                  | 157,376                  |
| 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. | <u>234,229</u>             | <u>12,192</u>            |
| Total business-type activities:                                                                                                                                                    | <u>8,117,441</u>           | <u>697,917</u>           |
| Total loans payable - business-type activities                                                                                                                                     | <u><u>\$ 8,117,441</u></u> | <u><u>\$ 697,917</u></u> |

Developer agreements payable outstanding as of June 30, 2022:

|                                                                                                                                                                  |            |      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------|
| 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 | \$ - |

TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 7 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 were payable from excise taxes and state shared revenues of the Town. Annual principal and interest payments on the bonds were estimated to require 10% of excise tax and state shared revenues. These amounts were refunded during the year ended June 30, 2022 with the 2021 Pledged Revenue Refunding Obligation Bonds.

Town of Chino Valley issued Pledged Revenue Obligation Bonds and Pledged Revenue Refunding Obligation Bonds to finance the costs of construction of public safety facilities in and for the Town, to refinance the costs of certain capital projects for the Town, and to pay costs relating to the execution and delivery of the Bonds. These Bonds have been issued for governmental activities. These Bonds are direct and pledge the full faith and credit of the Town of Chino Valley. The Bonds are secured by a first lien on and pledge of Excise Tax Revenues and State Shared Revenues on a parity with the Parity Loan Agreements with the Water Infrastructure Authority. These Bonds mature in 10-25 years and accrue interest at an annual rate of 25 years and accrue interest at annual rate of 3% - 5%.

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 \$9,258,473. For the current year, principal and interest paid was \$872,768, sewer system customer net revenues were \$1,718,139, and excise taxes and state shared revenues were \$15,299,065.

Restrictive Covenants

The 2021 Series Revenue Bonds that are contained in the Long-term Debt Summary Table have continuing disclosure requirements that are to be uploaded to the Electronic Municipal Market Access (EMMA) by February 1st of each year.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 8 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Short-term borrowings between funds are reported as due to/due from other funds and long-term borrowings between funds are reported as advances to and advances from other funds.

As of June 30, 2022, the Town reported the following due to/from other funds:

| Fund                         | Receivable<br>Amount | Payable<br>Amount   |
|------------------------------|----------------------|---------------------|
| General Fund                 | \$ 1,390,573         | \$ -                |
| Debt Service                 | -                    | 378,816             |
| Non-Major Governmental Funds | -                    | 1,134               |
| Sewer Fund                   | -                    | 1,010,623           |
| Total                        | <u>\$ 1,390,573</u>  | <u>\$ 1,390,573</u> |

The \$1,747,174 due from the Sewer Fund to the General Fund was for short-term borrowings to cover deficit cash in the Sewer Fund to be paid in less than one year.

Interfund transfers for the fiscal year ended June 30, 2022 are as follows:

| Fund                 | Transfers<br>Out    | Transfers<br>In     |
|----------------------|---------------------|---------------------|
| General Fund         | \$ 1,847,500        | \$ 400,000          |
| HURF                 | -                   | 2,955,000           |
| Debt Service         | -                   | 991,500             |
| Capital Improvements | 2,754,000           | -                   |
| Water Fund           | -                   | 255,000             |
| Total                | <u>\$ 4,601,500</u> | <u>\$ 4,601,500</u> |

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 9 PENSIONS

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

At June 30, 2022, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

| Statement of Net Position and Statement of<br>Activities | Governmental<br>Activities | Business-type<br>Activities | Total        |
|----------------------------------------------------------|----------------------------|-----------------------------|--------------|
| Net pension liabilities                                  | \$ 6,171,452               | \$ 438,214                  | \$ 6,609,666 |
| Deferred outflows of resources                           | 2,752,939                  | 97,597                      | 2,850,536    |
| Deferred inflows of resources                            | 2,365,368                  | 131,328                     | 2,496,696    |
| Pension expense                                          | 748,988                    | 30,909                      | 779,897      |

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

The Town reported \$1,357,835 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

Net OPEB asset/liabilities have not been recorded, or further disclosed, at June 30, 2022 in accordance with GASB Statement 75, due to the relative insignificance to the Town's financial statements.

**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](http://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<br>10 years, age 62<br>5 years, age 50*<br>and years, age 65 | 30 years, age 55<br>25 years, age 60<br>10 years, age 62<br>5 years, age 50*<br>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%                                                                                      |

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.

TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

**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, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members' annual covered payroll, and the Town was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active members' annual covered payroll. In addition, the Town was required by statute to contribute at the actuarially determined rate of 10.22 percent (10.13 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the ASRS would typically fill. The Town's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2022 were \$488,910, \$8,549, and \$7,735, respectively.

During fiscal year 2022, the Town paid for ASRS pension contributions as follows: 92 percent from the General Fund, 4 percent from the water fund, and 4 percent from the sewer fund.

**Pension Liability** - At June 30, 2022, the Town reported a liability of \$4,171,809 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2021. The total liabilities as June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent. 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, 2021. The Town's proportions measured as of June 30, 2021, was 0.03175 percent, which was an increase of 0.00145 percent from its proportion measured as of June 30, 2020.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2022, the Town recognized pension expense for ASRS of \$354,297. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| ASRS                                                                                                      | Pension                        |                               |
|-----------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|
|                                                                                                           | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience                                                        | \$ 63,595                      | \$ -                          |
| Changes of assumptions or other inputs                                                                    | 542,994                        | -                             |
| Net difference between projected and actual earnings on pension plan investments                          | -                              | 1,321,776                     |
| Changes in proportion and differences between Town contributions and proportionate share of contributions | 44,287                         | 148,577                       |
| Town contributions subsequent to the measurement date                                                     | 488,910                        | -                             |
| Total                                                                                                     | <u>\$ 1,139,786</u>            | <u>\$ 1,470,353</u>           |

The \$488,910 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 ending June 30, 2023. 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, | Pension     |
|----------------------|-------------|
| 2023                 | \$ (17,202) |
| 2024                 | (55,397)    |
| 2025                 | (291,384)   |
| 2026                 | (455,494)   |
| 2026                 | -           |
| Thereafter           | -           |



TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

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

|                             |                                                                       |
|-----------------------------|-----------------------------------------------------------------------|
| ASRS                        |                                                                       |
| Actuarial valuation date    | June 30, 2020                                                         |
| Actuarial roll forward date | June 30, 2021                                                         |
| Actuarial cost method       | Entry age normal                                                      |
| Investment rate of return   | 7.0%                                                                  |
| Projected salary increases  | 2.9 - 8.4% for pensions/not applicable for OPEB                       |
| Inflation                   | 2.3%                                                                  |
| Permanent benefit increase  | Included for pensions/not applicable for OPEB                         |
| Mortality rates             | 2017 SRA Scale U-MP for pensions and health insurance premium benefit |
| Recovery rates              | 2012 GLDT for long-term disability                                    |
| Healthcare cost trend rate  | Not applicable                                                        |

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 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 geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class                            | Target Allocation | Long-term expected geometric real rate of return |
|----------------------------------------|-------------------|--------------------------------------------------|
| Equity                                 | 50%               | 4.90%                                            |
| Fixed income - credit                  | 20%               | 5.20%                                            |
| Fixed income - interest rate sensitive | 10%               | 0.70%                                            |
| Real estate                            | 20%               | 5.70%                                            |
| Total                                  | 100%              |                                                  |

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

**Discount Rate** – At June 30, 2021, the discount rate used to measure the ASRS total pension liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. 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 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.

**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 7.0 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 (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

| ASRS                                                       | 1% Decrease<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% increase<br>(8.0%) |
|------------------------------------------------------------|-----------------------|------------------------------------|-----------------------|
| Town's proportionate share of the<br>Net pension liability | \$ 6,561,906          | \$ 4,171,809                       | \$ 2,179,129          |

**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). Employees who were PSPRS members before July 1, 2017, participate in the agent multiple-employer defined benefit pension and health insurance premium benefit (OPEB) plans (PSPRS Tier 1 and 2 Risk Pool), and those who became PSPRS members on or after July 1, 2017, may elect to participate in the cost-sharing multiple employer Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP Tier 3 Risk Pool). The agent multiple-employer health insurance premium benefit OPEB plan and the cost-sharing multiple employer Public Safety Personnel Defined Contribution Retirement Plan are not further disclosed because of their relative insignificance to the Town's financial statements.

The PSPRS administers the agent multiple-employer defined benefit pension plan. A 9-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](http://www.psprs.com).

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 PENSIONS (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:

|                                                      |                                                                                                                                                                                                          | Initial membership date:                                            |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| PSPRS<br>Retirement and<br>Disability                | Before January 1, 2012                                                                                                                                                                                   | 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<br>15 years of service, age 62                                                                                                                                              | 25 years or service of<br>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, multiplied 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.                                                 |                                                                     |

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

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. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

**Employees Covered by Benefit Terms** - At June 30, 2022, the following employees were covered by the agent plans' benefit terms:

|                                     | PSPRS<br>Police |
|-------------------------------------|-----------------|
| Inactive employees or beneficiaries |                 |
| currently receiving benefits        | 12              |
| Inactive employees entitled to      |                 |
| by not yet receiving benefits       | 6               |
| Active employees                    | 16              |
| Total                               | 34              |

**Contributions** - 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, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

|                                  | PSPRS<br>Police |
|----------------------------------|-----------------|
| Active members - Pension         | 7.65% - 11.65%  |
| Pension                          | 30.27%          |
| Health insurance premium benefit | 0.00%           |

In addition, the Town was required by statute to contribute at the actuarially determined rate of 9.35 percent for Police of annual covered payroll of retired members who worked for the Town in positions that would typically fill and employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the Town's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

The Town's contributions to the plans for the year ended June 30, 2022, were:

|                    | PSPRS<br>Police |
|--------------------|-----------------|
| Pension            |                 |
| Contributions made | \$ 910,104      |

During fiscal year 2022, the Town paid 100 percent of the PSPRS pension contributions from the General Fund.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

**Pension Liability** - At June 30, 2022, the Town reported a PSPRS net pension liabilities of \$2,437,860.

The net liability was measured as of June 30, 2021, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

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

PSPRS

|                            |                                               |
|----------------------------|-----------------------------------------------|
| Actuarial valuation date   | June 30, 2021                                 |
| Actuarial cost method      | Entry age normal                              |
| Investment rate of return  | 7.30%                                         |
| 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 |
| Cost-of-living adjustment  | 1.75% for pensions/not applicable for OPEB    |
| Mortality rates            | PubS-2010 tables                              |
| Healthcare cost trend rate | Not applicable                                |

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.3 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<br>Asset Class                | Target<br>Allocation | Long-Term<br>Expected Geometric<br>Real Rate of Return |
|-------------------------------------|----------------------|--------------------------------------------------------|
| U.S. public equity                  | 24%                  | 4.08%                                                  |
| International public equity         | 16%                  | 5.20%                                                  |
| Global private equity               | 20%                  | 7.67%                                                  |
| Other assets (capital depreciation) | 7%                   | 5.43%                                                  |
| Core bonds                          | 2%                   | 0.42%                                                  |
| Private credit                      | 20%                  | 5.74%                                                  |
| Diversifying strategies             | 10%                  | 3.99%                                                  |
| Cash - Mellon                       | 1%                   | -0.31%                                                 |
| Total                               | 100.00%              |                                                        |

**Discount Rates** – At June 30, 2021, the discount rate used to measure the PSPRS total pension liability was 7.3 percent. 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.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Changes in the Net Pension Liability

| PSPRS - Police                                                                               | Pension<br>Increase (Decrease)       |                                             |                                          |
|----------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------|------------------------------------------|
|                                                                                              | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net<br>Position<br>(b) | Net<br>Pension<br>Liability<br>(a) - (b) |
| Balances at June 30, 2021                                                                    | \$ 10,459,688                        | \$ 6,196,403                                | \$ 4,263,285                             |
| Adjustments to the beginning of the year                                                     | -                                    | -                                           | -                                        |
| Changes for the year:                                                                        |                                      |                                             |                                          |
| Service Cost                                                                                 | 224,490                              | -                                           | 224,490                                  |
| Interest on the total liability                                                              | 763,758                              | -                                           | 763,758                                  |
| Changes of benefit terms                                                                     | -                                    | -                                           | -                                        |
| Differences between expected<br>and actual experience in the<br>measurement of the liability | (137,561)                            | -                                           | (137,561)                                |
| Changes of assumptions or other inputs                                                       | -                                    | -                                           | -                                        |
| Contributions - employer                                                                     | -                                    | 698,401                                     | (698,401)                                |
| Contributions - employee                                                                     | -                                    | 227,328                                     | (227,328)                                |
| Net investment income                                                                        | -                                    | 1,758,652                                   | (1,758,652)                              |
| Benefit payments, including refunds<br>of employee contributions                             | (443,467)                            | (443,467)                                   | -                                        |
| Hall/Parker settlement                                                                       | -                                    | -                                           | -                                        |
| Administrative expense                                                                       | -                                    | (8,269)                                     | 8,269                                    |
| Other changes                                                                                | -                                    | -                                           | -                                        |
| Net changes                                                                                  | 407,220                              | 2,232,645                                   | (1,825,425)                              |
| Balances at June 30, 2022                                                                    | \$ 10,866,908                        | \$ 8,429,048                                | \$ 2,437,860                             |

**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 7.3 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 (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

| PSPRS - Police        | 1% Decrease<br>(6.30%) | Current<br>Discount Rate<br>(7.30%) | 1% increase<br>(8.30%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net pension liability | \$ 3,886,544           | \$ 2,437,860                        | \$ 1,253,157           |

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

**Pension Expense** - For the year ended June 30, 2022, the Town recognized \$361,644 of PSPRS pension expense.

TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

**Pension Deferred Outflows/Inflows of Resources** - At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| PSPRS - Police                                                                   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                               | \$ 687,258                           | \$ 261,948                          |
| Changes of assumptions or other inputs                                           | 113,390                              | -                                   |
| Net difference between projected and actual earnings on pension plan investments | -                                    | 764,394                             |
| Town contributions subsequent to the measurement date                            | 910,104                              | -                                   |
| Total                                                                            | <u>\$ 1,710,752</u>                  | <u>\$ 1,026,342</u>                 |

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, 2023. 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<br>Police |
|----------------------|-----------------|
| 2023                 | \$ 73,374       |
| 2024                 | (4,364)         |
| 2025                 | (36,901)        |
| 2026                 | (257,803)       |
| 2027                 | -               |
| Thereafter           | -               |

NOTE 10 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.



TOWN OF CHINO VALLEY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2022

NOTE 11 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, 2022.

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.

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

| Project                    | Spent to<br>Date    | Remaining<br>Commitment |
|----------------------------|---------------------|-------------------------|
| Road 1 North Signal        | \$ 137,000          | \$ 150,000              |
| Equalization Basin         | 28,074              | 2,000,000               |
| Screw Press                | 246,922             | 500,000                 |
| Perkinsville Water & Sewer | 111,604             | 1,500,000               |
| Police Department Building | 5,282,310           | 9,000,000               |
| EPA water line             | 87,851              | 1,500,000               |
| Drying Bed                 | 19,516              | 250,000                 |
| Total                      | <u>\$ 5,913,277</u> | <u>\$ 14,900,000</u>    |

# Financial Statements

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## Required Supplementary Information

### **BUDGETARY COMPARISON SCHEDULE**

GENERAL FUND

GRANTS FUND

HURF FUND

### **PENSION SCHEDULES**

TOWN OF CHINO VALLEY, ARIZONA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND  
ACTUAL  
Year Ended June 30, 2022

|                                   | Budgeted Amounts |              | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------|------------------|--------------|-------------------|----------------------------------------------------------|
|                                   | Original         | Final        |                   |                                                          |
| REVENUES                          |                  |              |                   |                                                          |
| Taxes                             |                  |              |                   |                                                          |
| Town sales tax                    | \$ 7,179,000     | \$ 7,179,000 | \$ 7,961,438      | \$ 782,438                                               |
| Franchise taxes                   | 132,000          | 132,000      | 132,509           | 509                                                      |
| Total taxes                       | 7,311,000        | 7,311,000    | 8,093,947         | 782,947                                                  |
| Licenses and permits              | 544,500          | 544,500      | 571,510           | 27,010                                                   |
| Intergovernmental:                |                  |              |                   |                                                          |
| State shared sales tax            | 1,453,000        | 1,453,000    | 1,834,785         | 381,785                                                  |
| State shared income tax           | 1,615,000        | 1,615,000    | 1,700,042         | 85,042                                                   |
| Vehicle license tax               | 947,000          | 947,000      | 1,016,479         | 69,479                                                   |
| Grants                            | 88,000           | 88,000       | 104,749           | 16,749                                                   |
| Other intergovernmental           | 1,579,000        | 1,579,000    | 4,240,575         | 2,661,575                                                |
| Total intergovernmental           | 5,682,000        | 5,682,000    | 8,896,630         | 3,214,630                                                |
| Charges for services              | 127,000          | 127,000      | 155,411           | 28,411                                                   |
| Fines and forfeitures             | 202,900          | 202,900      | 201,699           | (1,201)                                                  |
| Interest                          | 10,800           | 10,800       | 18,861            | 8,061                                                    |
| Miscellaneous                     | 6,500            | 6,500        | 131,691           | 125,191                                                  |
| TOTAL REVENUES                    | 13,884,700       | 13,884,700   | 18,069,749        | 4,185,049                                                |
| EXPENDITURES                      |                  |              |                   |                                                          |
| General government                |                  |              |                   |                                                          |
| Legal services                    | 133,700          | 133,700      | 129,896           | 3,804                                                    |
| Town clerk                        | 300,800          | 300,800      | 254,926           | 45,874                                                   |
| Town Manager                      | 501,000          | 501,000      | 546,525           | (45,525)                                                 |
| Human resources                   | 283,300          | 283,300      | 287,687           | (4,387)                                                  |
| Municipal court                   | 336,700          | 336,700      | 307,616           | 29,084                                                   |
| Finance                           | 491,700          | 491,700      | 492,332           | (632)                                                    |
| Customer service                  | 38,300           | 38,300       | 27,193            | 11,107                                                   |
| Information systems               | 368,300          | 368,300      | 308,022           | 60,278                                                   |
| Mayor & council                   | 51,200           | 51,200       | 48,801            | 2,399                                                    |
| Planning                          | 337,700          | 337,700      | 295,385           | 42,315                                                   |
| Building inspection               | 400,500          | 400,500      | 385,322           | 15,178                                                   |
| Facilities maintenance            | 588,800          | 588,800      | 532,368           | 56,432                                                   |
| Fleet maintenance                 | 290,150          | 290,150      | 313,492           | (23,342)                                                 |
| Engineering                       | 533,700          | 533,700      | 417,966           | 115,734                                                  |
| Contingencies                     | 600,000          | 600,000      | 549,050           | 50,950                                                   |
| Court collection and improvements | 43,500           | 43,500       | 11,464            | 32,036                                                   |
| Capital assets replacements       | 10,000           | 10,000       | -                 | 10,000                                                   |
| Nondepartmental                   | 566,600          | 566,600      | 528,070           | 38,530                                                   |
| Total general government          | 5,875,950        | 5,875,950    | 5,436,115         | 439,835                                                  |

|                                                              | Budgeted Amounts    |                     |                      | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------------------------------|---------------------|---------------------|----------------------|----------------------------------------------------------|
|                                                              | Original            | Final               | Actual Amounts       |                                                          |
| Public safety                                                |                     |                     |                      |                                                          |
| Police                                                       | 3,612,700           | 3,612,700           | 3,708,533            | (95,833)                                                 |
| Animal control                                               | 209,400             | 209,400             | 202,674              | 6,726                                                    |
| Total public safety                                          | <u>3,822,100</u>    | <u>3,822,100</u>    | <u>3,911,207</u>     | <u>(89,107)</u>                                          |
| Culture and recreation                                       |                     |                     |                      |                                                          |
| Recreation                                                   | 157,650             | 157,650             | 157,324              | 326                                                      |
| Library                                                      | 400,500             | 400,500             | 372,827              | 27,673                                                   |
| Parks maintenance                                            | 720,200             | 720,200             | 601,424              | 118,776                                                  |
| Aquatics center                                              | 333,800             | 333,800             | 189,385              | 144,415                                                  |
| Total culture and recreation                                 | <u>1,612,150</u>    | <u>1,612,150</u>    | <u>1,320,960</u>     | <u>291,190</u>                                           |
| Health and welfare                                           |                     |                     |                      |                                                          |
| Senior center                                                | 346,400             | 346,400             | 384,803              | (38,403)                                                 |
| Capital outlay                                               | 657,000             | 657,000             | 407,608              | 249,392                                                  |
| TOTAL EXPENDITURES                                           | <u>12,313,600</u>   | <u>12,313,600</u>   | <u>11,460,693</u>    | <u>852,907</u>                                           |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>1,571,100</u>    | <u>1,571,100</u>    | <u>6,609,056</u>     | <u>5,037,956</u>                                         |
| OTHER FINANCING SOURCES (USES)                               |                     |                     |                      |                                                          |
| Sale of capital assets                                       | 1,000               | 1,000               | 4,877                | 3,877                                                    |
| Transfers in                                                 | 500,000             | 500,000             | 500,000              | -                                                        |
| Transfers out                                                | (1,947,500)         | (1,947,500)         | (1,947,500)          | -                                                        |
| Total other financing sources (uses)                         | <u>(1,446,500)</u>  | <u>(1,446,500)</u>  | <u>(1,442,623)</u>   | <u>3,877</u>                                             |
| Net change in fund balance                                   | 124,600             | 124,600             | 5,166,433            | 5,041,833                                                |
| Fund balance - beginning of year                             | <u>9,625,631</u>    | <u>9,625,631</u>    | <u>9,625,631</u>     | <u>-</u>                                                 |
| Fund balance - end of year                                   | <u>\$ 9,750,231</u> | <u>\$ 9,750,231</u> | <u>\$ 14,792,064</u> | <u>\$ 5,041,833</u>                                      |

## TOWN OF CHINO VALLEY, ARIZONA

## GRANTS FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

Year Ended June 30, 2022

|                                                              | Budgeted Amounts  |                   | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------------------------------|-------------------|-------------------|-------------------|----------------------------------------------------------|
|                                                              | Original          | Final             |                   |                                                          |
| REVENUES                                                     |                   |                   |                   |                                                          |
| Intergovernmental revenues                                   | \$ 3,500,000      | \$ 3,500,000      | \$ 197,825        | \$ (3,302,175)                                           |
| Other revenues                                               | -                 | -                 | 116,952           | 116,952                                                  |
| Total revenues                                               | <u>3,500,000</u>  | <u>3,500,000</u>  | <u>314,777</u>    | <u>(3,185,223)</u>                                       |
| EXPENDITURES                                                 |                   |                   |                   |                                                          |
| Current:                                                     |                   |                   |                   |                                                          |
| General government                                           | 50,000            | 50,000            | 7,474             | 42,526                                                   |
| Public safety                                                | 100,000           | 100,000           | 25,431            | 74,569                                                   |
| Punlic works/streets                                         | -                 | -                 | 103,335           | (103,335)                                                |
| Culture and recreation                                       | 100,000           | 100,000           | 19,283            | 80,717                                                   |
| Health and welfare                                           | 25,000            | 25,000            | 38,502            | (13,502)                                                 |
| Capital outlay                                               | 3,225,000         | 3,225,000         | 43,360            | 3,181,640                                                |
| Total expenditures                                           | <u>3,500,000</u>  | <u>3,500,000</u>  | <u>237,385</u>    | <u>3,262,615</u>                                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>-</u>          | <u>-</u>          | <u>77,392</u>     | <u>77,392</u>                                            |
| Net change in fund balance                                   | -                 | -                 | 77,392            | 77,392                                                   |
| Fund balance - beginning of year                             | <u>115,087</u>    | <u>115,087</u>    | <u>115,087</u>    | <u>-</u>                                                 |
| Fund balance - end of year                                   | <u>\$ 115,087</u> | <u>\$ 115,087</u> | <u>\$ 192,479</u> | <u>\$ 77,392</u>                                         |

TOWN OF CHINO VALLEY, ARIZONA  
HIGHWAY USER REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND  
ACTUAL  
Year Ended June 30, 2022

|                                                              | Budgeted Amounts    |                     | Actual<br>Amounts   | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------------------------------|---------------------|---------------------|---------------------|----------------------------------------------------------|
|                                                              | Original            | Final               |                     |                                                          |
| REVENUES                                                     |                     |                     |                     |                                                          |
| Licenses and permits                                         | \$ 2,000            | \$ 2,000            | \$ 2,575            | \$ 575                                                   |
| Intergovernmental revenues                                   | 1,570,000           | 1,570,000           | 1,669,251           | 99,251                                                   |
| Interest                                                     | 1,000               | 1,000               | 1,057               | 57                                                       |
| Other revenues                                               | -                   | -                   | 16,428              | 16,428                                                   |
| Total revenues                                               | <u>1,573,000</u>    | <u>1,573,000</u>    | <u>1,689,311</u>    | <u>116,311</u>                                           |
| EXPENDITURES                                                 |                     |                     |                     |                                                          |
| Public works/streets                                         | 3,778,000           | 3,778,000           | 2,995,747           | 782,253                                                  |
| Capital outlay                                               | 1,672,500           | 1,672,500           | 1,605,471           | 67,029                                                   |
| Total expenditures                                           | <u>5,450,500</u>    | <u>5,450,500</u>    | <u>4,601,218</u>    | <u>849,282</u>                                           |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(3,877,500)</u>  | <u>(3,877,500)</u>  | <u>(2,911,907)</u>  | <u>965,593</u>                                           |
| OTHER FINANCING<br>SOURCES (USES)                            |                     |                     |                     |                                                          |
| Sale of capital assets                                       | -                   | -                   | 67,549              | 67,549                                                   |
| Transfers in                                                 | 3,855,000           | 3,855,000           | 2,955,000           | (900,000)                                                |
| Transfers out                                                | <u>(900,000)</u>    | <u>(900,000)</u>    | <u>-</u>            | <u>900,000</u>                                           |
| Total other financing sources<br>and (uses)                  | <u>2,955,000</u>    | <u>2,955,000</u>    | <u>3,022,549</u>    | <u>67,549</u>                                            |
| Net change in fund balance                                   | (922,500)           | (922,500)           | 110,642             | 1,033,142                                                |
| Fund balance - beginning of year                             | <u>2,278,747</u>    | <u>2,278,747</u>    | <u>2,278,747</u>    | <u>-</u>                                                 |
| Fund balance - end of year                                   | <u>\$ 1,356,247</u> | <u>\$ 1,356,247</u> | <u>\$ 2,389,389</u> | <u>\$ 1,033,142</u>                                      |

TOWN OF CHINO VALLEY, ARIZONA  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE BUDGETARY SCHEDULES  
Year Ended June 30, 2021

NOTE 1            BUDGETING AND BUDGETARY CONTROL

A.R.S requires the Town to prepared and adopt a balanced budget annually for each governmental fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted. Expenditures may not legally exceed appropriations at the department level for the General Fund and the fund level for all other funds. In certain instances, transfers of appropriations between departments or the contingency amount to a department may be made up on the Board of Supervisors' approval.

NOTE 2            BUDGETARY BASIS OF ACCOUNTING

The Town's budget is prepared on a basis consistent with generally accepted accounting principles.

TOWN OF CHINO VALLEY, ARIZONA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Year Ended June 30, 2022

| ASRS - Pension                                                                          | Reporting Fiscal Year<br>(Measurement Date) |                |                |                |                |                |                |                |                           |
|-----------------------------------------------------------------------------------------|---------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|
|                                                                                         | 2022<br>(2021)                              | 2021<br>(2020) | 2020<br>(2019) | 2019<br>(2018) | 2018<br>(2017) | 2017<br>(2016) | 2016<br>(2015) | 2015<br>(2014) | 2014<br>through<br>2013   |
| Town's proportion of the net pension liability                                          | 0.031754%                                   | 0.033207%      | 0.032261%      | 0.032241%      | 0.031290%      | 0.032955%      | 0.032084%      | 0.030244%      | Information not available |
| Town's proportion share of the net pension liability                                    | \$ 4,171,809                                | \$ 5,754,137   | \$ 4,694,205   | \$ 4,496,345   | \$ 4,874,372   | \$ 5,318,461   | \$ 4,997,476   | \$ 4,475,083   |                           |
| Town's covered payroll                                                                  | \$ 3,703,082                                | \$ 3,618,952   | \$ 3,387,925   | \$ 3,018,422   | \$ 3,105,696   | \$ 2,965,972   | \$ 2,678,714   | \$ 2,280,897   |                           |
| Town's proportion share of the net pension liability as a percentage of covered payroll | 112.66%                                     | 159.00%        | 138.56%        | 148.96%        | 156.95%        | 179.32%        | 186.56%        | 196.20%        |                           |
| Plan fiduciary net position as a percentage of the total pension liability              | 78.58%                                      | 69.33%         | 73.24%         | 73.40%         | 69.92%         | 67.06%         | 68.35%         | 69.49%         |                           |



**TOWN OF CHINO VALLEY, ARIZONA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION AND RELATED RATIOS**  
**Year Ended June 30, 2022**

PSPRS Police - Pension  
Public Safety Personnel Retirement System

|                                                                                                | 2022<br>(2021) | 2021<br>(2020) | 2020<br>(2019) | 2019<br>(2018) | 2018<br>(2017) | 2017<br>(2016) | 2016<br>(2015) | 2015<br>(2014) | 2014<br>through<br>2013 |
|------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------------|
| <b>Total pension liability</b>                                                                 |                |                |                |                |                |                |                |                |                         |
| Service cost                                                                                   | \$ 224,490     | \$ 239,935     | \$ 284,666     | \$ 264,059     | \$ 272,925     | \$ 220,166     | \$ 208,414     | \$ 218,803     | Information             |
| Interest on the total pension liability                                                        | 763,758        | 657,645        | 652,210        | 599,204        | 556,565        | 533,567        | 508,300        | 443,158        | not                     |
| Changes on benefit terms                                                                       | -              | -              | -              | -              | 116,070        | 361,211        | -              | 63,139         | available               |
| Differences between expected and actual experience in the measurement of the pension liability | (137,561)      | 1,039,150      | (307,346)      | 216,311        | 107,301        | (230,538)      | (13,006)       | 15,592         |                         |
| Changes of assumptions or other inputs                                                         | -              | -              | 159,605        | -              | 240,439        | 269,553        | -              | 509,521        |                         |
| Benefit payments, including refunds of employee contributions                                  | (443,467)      | (491,897)      | (606,521)      | (425,306)      | (799,457)      | (313,564)      | (461,853)      | (368,517)      |                         |
| Net change in total pension liability                                                          | 407,220        | 1,444,833      | 182,614        | 654,268        | 493,843        | 840,395        | 241,855        | 881,696        |                         |
| Total pension liability - beginning                                                            | 10,459,688     | 9,014,855      | 8,832,241      | 8,177,973      | 7,684,130      | 6,843,735      | 6,601,880      | 5,720,184      |                         |
| Total pension liability - ending (a)                                                           | \$ 10,866,908  | \$ 10,459,688  | \$ 9,014,855   | \$ 8,832,241   | \$ 8,177,973   | \$ 7,684,130   | \$ 6,843,735   | \$ 6,601,880   |                         |
| <b>Plan fiduciary net position</b>                                                             |                |                |                |                |                |                |                |                |                         |
| Contributions - employer                                                                       | \$ 698,401     | \$ 726,124     | \$ 801,902     | \$ 788,908     | \$ 279,960     | \$ 269,502     | \$ 243,794     | \$ 208,691     |                         |
| Contributions - employee                                                                       | 227,328        | 114,939        | 122,179        | 131,038        | 136,758        | 145,561        | 143,622        | 126,689        |                         |
| Net investment income                                                                          | 1,758,652      | 73,989         | 283,743        | 313,163        | 497,699        | 24,661         | 149,207        | 498,013        |                         |
| Benefit payments, including refunds of employee contributions                                  | (443,467)      | (491,897)      | (606,521)      | (425,306)      | (799,457)      | (313,564)      | (461,853)      | (368,517)      |                         |
| Hall/Parker Settlement                                                                         | -              | -              | -              | (161,922)      | -              | -              | -              | -              |                         |
| Administrative expense                                                                         | (8,269)        | (6,035)        | (5,930)        | (5,466)        | (4,804)        | (3,949)        | (4,019)        | -              |                         |
| Other changes                                                                                  | -              | -              | -              | 149,623        | (10,122)       | (49,347)       | 3,414          | (124,093)      |                         |
| Net change in plan fiduciary net position                                                      | 2,232,645      | 417,120        | 595,373        | 790,038        | 100,034        | 72,864         | 74,165         | 340,783        |                         |
| Plan fiduciary net position - beginning                                                        | 6,196,403      | 5,779,283      | 5,185,682      | 4,395,644      | 4,295,610      | 4,222,746      | 4,148,581      | 3,807,798      |                         |
| Adjustment to the beginning of year                                                            | -              | -              | (1,772)        | -              | -              | -              | -              | -              |                         |
| Plan fiduciary net position - ending (b)                                                       | \$ 8,429,048   | \$ 6,196,403   | \$ 5,779,283   | \$ 5,185,682   | \$ 4,395,644   | \$ 4,295,610   | \$ 4,222,746   | \$ 4,148,581   |                         |
| Town's net pension liability - ending (a) - (b)                                                | \$ 2,437,860   | \$ 4,263,285   | \$ 3,235,572   | \$ 3,646,559   | \$ 3,782,329   | \$ 3,388,520   | \$ 2,620,989   | \$ 2,453,299   |                         |
| Plan fiduciary net position as a percentage of the total pension liability                     | 77.57%         | 59.24%         | 64.11%         | 58.71%         | 53.75%         | 55.90%         | 61.70%         | 62.84%         |                         |
| Covered payroll                                                                                | \$ 1,041,206   | \$ 1,154,142   | \$ 1,201,492   | \$ 1,332,956   | \$ 1,204,435   | \$ 1,145,504   | \$ 1,177,679   | \$ 1,077,714   |                         |
| Town's net pension liability as a percentage of covered payroll                                | 234.14%        | 369.39%        | 269.30%        | 273.57%        | 314.03%        | 295.81%        | 222.56%        | 227.64%        |                         |

**TOWN OF CHINO VALLEY, ARIZONA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION RATIOS**  
**Year Ended June 30, 2022**

**ASRS - Pension**

|                                                                             | Reporting Fiscal Year |              |              |              |              |              |              |              |              |                           |
|-----------------------------------------------------------------------------|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------|
|                                                                             | 2022                  | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013                      |
| Actuarially determined contribution                                         | \$ 488,910            | \$ 431,409   | \$ 414,370   | \$ 378,770   | \$ 329,008   | \$ 334,794   | \$ 321,808   | \$ 291,712   | \$ 244,056   | Information not available |
| Town's contributions in relation to the actuarially determined contribution | 488,910               | 431,409      | 414,370      | 378,770      | 329,008      | 334,794      | 321,808      | 291,712      | 244,056      |                           |
| Town's contribution deficiency (excess)                                     | <u>\$ -</u>           | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |                           |
| Town's covered payroll                                                      | \$ 4,070,858          | \$ 3,703,082 | \$ 3,618,952 | \$ 3,387,925 | \$ 3,018,422 | \$ 3,105,696 | \$ 2,965,972 | \$ 2,678,714 | \$ 2,280,897 |                           |
| Town's contributions as a percentage of covered payroll                     | 12.01%                | 11.65%       | 11.45%       | 11.18%       | 10.90%       | 10.78%       | 10.85%       | 10.88%       | 10.70%       |                           |

**Town of Chino Valley Police - Pension**  
**Public Safety Personnel Retirement System**

|                                                                             | Reporting Fiscal Year |                     |                     |                     |                     |              |              |              |              |                           |
|-----------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|--------------|--------------|--------------|--------------|---------------------------|
|                                                                             | 2022                  | 2021                | 2020                | 2019                | 2018                | 2017         | 2016         | 2015         | 2014         | 2013                      |
| Actuarially determined contribution                                         | \$ 510,104            | \$ 398,401          | \$ 426,124          | \$ 501,902          | \$ 488,908          | \$ 269,502   | \$ 243,794   | \$ 208,691   | \$ 173,196   | Information not available |
| Town's contributions in relation to the actuarially determined contribution | 910,104               | 698,401             | 726,124             | 801,902             | 788,908             | 269,502      | 243,794      | 208,691      | 173,196      |                           |
| Town's contribution deficiency (excess)                                     | <u>\$ (400,000)</u>   | <u>\$ (300,000)</u> | <u>\$ (300,000)</u> | <u>\$ (300,000)</u> | <u>\$ (300,000)</u> | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |                           |
| Town's covered payroll                                                      | \$ 1,512,764          | \$ 1,041,206        | \$ 1,154,142        | \$ 1,201,492        | \$ 1,332,956        | \$ 1,204,435 | \$ 1,145,504 | \$ 1,177,679 | \$ 1,077,714 |                           |
| Town's contributions as a percentage of covered payroll                     | 60.16%                | 67.08%              | 62.91%              | 66.74%              | 59.18%              | 22.38%       | 21.28%       | 17.72%       | 16.07%       |                           |

TOWN OF CHINO VALLEY, ARIZONA  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE PENSION SCHEDULES  
Year Ended June 30, 2022

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 2020 actuarial valuation | 19 years for underfunded<br>20 years for overfunded                                                                                                                                                                                                                                                                                                                 |
| Asset valuation method                                           | 7-year smoothed market value; 80%/120% market corridor                                                                                                                                                                                                                                                                                                              |
| Actuarial assumptions:                                           |                                                                                                                                                                                                                                                                                                                                                                     |
| Investment rate of return                                        | PSPRS members with initial membership date before July 1, 2017:<br>In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. |
| Projected salary increases                                       | In the 2017 actuarial valuation, projected salary increase were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS. 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 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 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                                                        | In the 2019 actuarial valuation, changed to PubS-2010 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)                                                                                                                                                                       |

TOWN OF CHINO VALLEY, ARIZONA  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE PENSION SCHEDULES  
Year Ended June 30, 2022

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 and 2019.



# Financial Statements

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## Other Supplementary Information

### Non-Major Governmental Funds Financial Statements

#### **Special Revenue Funds**

- **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.



TOWN OF CHINO VALLEY, ARIZONA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2022

|                           | Special Revenue |                                            |                 |
|---------------------------|-----------------|--------------------------------------------|-----------------|
|                           | CDBG            | Street Lighting<br>Improvement<br>District | Total           |
| ASSETS                    |                 |                                            |                 |
| Cash and cash equivalents | \$ -            | \$ 791                                     | \$ 791          |
| Receivables, net:         |                 |                                            |                 |
| Accounts receivable       | 1,134           | 42                                         | 1,176           |
| Total assets              | <u>\$ 1,134</u> | <u>833</u>                                 | <u>\$ 1,967</u> |
| LIABILITIES               |                 |                                            |                 |
| Due to other funds        | \$ 1,134        | \$ -                                       | \$ 1,134        |
| Total liabilities         | <u>1,134</u>    | <u>-</u>                                   | <u>1,134</u>    |
| FUND BALANCES             |                 |                                            |                 |
| Restricted                |                 |                                            |                 |
| Highways and streets      | -               | 833                                        | 833             |
| Total fund balances       | <u>\$ -</u>     | <u>\$ 833</u>                              | <u>\$ 833</u>   |



TOWN OF CHINO VALLEY, ARIZONA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2022

|                                                 | Special Revenue |                                            |          |
|-------------------------------------------------|-----------------|--------------------------------------------|----------|
|                                                 | CDBG            | Street Lighting<br>Improvement<br>District | Total    |
| REVENUES                                        |                 |                                            |          |
| Taxes                                           | \$ -            | \$ 4,098                                   | \$ 4,098 |
| Intergovernmental                               | 1,134           | -                                          | 1,134    |
|                                                 |                 |                                            |          |
| Total revenues                                  | 1,134           | 4,098                                      | 5,232    |
| EXPENDITURES                                    |                 |                                            |          |
| Current:                                        |                 |                                            |          |
| Public works/streets                            | -               | 3,907                                      | 3,907    |
| Health & welfare                                | 1,134           | -                                          | 1,134    |
|                                                 |                 |                                            |          |
| Total expenditures                              | 1,134           | 3,907                                      | 5,041    |
| Excess of revenues<br>over (under) expenditures | -               | 191                                        | 191      |
|                                                 |                 |                                            |          |
| Net change in fund balances                     | -               | 191                                        | 191      |
| Fund balances - beginning of year               | -               | 642                                        | 642      |
|                                                 |                 |                                            |          |
| Fund balances - end of year                     | \$ -            | \$ 833                                     | \$ 833   |

# Financial Statements

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Other Supplementary Information

Budgetary Comparison Schedules

Major Governmental Fund Financial Statements



TOWN OF CHINO VALLEY, ARIZONA  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
Year Ended June 30, 2022

|                                                              | Budgeted Amounts |            |                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------------------------------|------------------|------------|----------------|----------------------------------------------------------|
|                                                              | Original         | Final      | Actual Amounts |                                                          |
| REVENUES                                                     |                  |            |                |                                                          |
| Other revenues                                               | -                | -          | 1,048          | 1,048                                                    |
| Total revenues                                               | -                | -          | 1,048          | 1,048                                                    |
| EXPENDITURES                                                 |                  |            |                |                                                          |
| Debt service:                                                |                  |            |                |                                                          |
| Principal retirement                                         | 641,000          | 641,000    | 493,082        | 147,918                                                  |
| Interest and fiscal charges                                  | 332,800          | 332,800    | 341,052        | (8,252)                                                  |
| Debt issuance cost                                           | -                | -          | 176,968        | (176,968)                                                |
| Total expenditures                                           | 973,800          | 973,800    | 1,011,102      | (37,302)                                                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | (973,800)        | (973,800)  | (1,010,054)    | (36,254)                                                 |
| OTHER FINANCING<br>SOURCES (USES)                            |                  |            |                |                                                          |
| Refunding bonds issued                                       | -                | -          | 7,024,031      | 7,024,031                                                |
| Pledged revenue bonds issued                                 |                  |            |                |                                                          |
| Premium on refunding bonds issued                            | -                | -          | 1,227,374      | 1,227,374                                                |
| Payment to refunding bond escrow agent                       | -                | -          | (8,222,918)    | (8,222,918)                                              |
| Transfers in                                                 | 991,500          | 991,500    | 991,500        | -                                                        |
| Total other financing sources<br>and uses                    | 991,500          | 991,500    | 1,019,987      | 28,487                                                   |
| Net change in fund balance                                   | 17,700           | 17,700     | 9,933          | (7,767)                                                  |
| Fund balance - beginning of year                             | 473,817          | 473,817    | 473,817        | -                                                        |
| Fund balance - end of year                                   | \$ 491,517       | \$ 491,517 | \$ 483,750     | \$ (7,767)                                               |

TOWN OF CHINO VALLEY, ARIZONA  
CAPITAL IMPROVEMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
Year Ended June 30, 2022

|                                                 | Budgeted Amounts |              |                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------------|------------------|--------------|----------------|----------------------------------------------------------|
|                                                 | Original         | Final        | Actual Amounts |                                                          |
| REVENUES                                        |                  |              |                |                                                          |
| Town sales tax                                  | \$ 2,506,000     | \$ 2,506,000 | \$ 2,653,812   | \$ 147,812                                               |
| Intergovernmental revenues                      | 2,140,000        | 2,140,000    | -              | (2,140,000)                                              |
| Interest                                        | -                | -            | 442            | 442                                                      |
| Total revenues                                  | 4,646,000        | 4,646,000    | 2,654,254      | (1,991,746)                                              |
| EXPENDITURES                                    |                  |              |                |                                                          |
| Capital outlay                                  | 10,092,500       | 10,092,500   | 4,986,751      | 5,105,749                                                |
| Debt service:                                   |                  |              |                |                                                          |
| Debt issuance cost                              | -                | -            | 180,739        | (180,739)                                                |
| Total expenditures                              | 10,092,500       | 10,092,500   | 5,167,490      | 5,105,749                                                |
| Excess of revenues over<br>(under) expenditures | (5,446,500)      | (5,446,500)  | (2,513,236)    | 3,114,003                                                |
| OTHER FINANCING<br>SOURCES (USES)               |                  |              |                |                                                          |
| Pledged revenue bonds issued                    | 7,000,000        | 7,000,000    | 6,155,000      | (845,000)                                                |
| Premium on bonds                                | -                | -            | 1,025,740      | 1,025,740                                                |
| Transfers out                                   | (2,754,000)      | (2,754,000)  | (2,754,000)    | -                                                        |
| Total other financing<br>sources (uses):        | 4,246,000        | 4,246,000    | 4,426,740      | 180,740                                                  |
| Net change in fund balance                      | (1,200,500)      | (1,200,500)  | 1,913,504      | 3,294,743                                                |
| Fund balance - beginning of year                | 3,056,538        | 3,056,538    | 3,056,538      | -                                                        |
| Fund balance - end of year                      | \$ 1,856,038     | \$ 1,856,038 | \$ 4,970,042   | \$ 3,294,743                                             |

# Financial Statements

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## Other Supplementary Information

### Budgetary Comparison Schedules Non-Major Government Fund Financial Statements

#### Special Revenue Funds

- **CDBG Fund** – This fund accounts for activities related to the Town's Community Development Block Grant.
- **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.

TOWN OF CHINO VALLEY, ARIZONA  
CDBG  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
Year Ended June 30, 2022

|                                                              | Budgeted Amounts |       |                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------------------------------|------------------|-------|----------------|----------------------------------------------------------|
|                                                              | Original         | Final | Actual Amounts |                                                          |
| REVENUES                                                     |                  |       |                |                                                          |
| Intergovernmental revenues                                   | \$ -             | \$ -  | \$ 1,134       | \$ 1,134                                                 |
| EXPENDITURES                                                 |                  |       |                |                                                          |
| Health and welfare                                           |                  |       |                |                                                          |
| Salaries                                                     | -                | -     | 1,134          | (1,134)                                                  |
| Services, supplies and other                                 | -                | -     | -              | -                                                        |
|                                                              | -                | -     | 1,134          | (1,134)                                                  |
| Capital outlay                                               | -                | -     | -              | -                                                        |
| Total expenditures                                           | -                | -     | 1,134          | (1,134)                                                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | -     | -              | -                                                        |
| Fund balance - beginning of year                             | -                | -     | -              | -                                                        |
| Fund balance - end of year                                   | \$ -             | \$ -  | \$ -           | \$ -                                                     |

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, 2022

|                                                              | <u>Budgeted Amounts</u> |                      |                       | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------------------------------|-------------------------|----------------------|-----------------------|----------------------------------------------------------|
| REVENUES                                                     | <u>Original</u>         | <u>Final</u>         | <u>Actual Amounts</u> |                                                          |
| Taxes                                                        | <u>\$ 4,100</u>         | <u>\$ 4,100</u>      | <u>\$ 4,098</u>       | <u>\$ (2)</u>                                            |
| EXPENDITURES                                                 |                         |                      |                       |                                                          |
| Current:                                                     |                         |                      |                       |                                                          |
| Public works/streets                                         | <u>4,000</u>            | <u>4,000</u>         | <u>3,907</u>          | <u>93</u>                                                |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>100</u>              | <u>100</u>           | <u>191</u>            | <u>91</u>                                                |
| Fund balance - beginning of year                             | <u>642</u>              | <u>642</u>           | <u>642</u>            | <u>-</u>                                                 |
| Fund balance - end of year                                   | <u><u>\$ 742</u></u>    | <u><u>\$ 742</u></u> | <u><u>\$ 833</u></u>  | <u><u>\$ 91</u></u>                                      |





# Statistical Section

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| <u>Contents</u>                                                                                                                                                                                                                                    | <u>Pages</u> |
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| <u>Financial Trends</u><br>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.                                                                     | 96-101       |
| <u>Revenue Capacity</u><br>These schedules contain information to help the reader assess the Town's most significant local revenue sources, property tax and sales and uses taxes.                                                                 | 102-114      |
| <u>Debt Capacity</u><br>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.                            | 115-123      |
| <u>Demographic and Economic Statistics</u><br>These schedules offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place.                                     | 124-129      |
| <u>Operating Information</u><br>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. | 132-135      |

**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  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

|                                             | 2013                 | 2014                 | 2015                 | 2016                 |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental Activities</b>              |                      |                      |                      |                      |
| Net Investment in Capital Assets:           | \$ 2,509,616         | \$ 3,960,511         | \$ 4,343,890         | \$ 5,424,332         |
| Restricted                                  | 3,556,297            | 3,331,847            | 1,821,510            | 1,327,962            |
| Unrestricted                                | 3,485,697            | 3,189,272            | (900,628)            | (394,472)            |
| Total Governmental Activities Net Position  | <u>\$ 9,551,610</u>  | <u>\$ 10,481,630</u> | <u>\$ 5,264,772</u>  | <u>\$ 6,357,822</u>  |
| <b>Business-type activities</b>             |                      |                      |                      |                      |
| Net Investment in Capital Assets:           | \$ 16,360,590        | \$ 15,658,866        | \$ 16,458,815        | \$ 16,077,901        |
| Restricted                                  | 524,391              | 637,600              | 750,922              | 482,116              |
| Unrestricted                                | (3,906,099)          | (4,386,202)          | (4,991,149)          | (4,665,739)          |
| Total Business-Type Activities Net Position | <u>\$ 12,978,882</u> | <u>\$ 11,910,264</u> | <u>\$ 12,218,588</u> | <u>\$ 11,894,278</u> |
| <b>Primary government</b>                   |                      |                      |                      |                      |
| Net Investment in Capital Assets:           | \$ 18,870,206        | \$ 19,619,377        | \$ 20,802,705        | \$ 21,502,233        |
| Restricted                                  | 4,080,688            | 3,969,447            | 2,572,432            | 1,810,078            |
| Unrestricted                                | (420,402)            | (1,196,930)          | (5,891,777)          | (5,060,211)          |
|                                             | <u>\$ 22,530,492</u> | <u>\$ 22,391,894</u> | <u>\$ 17,483,360</u> | <u>\$ 18,252,100</u> |

| 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 6,027,754         | \$ 6,693,892         | \$ 7,499,509         | 8,791,146            | 9,405,857            | 12,627,404           |
| 1,769,920            | 2,355,810            | 1,445,551            | 1,500,148            | 3,018,753            | 5,961,508            |
| (154,836)            | 666,822              | 2,542,035            | 4,478,169            | 5,645,322            | 7,890,203            |
| <u>\$ 7,642,838</u>  | <u>\$ 9,716,524</u>  | <u>\$ 11,487,095</u> | <u>\$ 14,769,463</u> | <u>\$ 18,069,932</u> | <u>\$ 26,479,115</u> |
| <br>                 |                      |                      |                      |                      |                      |
| \$ 16,106,276        | \$ 15,502,227        | \$ 14,958,858        | 14,524,764           | 14,879,202           | 15,389,102           |
| 588,280              | 730,932              | 870,202              | 1,004,070            | 1,094,561            | 919,404              |
| (4,782,941)          | (3,812,291)          | (3,407,128)          | (3,316,066)          | (3,494,538)          | (3,526,832)          |
| <u>\$ 11,911,615</u> | <u>\$ 12,420,868</u> | <u>\$ 12,421,932</u> | <u>\$ 12,212,768</u> | <u>\$ 12,479,225</u> | <u>\$ 12,781,674</u> |
| <br>                 |                      |                      |                      |                      |                      |
| \$ 22,134,030        | \$ 22,196,119        | \$ 22,458,367        | \$ 23,315,910        | \$ 24,285,059        | \$ 28,016,506        |
| 2,358,200            | 3,086,742            | 2,315,753            | 2,504,218            | 4,113,314            | 6,880,912            |
| (4,937,777)          | (3,145,469)          | (865,093)            | 1,162,103            | 2,150,784            | 4,363,371            |
| <u>\$ 19,554,453</u> | <u>\$ 22,137,392</u> | <u>\$ 23,909,027</u> | <u>\$ 26,982,231</u> | <u>\$ 30,549,157</u> | <u>\$ 39,260,789</u> |

TOWN OF CHINO VALLEY, ARIZONA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS

|                                                               | 2013                  | 2014                  | 2015                  | 2016                  |
|---------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Net (expense)/revenue</b>                                  |                       |                       |                       |                       |
| Governmental Activities                                       | \$ (5,321,410)        | \$ (6,887,028)        | \$ (7,437,020)        | \$ (7,606,435)        |
| Business-Type Activities                                      | (1,330,984)           | (1,303,191)           | (1,200,252)           | (858,481)             |
| <b>Total Primary Government Net Expense</b>                   | <u>\$ (6,652,394)</u> | <u>\$ (8,190,219)</u> | <u>\$ (8,637,272)</u> | <u>\$ (8,464,916)</u> |
| <b>General Revenues and Other Changes<br/>in Net Position</b> |                       |                       |                       |                       |
| Governmental Activities:                                      |                       |                       |                       |                       |
| City Sales Tax                                                | \$ 3,882,227          | \$ 5,147,065          | \$ 5,078,635          | \$ 5,455,413          |
| State Sales taxes                                             | 885,391               | 941,542               | 1,309,465             | 1,022,547             |
| Auto Lieu Tax                                                 | 564,341               | 596,994               | 629,553               | 680,388               |
| State Income Tax-Revenue Sharing                              | 1,104,933             | 1,205,692             | 988,552               | 1,302,365             |
| Property tax                                                  | 3,809                 | 3,682                 | 4,028                 | 3,994                 |
| Franchise tax                                                 | 133,055               | 135,183               | 125,124               | 136,036               |
| Impact Fees                                                   | -                     | -                     | -                     | -                     |
| Other                                                         | -                     | -                     | 377                   | -                     |
| Unrestricted Investment Earnings                              | 14,498                | 2,775                 | 6,590                 | 8,486                 |
| Miscellaneous                                                 | -                     | -                     | -                     | -                     |
| Gain on Sale of Assets                                        | -                     | 4,115                 | (19,073)              | -                     |
| Transfers                                                     | (362,988)             | (220,000)             | (280,700)             | (150,000)             |
| <b>Total Governmental Activities</b>                          | <u>6,225,266</u>      | <u>7,817,048</u>      | <u>7,842,551</u>      | <u>8,459,229</u>      |
| Business-Type Activities:                                     |                       |                       |                       |                       |
| Unrestricted Investment Earnings                              | 27,827                | 14,573                | 676                   | 1,671                 |
| Miscellaneous                                                 | -                     | -                     | -                     | -                     |
| Grants and Contributions not restricted                       |                       |                       |                       |                       |
| Gain on Sale of Assets                                        | -                     | -                     | 620                   | -                     |
| Special items                                                 | -                     | -                     | 1,660,154             | 382,500               |
| Transfers                                                     | 362,988               | 220,000               | 280,700               | 150,000               |
| <b>Total Business-Type Activities</b>                         | <u>390,815</u>        | <u>234,573</u>        | <u>1,942,150</u>      | <u>534,171</u>        |
| <b>Total Primary Government</b>                               | <u>\$ 6,616,081</u>   | <u>\$ 8,051,621</u>   | <u>\$ 9,784,701</u>   | <u>\$ 8,993,400</u>   |
| <b>Change in Net Position</b>                                 |                       |                       |                       |                       |
| Governmental Activities                                       | \$ 903,856            | \$ 930,020            | \$ 405,531            | \$ 852,794            |
| Business-Type Activities                                      | (940,169)             | (1,068,618)           | 741,898               | (324,310)             |
| <b>Total Primary Government</b>                               | <u>\$ (36,313)</u>    | <u>\$ (138,598)</u>   | <u>\$ 1,147,429</u>   | <u>\$ 528,484</u>     |

| 2017                  | 2018                  | 2019                  | 2020                  | 2021                   | 2022                  |
|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|
| \$ (7,482,665)        | \$ (7,648,079)        | \$ (8,945,107)        | \$ (8,578,402)        | \$ (10,456,595)        | \$ (6,925,459)        |
| (338,046)             | 389,282               | (82,249)              | (269,059)             | 212,230                | (18,558)              |
| <u>\$ (7,820,711)</u> | <u>\$ (7,258,797)</u> | <u>\$ (9,027,356)</u> | <u>\$ (8,847,461)</u> | <u>\$ (10,244,365)</u> | <u>\$ (6,944,017)</u> |
|                       |                       |                       |                       |                        |                       |
| \$ 5,603,710          | \$ 6,312,095          | \$ 7,009,864          | \$ 7,962,355          | \$ 9,326,248           | \$ 10,615,250         |
| 1,020,252             | 1,084,425             | 1,179,854             | 1,243,034             | 1,467,611              | 1,834,785             |
| 712,352               | 766,485               | 826,894               | 852,404               | 1,049,654              | 1,016,479             |
| 1,362,532             | 1,393,419             | 1,417,474             | 1,552,162             | 1,768,560              | 1,700,042             |
| 3,996                 | 3,999                 | 2,575                 | 5,297                 | 4,247                  | 4,098                 |
| 117,715               | 124,327               | 127,155               | 136,263               | 136,335                | 132,509               |
| -                     | -                     | -                     | -                     | -                      | -                     |
| -                     | -                     | -                     | -                     | -                      | -                     |
| 22,124                | 62,015                | 151,862               | 109,255               | 4,409                  | 20,360                |
| -                     | -                     | -                     | -                     | -                      | 266,119               |
| -                     | -                     | -                     | -                     | -                      | -                     |
| (75,000)              | (25,000)              | -                     | -                     | -                      | (255,000)             |
| <u>8,767,681</u>      | <u>9,721,765</u>      | <u>10,715,678</u>     | <u>11,860,770</u>     | <u>13,757,064</u>      | <u>15,334,642</u>     |
|                       |                       |                       |                       |                        |                       |
| 2,724                 | 8,504                 | 19,270                | 14,076                | 491                    | 1,843                 |
| -                     | -                     | -                     | -                     | -                      | 64,164                |
| -                     | -                     | 64,043                | 45,819                | -                      | -                     |
| 277,659               | 86,467                | -                     | -                     | 53,736                 | -                     |
| 75,000                | 25,000                | -                     | -                     | -                      | 255,000               |
| <u>355,383</u>        | <u>119,971</u>        | <u>83,313</u>         | <u>59,895</u>         | <u>54,227</u>          | <u>321,007</u>        |
| <u>\$ 9,123,064</u>   | <u>\$ 9,841,736</u>   | <u>\$ 10,798,991</u>  | <u>\$ 11,920,665</u>  | <u>\$ 13,811,291</u>   | <u>\$ 15,655,649</u>  |
|                       |                       |                       |                       |                        |                       |
| \$ 1,285,016          | \$ 2,073,686          | \$ 1,770,571          | \$ 3,282,368          | \$ 3,300,469           | \$ 8,409,183          |
| 17,337                | 509,253               | 1,064                 | (209,164)             | 266,457                | 302,449               |
| <u>\$ 1,302,353</u>   | <u>\$ 2,582,939</u>   | <u>\$ 1,771,635</u>   | <u>\$ 3,073,204</u>   | <u>\$ 3,566,926</u>    | <u>\$ 8,711,632</u>   |

TOWN OF CHINO VALLEY, ARIZONA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

|                                           | 2013                | 2014                | 2015                | 2016                |
|-------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Fund</b>                       |                     |                     |                     |                     |
| Nonspendable                              | \$ 7,039            | \$ 5,078            | \$ 4,060            | \$ 43,818           |
| Restricted                                | 212,680             | 217,775             | 301,854             | 322,353             |
| Assigned                                  | -                   | -                   | -                   | -                   |
| Unassigned                                | 3,092,751           | 3,830,737           | 4,349,040           | 5,064,810           |
| <b>Total General Fund</b>                 | <b>\$ 3,312,470</b> | <b>\$ 4,053,590</b> | <b>\$ 4,654,954</b> | <b>\$ 5,430,981</b> |
| <b>All other Governmental Funds</b>       |                     |                     |                     |                     |
| Restricted:                               |                     |                     |                     |                     |
| Highways and Streets                      | \$ 923,837          | \$ 680,219          | \$ 463,774          | \$ 456,204          |
| Capital Improvements                      | -                   | -                   | -                   | -                   |
| Development Impact Fees                   | 2,138,187           | 1,475,498           | 606,592             | 566,191             |
| Debt Service                              | 285,557             | 292,213             | 614,924             | 128,707             |
| Public Safety                             | 136,504             | 51,085              | 24,507              | 46,099              |
| Grants                                    | -                   | -                   | -                   | -                   |
| Other Purposes                            | -                   | 2,464               | 7,673               | 40,385              |
| Committed:                                |                     |                     |                     |                     |
| Debt service                              | -                   | -                   | -                   | -                   |
| Assigned for:                             |                     |                     |                     |                     |
| Capital Improvements                      | 129,103             | 488,624             | 589,530             | 683,648             |
| Unassigned:                               | -                   | -                   | 293                 | 109                 |
| <b>Total all other Governmental Funds</b> | <b>\$ 3,613,188</b> | <b>\$ 2,990,103</b> | <b>\$ 2,307,293</b> | <b>\$ 1,921,343</b> |

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, committed, or assigned as applicable.

| 2017                | 2018                | 2019                | 2020                | 2021                | 2022                 |
|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| \$ 1,302,226        | \$ 327,562          | \$ 129,873          | \$ 19,525           | \$ 509,682          | \$ 6,057             |
| 114,330             | 140,339             | 149,717             | 131,298             | 150,460             | 161,436              |
| 192,946             | 250,027             | 329,870             | 389,082             | 478,217             | 536,714              |
| 4,575,991           | 6,591,840           | 7,731,346           | 7,816,055           | 8,487,272           | 14,087,857           |
| <u>\$ 6,185,493</u> | <u>\$ 7,309,768</u> | <u>\$ 8,340,806</u> | <u>\$ 8,355,960</u> | <u>\$ 9,625,631</u> | <u>\$ 14,792,064</u> |
|                     |                     |                     |                     |                     |                      |
| \$ 760,071          | \$ 953,266          | \$ 771,662          | 838,013             | 2,279,389           | 2,390,222            |
| -                   | -                   | -                   | -                   | -                   | 2,733,621            |
| 523,122             | 510,575             | 25                  | -                   | -                   | -                    |
| 457,027             | 455,795             | 457,683             | 457,464             | 351,862             | 483,750              |
| 59,428              | 45,698              | 55,606              | 57,744              | 79,177              | 159,449              |
| -                   | -                   | -                   | -                   | -                   | -                    |
| 32,354              | 11,601              | 10,858              | 15,629              | 35,910              | 33,030               |
| -                   | -                   | -                   | -                   | 121,955             | -                    |
| 919,592             | 1,121,632           | 1,048,679           | 2,976,407           | 3,056,538           | 2,236,421            |
| (631,902)           | -                   | (761)               | -                   | -                   | -                    |
| <u>\$ 2,119,692</u> | <u>\$ 3,098,567</u> | <u>\$ 2,343,752</u> | <u>\$ 4,345,257</u> | <u>\$ 5,924,831</u> | <u>\$ 8,036,493</u>  |



TOWN OF CHINO VALLEY, ARIZONA  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

|                                                            | 2013                | 2014                 | 2015                 | 2016                 |
|------------------------------------------------------------|---------------------|----------------------|----------------------|----------------------|
| <b>Revenues</b>                                            |                     |                      |                      |                      |
| Taxes                                                      | \$ 4,019,091        | \$ 5,285,931         | \$ 5,207,787         | \$ 5,595,443         |
| Licenses and Permits                                       | 178,614             | 250,285              | 276,828              | 352,447              |
| Intergovernmental                                          | 4,443,541           | 4,252,919            | 4,676,970            | 4,906,700            |
| Charges for Services                                       | 438,798             | 93,961               | 94,270               | 122,960              |
| Fines and Forfeitures                                      | 192,564             | 176,986              | 208,163              | 247,977              |
| Impact Fees                                                | 29,764              | 194,873              | 2,712                | -                    |
| Interest                                                   | 14,498              | 2,775                | 6,590                | 8,486                |
| Other Revenues                                             | 106,335             | 44,879               | 38,413               | 54,354               |
| <b>Total Revenues</b>                                      | <b>\$ 9,423,205</b> | <b>\$ 10,302,609</b> | <b>\$ 10,511,733</b> | <b>\$ 11,288,367</b> |
| <b>Expenditures</b>                                        |                     |                      |                      |                      |
| Current:                                                   |                     |                      |                      |                      |
| General Government                                         | \$ 2,831,438        | \$ 3,309,301         | \$ 3,339,953         | \$ 3,913,936         |
| Public Safety                                              | 2,402,089           | 2,565,994            | 2,814,077            | 2,727,591            |
| Public Works                                               | 587,631             | 1,037,923            | 1,182,221            | 731,692              |
| Culture and Recreation                                     | 827,282             | 824,111              | 871,535              | 964,652              |
| Health and Welfare                                         | 227,476             | 249,419              | 378,921              | 402,424              |
| Capital Outlay                                             | 1,981,052           | 1,408,246            | 1,931,282            | 1,069,811            |
| Debt service                                               |                     |                      |                      |                      |
| Principal                                                  | 37,028              | 65,000               | 75,000               | 3,960,916            |
| Interest                                                   | 586,858             | 509,000              | 341,721              | 504,370              |
| Debt issuance cost                                         | -                   | -                    | -                    | 65,714               |
| <b>Total Expenditures</b>                                  | <b>9,480,854</b>    | <b>9,968,994</b>     | <b>10,934,710</b>    | <b>14,341,106</b>    |
| Revenues over (under) Expenditures                         | (57,649)            | 333,615              | (422,977)            | (3,052,739)          |
| <b>Other Finance Sources (Uses)</b>                        |                     |                      |                      |                      |
| Refunding bonds issued                                     | -                   | -                    | -                    | -                    |
| Capital lease agreement                                    | -                   | -                    | 607,448              | -                    |
| Sale of Assets                                             | 879                 | 4,420                | 14,783               | 6,560                |
| Pledged revenue bonds issued                               | -                   | -                    | -                    | 3,346,000            |
| Premium on bonds                                           | -                   | -                    | -                    | -                    |
| Payment to refunded debt escrow agent                      | -                   | -                    | -                    | -                    |
| Transfers in                                               | 1,023,203           | 1,394,732            | 1,684,779            | 1,095,167            |
| Transfers out                                              | (1,386,191)         | (1,614,732)          | (1,965,479)          | (1,245,167)          |
| <b>Total other Finance Sources (uses)</b>                  | <b>(362,109)</b>    | <b>(215,580)</b>     | <b>341,531</b>       | <b>3,202,560</b>     |
| <b>Net Change in Fund Balances</b>                         | <b>\$ (419,758)</b> | <b>\$ 118,035</b>    | <b>\$ (81,446)</b>   | <b>\$ 149,821</b>    |
| Debt Service as a Percentage of<br>Noncapital Expenditures | 8.38%               | 6.84%                | 4.46%                | 34.99%               |

| 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 5,725,421         | \$ 6,440,421         | \$ 7,139,594         | \$ 8,103,915         | \$ 9,466,830         | \$ 10,751,857        |
| 561,146              | 709,765              | 451,287              | 483,739              | 656,131              | 574,085              |
| 5,185,879            | 5,868,265            | 4,941,428            | 6,548,620            | 6,784,490            | 10,764,840           |
| 115,633              | 124,458              | 135,913              | 87,794               | 88,865               | 155,411              |
| 296,591              | 275,315              | 234,992              | 205,212              | 214,143              | 201,699              |
| -                    | -                    | 20                   | -                    | -                    | -                    |
| 22,124               | 62,015               | 151,862              | 109,255              | 4,409                | 20,360               |
| 37,343               | 88,291               | 176,377              | 174,125              | 265,930              | 266,199              |
| <u>\$ 11,944,137</u> | <u>\$ 13,568,530</u> | <u>\$ 13,231,473</u> | <u>\$ 15,712,660</u> | <u>\$ 17,480,798</u> | <u>\$ 22,734,451</u> |
| <br>                 |                      |                      |                      |                      |                      |
| \$ 3,900,208         | \$ 3,937,694         | \$ 4,466,270         | 4,795,109            | 4,725,066            | 5,443,589            |
| 2,935,355            | 3,322,163            | 3,441,879            | 3,529,005            | 3,684,573            | 3,936,638            |
| 524,963              | 756,057              | 958,368              | 1,148,879            | 2,064,109            | 3,102,989            |
| 988,361              | 1,055,044            | 1,115,363            | 1,067,558            | 1,148,267            | 1,340,243            |
| 316,045              | 361,111              | 309,899              | 343,411              | 337,080              | 424,439              |
| 1,727,192            | 1,916,593            | 1,550,908            | 1,383,628            | 1,716,016            | 7,043,190            |
| <br>                 |                      |                      |                      |                      |                      |
| 127,603              | 534,791              | 734,593              | 1,064,517            | 606,000              | 493,082              |
| 398,680              | 403,861              | 389,222              | 368,749              | 350,647              | 341,052              |
| -                    | 2,000                | -                    | -                    | -                    | 357,707              |
| <u>10,918,407</u>    | <u>12,289,314</u>    | <u>12,966,502</u>    | <u>13,700,856</u>    | <u>14,631,758</u>    | <u>22,482,929</u>    |
| <br>                 |                      |                      |                      |                      |                      |
| <u>1,025,730</u>     | <u>1,279,216</u>     | <u>264,971</u>       | <u>2,011,804</u>     | <u>2,849,040</u>     | <u>251,522</u>       |
| <br>                 |                      |                      |                      |                      |                      |
| -                    | -                    | -                    | -                    | -                    | 7,024,031            |
| -                    | 711,464              | -                    | -                    | -                    | -                    |
| 2,131                | 137,470              | 11,252               | 4,855                | 205                  | 72,426               |
| -                    | -                    | -                    | -                    | -                    | 6,155,000            |
| -                    | -                    | -                    | -                    | -                    | 2,253,114            |
| -                    | -                    | -                    | -                    | -                    | (8,222,918)          |
| 1,252,000            | 1,173,000            | 2,085,706            | 3,751,861            | 3,468,731            | 4,346,500            |
| <u>(1,327,000)</u>   | <u>(1,198,000)</u>   | <u>(2,085,706)</u>   | <u>(3,751,861)</u>   | <u>(3,468,731)</u>   | <u>(4,601,500)</u>   |
| <u>(72,869)</u>      | <u>823,934</u>       | <u>11,252</u>        | <u>4,855</u>         | <u>205</u>           | <u>7,026,653</u>     |
| <br>                 |                      |                      |                      |                      |                      |
| <u>\$ 952,861</u>    | <u>\$ 2,103,150</u>  | <u>\$ 276,223</u>    | <u>\$ 2,016,659</u>  | <u>\$ 2,849,245</u>  | <u>\$ 7,278,175</u>  |
| <br>                 |                      |                      |                      |                      |                      |
| 5.67%                | 8.92%                | 9.81%                | 11.77%               | 7.18%                | 5.92%                |

TOWN OF CHINO VALLEY, ARIZONA  
 ASSESSED, LIMITED AND FULL CASH VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

| Fiscal Year | Limited Property Value -Primary |             | Full Cash Value-Secondary |               | Ratio of Net Assessed to Total Values |
|-------------|---------------------------------|-------------|---------------------------|---------------|---------------------------------------|
|             | Net Assessed Value              | Total Value | Net Assessed Value        | Total Value   |                                       |
| 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                      | 698,377,587 | 91,475,024                | 848,659,263   | 11%                                   |
| 2018-2019   | 81,468,659                      | 753,795,532 | 104,330,919               | 980,124,645   | 11%                                   |
| 2019-2020   | 87,437,075                      | 816,434,870 | 122,115,077               | 1,154,109,710 | 11%                                   |
| 2020-2021   | 94,119,722                      | 882,471,069 | 137,938,692               | 1,308,809,901 | 11%                                   |
| 2021-2022   | 99,980,268                      | 945,830,276 | 139,710,711               | 1,341,041,314 | 11%                                   |

Source: Yavapai County Assessor



TOWN OF CHINO VALLEY, ARIZONA  
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS  
(PRIMARY TAX RATES)  
PER \$100 OF ACCESSED VALUE  
LAST TEN FISCAL YEARS

| Tax Authority                | 2012-2013     | 2013-2014     | 2014-2015     | 2015-2016     |
|------------------------------|---------------|---------------|---------------|---------------|
| Town of Chino Valley         | -             | -             | -             | -             |
| Yavapai County               | 1.6426        | 1.9308        | 1.9442        | 1.9317        |
| School Equalization          | 0.4717        | 0.5123        | 0.5089        | 0.5054        |
| Yavapai College              | 1.6725        | 1.8241        | 1.8606        | 1.8721        |
| Chino Valley School District | 4.2320        | 4.9640        | 5.0146        | 4.4236        |
| Total Primary                | <u>8.0188</u> | <u>9.2312</u> | <u>9.3283</u> | <u>8.7328</u> |

Source: Yavapai County Treasurer

| <u>2016-2017</u> | <u>2017-2018</u> | <u>2018-2019</u> | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| -                | -                | -                | -                | -                | -                |
| 1.9027           | 1.8395           | 1.7788           | 2.0152           | 1.9255           | 1.8570           |
| 0.5010           | 0.4875           | 0.4741           | 0.4566           | 0.4426           | 0.4263           |
| 1.8439           | 1.7827           | 1.7584           | 1.6883           | 1.6131           | 1.5557           |
| 4.6005           | 4.3974           | 4.2808           | 4.1000           | 3.9659           | 3.9497           |
| <u>8.8481</u>    | <u>8.5071</u>    | <u>8.2921</u>    | <u>8.2601</u>    | <u>7.9471</u>    | <u>7.7887</u>    |

TOWN OF CHINO VALLEY, ARIZONA  
 SECONDARY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS  
 (SECONDARY TAX RATES)  
 PER \$100 OF ASSESSED VALUE  
 LAST TEN FISCAL YEARS

| Tax Authority                | 2013-2014     | 2014-2015     | 2015-2016     |
|------------------------------|---------------|---------------|---------------|
| Town of Chino Valley         | -             | -             | -             |
| Fire District Assistance     | 0.1000        | 0.1000        | 0.1000        |
| Flood Control District       | 0.2162        | 0.2116        | 0.1976        |
| Library District             | 0.1491        | 0.1500        | 0.1907        |
| Yavapai College              | 0.2227        | 0.2231        | 0.2122        |
| Chino Valley School District | 0.0500        | 0.0500        | 0.0500        |
| Chino Valley Fire District   | 3.5799        | 3.5799        | 3.6175        |
| Total Secondary              | <u>4.3179</u> | <u>4.3146</u> | <u>4.3680</u> |

Source: Yavapai County Treasurer

| 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| -         | -         | -         | -         | -         | -         |
| 0.1000    | 0.1000    | 0.1000    | 0.1000    | 0.0937    | 0.0890    |
| 0.2346    | 0.2346    | 0.2188    | 0.2103    | 0.2006    | 0.1916    |
| 0.1815    | 0.1815    | 0.1720    | 0.1651    | 0.1577    | 0.1521    |
| 0.1815    | 0.2001    | 0.1892    | 0.1525    | 0.0760    | 0.0131    |
| 0.0500    | 0.0500    | 0.0500    | 0.0500    | 0.0500    | 0.0500    |
| 3.6175    | 3.6173    | 3.5986    | 3.5732    | 3.5466    | 0.2847    |
| 4.3651    | 4.3835    | 4.3286    | 4.2511    | 4.1246    | 0.7805    |



TOWN OF CHINO VALLEY, ARIZONA  
SALES TAX REVENUES BY INDUSTRY  
LAST TEN FISCAL YEARS

|                                         | Fiscal Year 2012-2013 |                     | Fiscal Year 2013-2014 |                     | Fiscal Year 2014-15 |                     | Fiscal Year 2015-16 |                     |
|-----------------------------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                         | Tax Paid              | Percentage of Total | Tax Paid              | Percentage of Total | Tax Paid            | Percentage of Total | Tax Paid            | Percentage of Total |
| Construction                            | \$ 428,058            | 8.69%               | \$ 363,845            | 7.16%               | \$ 345,449          | 6.45%               | \$ 354,129          | 6.35%               |
| Manufacturing                           | 67,869                | 1.38%               | 67,904                | 1.34%               | 74,890              | 1.40%               | 78,910              | 1.41%               |
| Transportation/ Communication/Utilities | 639,694               | 12.98%              | 817,254               | 16.09%              | 764,228             | 14.26%              | 798,024             | 14.31%              |
| Wholesale Trade                         | 135,349               | 2.75%               | 169,475               | 3.34%               | 167,135             | 3.12%               | 129,501             | 2.32%               |
| Retail Trade                            | 1,787,495             | 36.28%              | 2,457,281             | 48.38%              | 2,606,219           | 48.63%              | 2,735,267           | 49.04%              |
| Restaurants/Bars                        | 298,752               | 6.06%               | 415,200               | 8.18%               | 477,722             | 8.91%               | 501,100             | 8.98%               |
| Insurance/Real Estate                   | 273,188               | 5.54%               | 332,480               | 6.55%               | 335,282             | 6.26%               | 348,577             | 6.25%               |
| Services                                | 101,702               | 2.06%               | 128,676               | 2.53%               | 125,529             | 2.34%               | 130,589             | 2.34%               |
| All Other                               | 150,121               | 3.05%               | 174,950               | 3.44%               | 182,181             | 3.40%               | 282,941             | 5.07%               |
| Total                                   | \$ 3,882,227          | 78.79%              | \$ 4,927,064          | 97.02%              | \$ 5,078,635        | 94.77%              | \$ 5,359,038        | 96.07%              |

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 2016-17 |                     | Fiscal Year 2017-18 |                     | Fiscal Year 2018-19 |                     | Fiscal Year 2019-20 |                     | Fiscal Year 2020-21 |                     | Fiscal Year 2021-22 |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 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 | Tax Paid            | Percentage of Total |
| \$ 495,600          | 7.85%               | \$ 846,851          | 12.08%              | \$ 937,004          | 11.77%              | \$ 814,408          | 8.73%               | \$ 986,802          | 9.30%               | \$ 1,069,187        | 10.07%              |
| 30,895              | 0.49%               | 112,066             | 1.60%               | 207,019             | 2.60%               | 188,099             | 2.02%               | 232,773             | 2.19%               | 278,613             | 2.62%               |
| 694,022             | 11.00%              | 730,917             | 10.43%              | 727,641             | 9.14%               | 746,936             | 8.01%               | 752,494             | 7.09%               | 831,476             | 7.83%               |
| -                   | 0.00%               | 118,731             | 1.69%               | 180,042             | 2.26%               | 192,340             | 2.06%               | 256,227             | 2.41%               | 306,359             | 2.89%               |
| 3,171,921           | 50.25%              | 3,350,891           | 47.80%              | 3,700,174           | 46.47%              | 4,745,837           | 50.89%              | 5,618,035           | 52.92%              | 6,422,047           | 60.50%              |
| 573,858             | 9.09%               | 600,046             | 8.56%               | 655,336             | 8.23%               | 696,727             | 7.47%               | 867,868             | 8.18%               | 978,554             | 9.22%               |
| 378,261             | 5.99%               | 399,797             | 5.70%               | 430,263             | 5.40%               | 534,953             | 5.74%               | 574,916             | 5.42%               | 669,954             | 6.31%               |
| 144,015             | 2.28%               | 139,351             | 1.99%               | 153,274             | 1.92%               | -                   | 0.00%               | -                   | 0.00%               | -                   | 0.00%               |
| 89,468              | 1.42%               | 13,446              | 0.19%               | 19,106              | 0.24%               | 43,056              | 0.46%               | 37,133              | 0.35%               | 59,060              | 0.56%               |
| \$ 5,578,040        | 88.37%              | \$ 6,312,096        | 90.05%              | \$ 7,009,859        | 88.04%              | \$ 7,962,356        | 85.38%              | \$ 9,326,248        | 87.86%              | \$ 10,615,250       | 100.00%             |

TOWN OF CHINO VALLEY, ARIZONA  
DIRECT AND OVERLAPPING SALES TAX RATES  
As of June 30, 2022

|                                                                | Rates  |                                |          |
|----------------------------------------------------------------|--------|--------------------------------|----------|
|                                                                | City   | State and<br>Yavapai<br>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  
ACTUAL EXCISE TAX COLLECTIONS  
LAST TEN FISCAL YEARS

| Fiscal Year | City Sales<br>Tax | Franchise<br>Tax | State<br>Shared<br>Sales Tax | Urban<br>Revenue<br>Share | Vehicle<br>License Tax | Total      |
|-------------|-------------------|------------------|------------------------------|---------------------------|------------------------|------------|
| 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  |
| 2018-2019   | 7,009,860         | 127,155          | 1,179,854                    | 1,417,474                 | 826,894                | 10,561,236 |
| 2019-2020   | 7,962,355         | 136,263          | 1,291,713                    | 1,552,162                 | 852,404                | 11,794,897 |
| 2020-2021   | 9,326,248         | 136,335          | 1,467,611                    | 1,768,560                 | 1,049,654              | 13,748,408 |
| 2021-2022   | 10,615,250        | 132,509          | 1,834,785                    | 1,700,042                 | 1,016,479              | 15,299,066 |

Source: Town of Chino Valley Finance Department and Arizona Department of Revenue

TOWN OF CHINO VALLEY, ARIZONA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

| Fiscal<br>Year | Governmental Activities |                  |                  | Business-Type Activities |                  |                  |
|----------------|-------------------------|------------------|------------------|--------------------------|------------------|------------------|
|                | Capital<br>Leases       | Revenue<br>Bonds | Loans<br>Payable | Capital<br>Leases        | Notes<br>Payable | Loans<br>Payable |
| 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       |
| 2018-2019      | 501,399                 | 9,739,405        | -                | 80,590                   | -                | 10,115,892       |
| 2019-2020      | -                       | 9,223,013        | -                | -                        | -                | 9,465,105        |
| 2020-2021      | -                       | 8,625,621        | -                | -                        | -                | 8,795,680        |
| 2021-2022      | -                       | 13,178,845       | -                | -                        | -                | 8,117,441        |

(a) See page 86 for population data.

\* Means no data available during that fiscal year.

| Business-Type Activities           |                  |                        |                                |                                     |                   |
|------------------------------------|------------------|------------------------|--------------------------------|-------------------------------------|-------------------|
| Related Party<br>Capital<br>Leases | Revenue<br>Bonds | Developer<br>Agreement | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income | Per<br>Capita (a) |
| -                                  | 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             |
| -                                  | 420,651          | 420,733                | 21,278,670                     | *                                   | 1,773             |
|                                    | 370,551          | 420,733                | 19,479,402                     | *                                   | 1,574             |
|                                    | 315,450          | 420,733                | 18,157,484                     | *                                   | 1,395             |
|                                    | 226,155          | 420,733                | 21,943,174                     | *                                   | 1,626             |
| -                                  |                  |                        |                                |                                     |                   |

TOWN OF CHINO VALLEY, ARIZONA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
June 30, 2022

| Jurisdiction                      | 2021-2022 Secondary<br>Assessed Valuation | Net Debt<br>Outstanding | Percentage<br>Applicable to<br>the Town of<br>Chino Valley | Amount Applicable<br>to the Town of<br>Chino Valley | 2021-2022<br>Combined<br>Tax Rate Per<br>\$100<br>Assessed |
|-----------------------------------|-------------------------------------------|-------------------------|------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------|
| State of Arizona                  | \$ 96,672,273,409                         | \$ -                    | 0.14%                                                      | \$ -                                                | None                                                       |
| Yavapai County                    | \$ 4,311,237,244                          | \$ 12,393,000           | 3.24%                                                      | \$ 401,610                                          | 0.0000%                                                    |
| Chino Valley School District      | \$ 312,123,093                            | \$ 359,892              | 100.00%                                                    | \$ 359,892                                          | 0.0500%                                                    |
| Chino Valley Fire District        | \$ 223,684,297                            | \$ 3,870,000            | 62.46%                                                     | \$ 2,417,159                                        | 3.5700%                                                    |
| Yavapai County Library District   | \$ 4,311,237,244                          | \$ -                    | 3.24%                                                      | \$ -                                                | 0.1491%                                                    |
| Yavapai County Community College  | \$ 4,311,237,244                          | \$ 6,865,000            | 3.24%                                                      | \$ 222,468                                          | 0.2227%                                                    |
| Total Overlapping Debt            |                                           | \$ 23,487,892           |                                                            | \$ 3,401,129                                        | 3.9918%                                                    |
| <b>Town of Chino Valley</b>       | <b>\$ 139,710,711</b>                     | <b>\$ 13,178,845</b>    | <b>100.00%</b>                                             | <b>\$ 13,178,845</b>                                | <b>0.0000%</b>                                             |
| Total Direct Debt                 |                                           | \$ 13,178,845           |                                                            | \$ 13,178,845                                       |                                                            |
| Total Overlapping and Direct Debt |                                           | <b>\$ 36,666,737</b>    |                                                            | <b>\$ 16,579,974</b>                                | <b>3.9918%</b>                                             |

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 businesses of 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  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

|                                                                              | 2012-2013            | 2013-2014            | 2014-2015            | 2015-2016            |
|------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Secondary Assessed Value                                                     | \$ 67,121,326        | \$ 66,893,394        | \$ 78,892,362        | \$ 80,357,855        |
| <b>20% Limitation (a)</b>                                                    |                      |                      |                      |                      |
| Debt Limit Equal to 20% of Assessed Valuation                                | \$ 13,424,265        | \$ 13,378,679        | \$ 15,778,472        | \$ 16,071,571        |
| Total Debt Applicable to 20% Limit                                           | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Legal 20% Debt Margin (Available Borrowing Capacity)                         | <u>\$ 13,424,265</u> | <u>\$ 13,378,679</u> | <u>\$ 15,778,472</u> | <u>\$ 16,071,571</u> |
| Total Net Debt Applicable to the 20% Limit as a Percentage of 20% Debt Limit | 0.00%                | 0.00%                | 0.00%                | 0.00%                |
| <b>6% Limitation (b)</b>                                                     |                      |                      |                      |                      |
| Debt Limit Equal to 6% of Assessed Valuation                                 | \$ 4,027,280         | \$ 4,013,604         | \$ 4,733,542         | \$ 4,821,471         |
| Total Debt Applicable to 6% Limit                                            | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Legal 6% Debt Margin (Available Borrowing Capacity)                          | <u>\$ 4,027,280</u>  | <u>\$ 4,013,604</u>  | <u>\$ 4,733,542</u>  | <u>\$ 4,821,471</u>  |
| 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.

| <u>2016-2017</u>     | <u>2017-2018</u>      | <u>2018-2019</u>      | <u>2019-2020</u>     | <u>2020-2021</u>     | <u>2021-2022</u>     |
|----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| \$ 83,930,432        | \$ 753,795,532        | \$ 816,434,870        | \$ 122,115,077       | \$ 137,938,692       | \$ 139,710,711       |
| \$ 16,786,086        | \$ 150,759,106        | \$ 163,286,974        | \$ 24,423,015        | \$ 27,587,738        | \$ 27,942,142        |
| <u>\$ -</u>          | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| <u>\$ 16,786,086</u> | <u>\$ 150,759,106</u> | <u>\$ 163,286,974</u> | <u>\$ 24,423,015</u> | <u>\$ 27,587,738</u> | <u>\$ 27,942,142</u> |
| 0.00%                | 0.00%                 | 0.00%                 | 0.00%                | 0.00%                | 0.00%                |
| \$ 5,035,826         | \$ 45,227,732         | \$ 48,986,092         | \$ 7,326,905         | \$ 8,276,322         | \$ 8,382,643         |
| <u>\$ -</u>          | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| <u>\$ 5,035,826</u>  | <u>\$ 45,227,732</u>  | <u>\$ 48,986,092</u>  | <u>\$ 7,326,905</u>  | <u>\$ 8,276,322</u>  | <u>\$ 8,382,643</u>  |
| 0.00%                | 0.00%                 | 0.00%                 | 0.00%                | 0.00%                | 0.00%                |

TOWN OF CHINO VALLEY, ARIZONA  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS

| Refunding Obligations 2021 Series |                             |              |          |          |
|-----------------------------------|-----------------------------|--------------|----------|----------|
| Fiscal Year<br>Ended<br>June 30,  | Excise<br>Tax<br>Collection | Debt Service |          | Coverage |
|                                   |                             | Principal    | Interest |          |
| 2022                              | 15,299,066                  | 702,385      | 220,840  | 16.57    |
| Police Department 2021            |                             |              |          |          |
| Fiscal Year<br>Ended<br>June 30,  | Excise<br>Tax<br>Collection | Debt Service |          | Coverage |
|                                   |                             | Principal    | Interest |          |
| 2022                              | 15,299,066                  | 125,000      | 155,412  | 54.56    |
| Refunding Obligations 2021 Series |                             |              |          |          |
| Fiscal Year<br>Ended<br>June 30,  | Excise<br>Tax<br>Collection | Debt Service |          | Coverage |
|                                   |                             | Principal    | Interest |          |
| 2022                              | 15,299,066                  | 22,615       | 7,019    | 516.28   |
| WIFA 2007                         |                             |              |          |          |
| Fiscal Year<br>Ended<br>June 30,  | Excise<br>Tax<br>Collection | Debt Service |          | Coverage |
|                                   |                             | Principal    | Interest |          |
| 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    |
| 2019                              | 10,561,236                  | 84,510       | 21,116   | 99.99    |
| 2020                              | 11,997,299                  | 86,841       | 18,720   | 113.65   |
| 2021                              | 13,748,408                  | 89,236       | 16,260   | 130.32   |
| 2022                              | 15,299,066                  | 91,697       | 13,731   | 145.11   |

| WIFA 2008                        |                             |              |          |          |
|----------------------------------|-----------------------------|--------------|----------|----------|
| Fiscal Year<br>Ended<br>June 30, | Excise<br>Tax<br>Collection | Debt Service |          | Coverage |
|                                  |                             | Principal    | Interest |          |
| 2013                             | 6,569,949                   | 222,795      | 118,265  | 19.26    |
| 2014                             | 8,026,477                   | 229,065      | 111,816  | 23.55    |
| 2015                             | 8,071,115                   | 235,510      | 105,192  | 23.69    |
| 2016                             | 8,545,285                   | 242,138      | 98,378   | 25.10    |
| 2017                             | 8,790,890                   | 248,952      | 91,372   | 25.83    |
| 2018                             | 9,680,754                   | 255,957      | 84,170   | 28.46    |
| 2019                             | 10,561,236                  | 263,160      | 76,765   | 31.07    |
| 2020                             | 11,997,299                  | 270,565      | 69,152   | 35.32    |
| 2021                             | 13,748,408                  | 278,178      | 61,324   | 40.50    |
| 2022                             | 15,299,066                  | 286,007      | 53,275   | 45.09    |

| WIFA 2014                        |                             |              |          |          |
|----------------------------------|-----------------------------|--------------|----------|----------|
| Fiscal Year<br>Ended<br>June 30, | Excise<br>Tax<br>Collection | Debt Service |          | Coverage |
|                                  |                             | Principal    | Interest |          |
| 2015                             | 8,071,115                   | -            | 29,950   | 269.49   |
| 2016                             | 8,545,285                   | 121,854      | 57,121   | 47.75    |
| 2017                             | 8,790,890                   | 124,303      | 54,622   | 49.13    |
| 2018                             | 9,680,754                   | 126,801      | 52,073   | 54.12    |
| 2019                             | 10,561,236                  | 129,350      | 49,473   | 59.06    |
| 2020                             | 11,997,299                  | 131,950      | 46,822   | 67.11    |
| 2021                             | 13,748,408                  | 134,602      | 44,116   | 76.93    |
| 2022                             | 15,299,066                  | 137,308      | 41,356   | 85.63    |

| WIFA 2016                        |                             |              |          |          |
|----------------------------------|-----------------------------|--------------|----------|----------|
| Fiscal Year<br>Ended<br>June 30, | Excise<br>Tax<br>Collection | Debt Service |          | Coverage |
|                                  |                             | Principal    | Interest |          |
| 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    |
| 2019                             | 10,561,236                  | 134,526      | 90,745   | 46.88    |
| 2020                             | 11,997,299                  | 139,907      | 85,262   | 53.28    |
| 2021                             | 13,748,408                  | 145,503      | 84,056   | 59.89    |
| 2022                             | 15,299,066                  | 151,323      | 80,508   | 65.99    |

| WIFA 2017                        |                             |              |          |          |
|----------------------------------|-----------------------------|--------------|----------|----------|
| Fiscal Year<br>Ended<br>June 30, | Excise<br>Tax<br>Collection | Debt Service |          | Coverage |
|                                  |                             | Principal    | Interest |          |
| 2017                             | 8,790,890                   | -            | -        |          |
| 2018                             | 9,680,754                   | 12,156       | 6,453    | 520.22   |
| 2019                             | 10,561,236                  | 11,398       | 6,501    | 590.05   |
| 2020                             | 11,997,299                  | 11,349       | 7,164    | 648.05   |
| 2021                             | 13,748,408                  | 11,624       | 5,946    | 782.49   |

TOWN OF CHINO VALLEY, ARIZONA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

| Fiscal Year | Town<br>Population | County<br>Population | County<br>Personal<br>Income (in<br>thousands)+ | County Per<br>Capita<br>Personal<br>Income | School<br>Enrollment | Yavapai County<br>Unemployment<br>Rate |
|-------------|--------------------|----------------------|-------------------------------------------------|--------------------------------------------|----------------------|----------------------------------------|
| 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                                       | 36                                         | 2876                 | 4.3%                                   |
| 2018-2019   | 12,003             | 231,993              | 9,352,066                                       | 41                                         | 2860                 | 4.9%                                   |
| 2019-2020   | 12,375             | 235,099              | 9,731,391                                       | 40                                         | 2580                 | 5.7%                                   |
| 2020-2021   | 13,020             | 241,753              | 9,731,391                                       | 41                                         | 2731                 | 4.3%                                   |
| 2021-2022   | 13,492             | 242,253              | 9,932,373                                       | 41                                         | 2815                 | 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  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND FIVE YEARS AGO

| Employer                           | 2022      |                                     | 2021      |                                     |
|------------------------------------|-----------|-------------------------------------|-----------|-------------------------------------|
|                                    | Employees | Percentage of Total City Employment | Employees | Percentage of Total City Employment |
| Chino Valley Unified School        | 307       | 2.85%                               | 288       | 2.67%                               |
| Safeway                            | 190       | 1.76%                               | 140       | 1.30%                               |
| Town of Chino Valley               | 107       | 0.99%                               | 110       | 1.02%                               |
| CAFMA In CV                        | 36        | 0.33%                               | 36        | 0.33%                               |
| Bonnie Plant                       | 30        | 0.28%                               | 25        | 0.23%                               |
| Frontier Techni-Kote Industries    | 28        | 0.26%                               |           | 0.00%                               |
| Arizona Highway Safety Specialists | 25        | 0.23%                               | 25        | 0.23%                               |
| Chino Heating & Cooling            | 25        | 0.23%                               | 25        | 0.23%                               |
| A2Z Home Center                    | 18        | 0.17%                               |           | 0.00%                               |
| Circle L Annimal Hospital          | 13        | 0.12%                               | 20        | 0.19%                               |
|                                    | 779       | 6.48%                               | 699       | 6.48%                               |

Sources: Central Arizona Regional Economic Development Foundation; various employers

| 2020      |                                           | 2019      |                                           | 2018      |                                           |
|-----------|-------------------------------------------|-----------|-------------------------------------------|-----------|-------------------------------------------|
| Employees | Percentage<br>of Total City<br>Employment | Employees | Percentage<br>of Total City<br>Employment | Employees | Percentage<br>of Total City<br>Employment |
| 290       | 2.69%                                     | 325       | 3.01%                                     | 250       | 2.32%                                     |
| 175       | 1.62%                                     | 135       | 1.25%                                     | 134       | 1.24%                                     |
| 98        | 0.91%                                     | 97.5      | 0.90%                                     | 96.5      | 0.89%                                     |
| 35        | 0.32%                                     | 36        | 0.33%                                     | 0         | 0.00%                                     |
| 24        | 0.22%                                     | -         | 0.00%                                     | -         | 0.00%                                     |
|           | 0.00%                                     |           | 0.00%                                     |           | 0.00%                                     |
| 30        | 0.28%                                     | 32        | 0.30%                                     | 32        | 0.30%                                     |
| 25        | 0.23%                                     | 27        | 0.25%                                     | 27        | 0.25%                                     |
| 0         | 0.00%                                     | 0         | 0.00%                                     | 0         | 0.00%                                     |
| 20        | 0.19%                                     | 24        | 0.22%                                     | 24        | 0.22%                                     |
| 697       | 6.46%                                     | 676.5     | 6.27%                                     | 563.5     | 5.23%                                     |



TOWN OF CHINO VALLEY, ARIZONA  
 AUTHORIZED FULL-TIME GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

| Fiscal Year | Function/Program      |                  |                         |                       |
|-------------|-----------------------|------------------|-------------------------|-----------------------|
|             | General<br>Government | Public<br>Safety | Culture &<br>Recreation | Health and<br>Welfare |
| 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                   |
| 2018-2019   | 48.5                  | 30               | 2                       | 4.5                   |
| 2019-2020   | 49.25                 | 30.5             | 2                       | 4.25                  |
| 2020-2021   | 49.25                 | 30.5             | 2                       | 4.25                  |
| 2021-2022   | 54.5                  | 31               | 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<br>Works/Streets | Public<br>Works/Water | Public<br>Works/Sewer |  | Total |
| 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    |
| 7                       | 2.5                   | 2.5                   |  | 97    |
| 7                       | 2.5                   | 2.5                   |  | 98    |
| 7                       | 2.5                   | 2.5                   |  | 98    |
| 9                       | 3                     | 3                     |  | 107   |

TOWN OF CHINO VALLEY, ARIZONA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

| Function/Program                                | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
|-------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| General Government                              |           |           |           |           |           |           |           |           |           |           |
| Registered Voters                               | 6,027     | *         | 5,914     | *         | 6,220     | 6,673     | *         | 8,305     | 7,505     | 8,218     |
| Votes cast last election                        | 2,092     | *         | 3,587     | *         | 2,630     | 2,840     | *         | 7,184     | 3,644     | 4,103     |
| Police                                          |           |           |           |           |           |           |           |           |           |           |
| Number of police personnel and officers         | 30        | 30        | 30        | 30        | 31        | 31        | 30        | 30.5      | 30.5      | 35        |
| Arrests                                         | 262       | 440       | 443       | 445       | 444       | 394       | 314       | 276       | 160       | 386       |
| Citations                                       | 756       | 934       | 808       | 1,234     | 1,204     | 1,532     | 1,370     | 1,041     | 1,025     | 1,682     |
| Traffic Stops                                   | 3,503     | 3,067     | 2,801     | 3,166     | 3,121     | 3,103     | 3,440     | 3,107     | 2,761     | 3,465     |
| Security Checks                                 | 4,717     | 2,425     | 2,602     | 1,979     | 1,469     | 914       | 927       | 1,119     | 1,075     | 1,163     |
| Officer Reports                                 | 6,643     | 7,700     | 6,485     | 6,257     | 5,601     | 5,135     | 6,810     | 5,685     | 5,424     | 6,090     |
| Calls for Service                               | 10,367    | 11,870    | 10,988    | 11,212    | 10,680    | 10,239    | 10,589    | 10,184    | 9,768     | 12,019    |
| Patrol Units                                    | 19        | 19        | 19        | 19        | 19        | 20        | 20        | 21        | 21        | 15        |
| Animal Control                                  |           |           |           |           |           |           |           |           |           |           |
| Animal Related Calls                            | 945       | 829       | 878       | 1,005     | 941       | 954       | 889       | 835       | 743       | 773       |
| Impounded Dogs                                  | 297       | 315       | 301       | 340       | 350       | 341       | 351       | 319       | 293       | 271       |
| Impounded Cats                                  |           |           |           |           |           |           |           |           |           | 31        |
| Adopted Dogs                                    | 102       | 121       | 136       | 137       | 139       | 122       | 110       | 140       | 152       | 121       |
| Adapted Cats                                    |           |           |           |           |           |           |           |           |           | 30        |
| Dog Licenses Sold                               | 1,700     | 1,807     | 1,971     | 1,912     | 1,986     | 1,994     | 1,584     | 1,540     | 1,425     | 1,136     |
| Highways & Streets                              |           |           |           |           |           |           |           |           |           |           |
| Miles of Paved Roads Maintained                 | 157       | 163       | 153       | 153       | 153       | 153       | 155       | 155       | 155       | 155       |
| Street resurfacing (miles)                      | 4         | 0         | 3         | 0         | 2         | 3         | 3         |           | 21.6      | 21.6      |
| Street sweeping (miles)                         | 13        | 13        | 13        | 13        | 13        | 13        | 13        | 13        | 15        | 15        |
| Potholes repaired (cold mix tons)               | 214       | 168       | 148       | 157       | 157       | 270       | 231       | 218       | 280.5     | 300       |
| Water                                           |           |           |           |           |           |           |           |           |           |           |
| Number of wells                                 | 19        | 19        | 19        | 19        | 19        | 19        | 15        | 15        | 15        | 15        |
| Total well production (acre feet)               | 255       | 250       | 250       | 250       | 250       | 267       | 247       | 292       | 294       | 338.5     |
| Number of metered accounts                      | 607       | 626       | 633       | 658       | 720       | 819       | 902       | 869       | 1,097     | 1,133     |
| New Residential Connections                     | 0         | 19        | 7         | 25        | 25        | 99        | 87        | 153       | 120       | 37        |
| Number of Water Tanks                           | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Storage Capacity (mg)                           | 1,165     | 1,165     | 1,165     | 1,165     | 1,165     | 1,165     | 1,165     | 1,165     | 1,165     | 1,165     |
| Miles of Water Mains                            | 20.5      | 21.0      | 21.0      | 21.0      | 21.0      | 22.0      | 22.0      | 22.5      | 22.5      | 22.5      |
| Line Breaks                                     | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Average Daily Consumption (thousand of gallons) | 228       | 223       | 296       | 312       | 312       | 312       | 221       | 260       | 263       | 282       |
| Number of Fire Hydrant                          | 103       | 103       | 103       | 103       | 103       | 104       | 105       | 105       | 105       | 116       |
| Wastewater                                      |           |           |           |           |           |           |           |           |           |           |
| Number of active accounts                       | 1,685     | 1,689     | 1,735     | 1,744     | 1,767     | 1,842     | 2,007     | 2,364     | 2,512     | 2,568     |
| Average daily sewage treatment gallons          | 324,000   | 325,000   | 325,000   | 325,000   | 325,000   | 265,000   | 285,000   | 288,000   | 298,000   | 315,000   |
| Plant Capacity per day gallons                  | 500,000   | 500,000   | 500,000   | 500,000   | 500,000   | 500,000   | 500,000   | 50,000    | 500,000   | 500,000   |
| Gallons Recharged in Aquifer (acre feet)        | 242       | 244       | 246       | 251       | 251       | 284       | 277       | 309       | 329.6     | 336       |

|                                        |         |         |         |         |         |         |           |           |           |           |
|----------------------------------------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|
| Facilities Maintenance                 |         |         |         |         |         |         |           |           |           |           |
| Number of Buildings Maintained         | 20      | 20      | 20      | 20      | 20      | 20      | 20        | 20        | 20        | 21        |
| Square Footage of Buildings Maintained | 55,704  | 55,704  | 55,704  | 55,704  | 55,704  | 55,704  | 55,704    | 55,704    | 62,085    | 62,085    |
| Number of HVAC Units Maintained        | 44      | 44      | 44      | 44      | 44      | 44      | 44        | 44        | 44        | 44        |
| Parks and Recreation                   |         |         |         |         |         |         |           |           |           |           |
| Park Areas                             | 5       | 5       | 5       | 5       | 5       | 5       | 5         | 5         | 5         | 5         |
| Total Miles of Trails                  | 3       | 3       | 3       | 3       | 3       | 3       | 3         | 3         | 3         | 3         |
| Parkland Acreage                       | 47      | 47      | 47      | 47      | 47      | 47      | 47        | 47        | 47        | 47        |
| Total Open Space Acres                 | 82      | 82      | 82      | 82      | 82      | 82      | 82        | 82        | 83        | 83        |
| Total Acres of Turf                    | 20      | 20      | 20      | 20      | 20      | 20      | 20        | 20        | 12        | 12        |
| Gallons of Water User per Acre of Turf | 931,000 | 793,000 | 806,000 | 806,000 | 810,000 | 450,000 | 650,000   | 450,564   | 525,000   | 525,000   |
| Ball Fields                            | 6       | 6       | 6       | 6       | 6       | 6       | 6         | 6         | 6         | 6         |
| Playgrounds                            | 2       | 2       | 2       | 2       | 2       | 2       | 2         | 2         | 2         | 2         |
| Aquatic Center Admissions              | 11,189  | 12,074  | 10,771  | 12,180  | 16,638  | 16,246  | N/A Covid | N/A Covid | N/A Covid | N/A Covid |
| Economic Development                   |         |         |         |         |         |         |           |           |           |           |
| Building Permits-Commercial            | 27      | 65      | 53      | 56      | 61      | 46      | 35        | 57        | 69        | 69        |
| Building Permits-Residential           | 147     | 225     | 265     | 319     | 439     | 368     | 400       | 545       | 542       | 542       |
| Housing Rehabilitations                | 8       | 3       | 0       | 0       | 0       | 0       | 0         | 0         | 0         | 0         |
| Code Enforcement Cases                 | 208     | 223     | 186     | 197     | 200     | 369     | 277       | 191       | 465       | 465       |
| Planning Cases                         | 17      | 16      | 16      | 15      | 19      | 21      | 30        | 47        | 136       | 136       |
| Culture - Library                      |         |         |         |         |         |         |           |           |           |           |
| Items in Collections                   | 43,055  | 53,523  | 49,072  | 57,009  | 72,454  | 72,730  | 74443     | 57,598    | 46,569    | 46,569    |
| Total Items Circulated                 | 108,515 | 112,843 | 113,231 | 110,202 | 107,584 | 103,374 | 84903     | 84,903    | 117,324   | 117,324   |
| Reference Transactions                 | 4,999   | 5,891   | 5,008   | 4,752   | 3,041   | 2,899   | N/A Covid | 0         | 0         | 0         |
| Computer Uses                          | 15,603  | 16,702  | 15,102  | 15,888  | 15,515  | 15,087  | N/A Covid | 14,269    | 0         | 0         |
| Inter Library Loan                     | 18,061  | 23,238  | 29,504  | 23,490  | 30,427  | 13,294  | 25874     | 13,485    | 12,044    | 12,044    |
| Total Library Attendance               | 60,273  | 62,346  | 60,533  | 66,131  | 64,960  | 63,214  | 6374      | 43,132    | 40,208    | 40,208    |
| Culture - Senior Center                |         |         |         |         |         |         |           |           |           |           |
| Total Meals Served in House            | 8,493   | 11,606  | 13,264  | 13,744  | 14,612  | 12,872  | 11947     | 11,870    | 11,249    | 11,249    |
| Total Meals on Wheels                  | 9,101   | 10,582  | 12,065  | 10,428  | 10,174  | 11,574  | 11182     | 14,256    | 17,298    | 17,298    |
| (Concluded)                            |         |         |         |         |         |         |           |           |           |           |

Sources: Various City Departments  
Note: Voter registration is taken every two years.  
\* Not available

TOWN OF CHINO VALLEY, ARIZONA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

| Function/Program                                           | 2014-<br>2015 | 2015-<br>2016 | 2016-<br>2017 | 2017-<br>2018 | 2018-<br>2019 | 2019-<br>2020 | 2020-<br>2021 | 2021-<br>2022 |
|------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Public Safety                                              |               |               |               |               |               |               |               |               |
| Stations                                                   | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             |
| Patrol units                                               | 19            | 19            | 19            | 20            | 20            | 21            | 21            | 21            |
| Highways and Streets                                       |               |               |               |               |               |               |               |               |
| Streets (miles)                                            | 153           | 153           | 153           | 153           | 153           | 153           | 155           | 155           |
| Water                                                      |               |               |               |               |               |               |               |               |
| Water mains (miles)                                        | 19.5          | 19.5          | 19.5          | 22            | 22            | 22            | 22.5          | 22.5          |
| Fire hydrants                                              | 103           | 103           | 103           | 103           | 103           | 103           | 105           | 105           |
| Sewer                                                      |               |               |               |               |               |               |               |               |
| Sanitary Sewer (miles)                                     | 32            | 32            | 33            | 35            | 35            | 35            | 36            | 36            |
| Maximum daily treatment capacity<br>(thousands of gallons) | 500,000       | 500,000       | 500,000       | 500,000       | 500,000       | 500,000       | 500,000       | 500,000       |
| Recreation and Aquatics                                    |               |               |               |               |               |               |               |               |
| Parks Acreage                                              | 47            | 47            | 47            | 47            | 47            | 47            | 47            | 47            |
| Number of Parks                                            | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             |
| Swimming Pools                                             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             |
| Ball Fields                                                | 6             | 6             | 6             | 6             | 6             | 6             | 6             | 6             |

\* Not available

Sources: Various City Departments



TOWN OF CHINO VALLEY  
ANNUAL EXPENDITURE LIMITATION REPORT  
FOR THE YEAR ENDED JUNE 30, 2022

Town of Chino Valley, Arizona  
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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, 2022, and the related notes to the report. 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.

We conducted our examination 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Annual Expenditure Limitation Report of Town of Chino Valley, Arizona, Arizona, referred to above is presented in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.



Tempe, Arizona  
November 28, 2022

TOWN OF CHINO VALLEY, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – PART I  
Year Ended June 30, 2022

|                                                                                                                                                             |  |    |            |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----|------------|------------|
| 1. Economic Estimates Commission expenditure limitation                                                                                                     |  | \$ | 4,129,899  |            |
| 2. Voter-approved alternative expenditure limitation (Approved June 22, 2021 - Town Resolution No. 2021-1183)                                               |  |    | 41,300,000 |            |
| 3. Enter applicable amount from line 1 or line 2                                                                                                            |  | \$ |            | 41,300,000 |
| 4. Amount subject to the expenditure limitation (total amount from Part II, line C)                                                                         |  | \$ | 26,428,095 |            |
| 5. Board-authorized expenditures necessitated by a disaster the Governor declared                                                                           |  | -  | -          |            |
| 6. Board-authorized expenditures necessitated by a disaster the Governor did not declare                                                                    |  | -  | -          |            |
| 7. Prior-year, voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year                                               |  | -  | -          |            |
| 8. Subtotal                                                                                                                                                 |  | \$ |            | 26,428,095 |
| 9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster the Governor did not declare and the voters did not approve |  | +  | -          |            |
| 10. Total adjusted amount subject to the expenditure limitation                                                                                             |  | \$ |            | 26,428,095 |
| 11. Amount under (in excess of) the expenditure limitation                                                                                                  |  | \$ |            | 14,871,905 |

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 financial officer: Joe Duffy

Name and title: Joe Duffy, Administrative Services Director

Telephone number: (928) 636-2646 Date: 11/28/2022

TOWN OF CHINO VALLEY, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – PART II  
Year Ended June 30, 2022

| Description                                                                                                                                 | Governmental<br>funds | Enterprise<br>funds | Total         |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|---------------|
| <u>A.</u> Amounts reported on the Reconciliation, line D                                                                                    | \$ 22,450,502         | \$ 3,977,593        | \$ 26,428,095 |
| <u>B.</u> Less exclusions claimed:                                                                                                          |                       |                     |               |
| <u>1.</u> Debt proceeds                                                                                                                     | -                     | -                   | -             |
| <u>2.</u> Debt service requirements                                                                                                         | -                     | -                   | -             |
| <u>3.</u> Dividends, interest, and gains on the sale or redemption of investment securities                                                 | -                     | -                   | -             |
| <u>4.</u> Trustee or custodian                                                                                                              | -                     | -                   | -             |
| <u>5.</u> Grants and aid from the federal government                                                                                        | -                     | -                   | -             |
| <u>6.</u> Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes | -                     | -                   | -             |
| <u>7.</u> Amounts received from the State of Arizona                                                                                        | -                     | -                   | -             |
| <u>8.</u> Quasi-external interfund transactions                                                                                             | -                     | -                   | -             |
| <u>9.</u> Voter-approved amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements        | -                     | -                   | -             |
| <u>10.</u> Highway user revenues in excess of those received in fiscal year 1979-80                                                         | -                     | -                   | -             |
| <u>11.</u> Contracts with other political subdivisions                                                                                      | -                     | -                   | -             |
| <u>12.</u> Refunds, reimbursements, and other recoveries                                                                                    | -                     | -                   | -             |
| <u>13.</u> Voter-approved exclusions not identified above                                                                                   | -                     | -                   | -             |
| <u>14.</u> Prior years carryforward                                                                                                         | -                     | -                   | -             |
| <u>15.</u> Qualifying capital improvement expenditures repaid in accordance with A.R. S. §41-1279.07                                        | -                     | -                   | -             |
| <u>16.</u> Total exclusions claimed                                                                                                         | -                     | -                   | -             |
| <u>C.</u> Amounts subject to the expenditure limitation                                                                                     | \$ 22,450,502         | \$ 3,977,593        | \$ 26,428,095 |

See accompanying notes

TOWN OF CHINO VALLEY, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION  
Year Ended June 30, 2022

| Description                                                                                                                                                         | Governmental<br>funds | Enterprise<br>funds | Total         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|---------------|
| A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements | \$ 22,482,929         | \$ 3,205,495        | \$ 25,688,424 |
| B. Subtractions:                                                                                                                                                    |                       |                     |               |
| 1. Items not requiring use of current financial resources:                                                                                                          |                       |                     |               |
| a. Depreciation                                                                                                                                                     | -                     | 1,383,755           | 1,383,755     |
| b. Loss on disposal of capital assets                                                                                                                               | -                     | -                   | -             |
| c. Bad debt expense                                                                                                                                                 | -                     | 13,294              | 13,294        |
| d. Pension and other postemployment benefits (OPEB) expense                                                                                                         | -                     | 30,909              | 30,909        |
| e. Claims incurred but not reported (IBNR)                                                                                                                          | -                     | -                   | -             |
| f. Landfill closure and postclosure care costs and pollution remediation                                                                                            | -                     | -                   | -             |
| 2. Expenditures of separate legal entities established under Arizona Revised Statutes                                                                               | -                     | -                   | -             |
| 3. Required fees paid to the Arizona Department of Revenue                                                                                                          | 32,427                | -                   | 32,427        |
| 4. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at the agreements' inception                      | -                     | -                   | -             |
| 5. Involuntary court judgments                                                                                                                                      | -                     | -                   | -             |
| 6. Total subtractions                                                                                                                                               | 32,427                | 1,427,958           | 1,460,385     |
| C. Additions:                                                                                                                                                       |                       |                     |               |
| 1. Principal payments on long-term debt                                                                                                                             | -                     | 993,238             | 993,238       |
| 2. Capital asset acquisitions                                                                                                                                       | -                     | 1,165,640           | 1,165,640     |
| 3. Amounts paid in the current year but reported as expenses in previous years:                                                                                     |                       |                     |               |
| a. Claims previously recognized as IBNR                                                                                                                             | -                     | -                   | -             |
| b. Landfill closure and postclosure care costs and pollution remediation                                                                                            | -                     | -                   | -             |
| 4. Pension and OPEB contributions paid in the current year                                                                                                          | -                     | 41,178              | 41,178        |
| 5. Transfers to separate legal entities                                                                                                                             | -                     | -                   | -             |
| 6. Total additions                                                                                                                                                  | -                     | 2,200,056           | 2,200,056     |
| D. Amounts reported on Part II, line A                                                                                                                              | \$ 22,450,502         | \$ 3,977,593        | \$ 26,428,095 |

See accompanying notes

TOWN OF CHINO VALLEY, ARIZONA  
 NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
 Year Ended June 30, 2022

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 May 26, 2020, 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 Fund 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, 6, and 9.

The addition of \$993,238 for principal payments on long-term debt in the Enterprise Funds consists of \$314,999 paid on bonds payable and \$678,239 paid on loans payable during the current fiscal year. The addition for the acquisition of capital assets consists of \$1,165,640 paid for various capital assets in the Water and Sewer funds.

The subtraction of \$30,909 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$41,178 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

6. b.

**Meeting Date:** 01/10/2023  
**Contact Person:** Laura Kyriakakis, Human Resources Director  
 Phone: 928-636-2646 x-1204  
**Department:** Human Resources  
**Estimated length of staff presentation:** 10 minutes  
**Physical location of item:** N/A

#### AGENDA ITEM TITLE:

Consideration and possible action to approve 4.5 % average Market Adjustments for sworn officer pay. (Laura Kyriakakis, Human Resources Director)

#### RECOMMENDED ACTION:

Approve 4.5% average recommended Market Adjustment for sworn officers, beginning with the 1/27/2023 paychecks.

#### SITUATION AND ANALYSIS:

There have been challenges in recruiting staff in recent years and in some cases, retaining staff which is attributed to three primary reasons: pay, labor force, and housing.

We are here before you to discuss pay challenges and to request a market adjustment for Sworn Officers.

A market adjustment will help with the recruitment and retention of lateral sworn officers, save on turnover, create a balanced staff with varied knowledge, skills & abilities, minimize burnout, improve moral, and continue to provide for a safe and secure community for all those who live and visit Chino Valley.

|           |                                     |
|-----------|-------------------------------------|
| \$87,500  | Total Salary Increase - 4.5% AVG    |
| 40%       | (Benefits)                          |
| \$122,500 | Total Burden Annualized             |
| \$61,250  | Total Burden for balance of FY22.23 |

A market adjustment will help save on turnover expenses that can range anywhere from \$30,000 to \$100,000 per event. Police turnover since December 2022 has been 9.3%. Turnover costs include direct and indirect expenses such as recruitment, orientation, training (academy and field), overtime, lost knowledge, burnout, depleted morale, and loss of productivity. The turnover cost in the police department has been higher than in other departments and one of the primary reasons cited by exiting staff was better pay.

It is different to replace lateral sworn positions with cadets (non-sworn officers) because of the State requirements for training and certification. As an example we are currently have two cadets in the Northern Arizona Regional Training Academy (NARTA) that started January 9th. The advertisement for the positions started in August 2022. The academy is 21 weeks long, and will be followed by a 16-week on-the-job field training. These two officers will not be solo on the job until October 2023. In contrast, once a lateral officer is hired, they can be solo on the job within four to twelve weeks of being hired.

|         |                                                                                                                                                                                                                          |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7/2022  | <b>CVPD - \$55,300</b><br><b>3.60% average market adjustment to base salaries to match region.</b>                                                                                                                       |
| 7/2022  | Prescott Valley - \$55,120 (anticipating future salary adjustment)<br>YCSO - \$57,990 (plus \$5,000 hiring/retention bonus)                                                                                              |
| 11/2022 | City of Prescott - \$58,055 (November 2022)                                                                                                                                                                              |
| 1/2023  | <b>CVPD - \$58,065</b><br><b>4.5% average recommended market adjustment to sworn officer base salaries to match region - based on Public Sector Personnel Consultants classification and compensation study results.</b> |

The challenge we are looking to address today is to offer competitive pay, that matches the current market, to recruit and retain lateral sworn police officers, and continue to provide for a safe and secure community for all those who live and visit Chino Valley.

---

### Fiscal Impact

**Fiscal Impact?:** Yes

**If Yes, Budget Code:** 01-60-5190

**Available:** \$61,250

**Funding Source:**

The Police Department has adequate funds available in this fiscal years budget.

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### Attachments

*No file(s) attached.*

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

6. c.

**Meeting Date:** 01/10/2023  
**Contact Person:** Will Dingee, Senior Planner  
 Phone: 928-636-4427 x-1233  
**Department:** Development Services  
**Estimated length of staff presentation:** 5 minutes  
**Physical location of item:** 3699 North State Route 89, Chino Valley

### AGENDA ITEM TITLE:

Public hearing, consideration, and possible action to approve Ordinance No. 2023-928 to rezone approximately one acre of property located at 3699 North State Route 89 (APN 306-04-018A), from Commercial Light to Commercial Heavy. (Will Dingee, Senior Planner)

### RECOMMENDED ACTION:

- i) Hold a Public Hearing.
- ii) Approve Ordinance No. 2023-928.

### SITUATION AND ANALYSIS:

The applicant is applying for a rezone so that the land use associated with 3C's Automotive Fleet Repair will be in conformance with the Commercial Heavy Zoning District. This rezone request is the result of a series of Code Enforcement complaints, with land uses that were being performed outside of the existing Commercial Light Zoning District. As no substantial new findings would be presented at the Pre-Application phases, staff directed property owner to proceed immediately to rezone. It should be noted that the properties to the North, South and West of the property are zoned Commercial Heavy and the land to the east is zoned Multi-Family residential. A neighborhood meeting was held as required. There were no attendees. No opposition was received for this project.

This item was presented to the Planning and Zoning Commission on December 13, 2022 and received a 7-0 Vote recommending approval to the Town Council. To provide you with more insight into this item, the minutes from this Commission meeting pertaining to this item can be found in Attachment 2 and the Staff Report presented to the Planning Commission can be found in Attachment 3.

### Fiscal Impact

**Fiscal Impact?:** N/A  
**If Yes, Budget Code:**  
**Available:**  
**Funding Source:**



## **Attachments**

ORD - 2023-928 - Henrickson Rezone

Attachment 1 Conditions

Attachment 2 P&Z Minutes

Attachment 3 P&Z Staff Report

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When Recorded, Return to:

Town Clerk  
Town of Chino Valley  
202 N. State Route 89  
Chino Valley, Arizona 86323

## **ORDINANCE NO. 2023-928**

**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 ONE ACRE OF REAL PROPERTY LOCATED AT 3699 NORTH STATE ROUTE 89, IN CHINO VALLEY, ARIZONA, FROM CL (COMMERCIAL LIGHT) TO CH (COMMERCIAL HEAVY).**

**WHEREAS**, the Mayor and Common Council of the Town of Chino Valley (the "Town Council") desires to amend the Town of Chino Valley (the "Town") Official Zoning Map for approximately one acre of real property located at 3699 North State Route 89 (APN 306-04-018A), from CL (Commercial Light) to CH (Commercial Heavy), as described in Exhibit 1 and shown on the Zoning Map in Exhibit 2, both attached hereto and incorporated herein by reference (the "Zoning Map Amendment"); and

**WHEREAS**, the Town Council has determined that this Zoning Map Amendment conforms with the Town of Chino Valley General Plan and any applicable specific area plan, neighborhood plan, or other plan, any overlay zoning district, and the standards and design requirements contained in the Unified Development Ordinance of the Town of Chino Valley (the "UDO"); 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 Town's Planning and Zoning Commission recommended approval of the Zoning Map Amendment; and

**WHEREAS**, in accordance with Article II, Sections 1 and 2 of the Constitution of Arizona, the Town Council has considered the individual property rights and personal liberties of the residents of the Town before adopting this ordinance; and

**WHEREAS**, the Town Council has considered the probable impact of this ordinance on the cost to construct housing for sale or rent.

**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 hereby incorporated as if fully set forth herein.

**Section 2.** The Zoning Map Amendment is hereby approved, and the Official Zoning Map is hereby amended for property consisting of approximately one acre, as described in Exhibit 1 and shown on the Zoning Map in Exhibit 2, to rezone the property from CL (Commercial Light) to CH (Commercial Heavy), subject to the requirements of the Chino Valley Town Code, the UDO, and the following stipulation:

1. The property owner shall sign and notarize a Waiver of Claims form that the staff will record with the County Recorder against the property.

**Section 3.** The Town Manager is directed, upon the effective date of this ordinance, to cause the Official Zoning Map to reflect the Zoning Map Amendment as applicable to the property, indicating the zoning is subject to compliance with the stipulations provided herein.

**Section 4.** If any provision of this ordinance is for any reason held by any court of competent jurisdiction to be unenforceable, such provision or portion hereof shall be deemed separate, distinct, and independent of all other provisions, and such holding shall not affect the validity of the remaining portions of this ordinance.

**Section 5.** The Mayor, the Town Manager, the Town Clerk, and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this ordinance.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 10th day of January, 2023.

\_\_\_\_\_  
Jack W. Miller, Mayor

ATTEST:

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Andrew J. McGuire, Town Attorney  
Gust Rosenfeld, PLC

I hereby certify the above foregoing Ordinance No. 2023-928 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on January 10, 2023, and that quorum was present, and that the vote thereon was \_\_\_\_ ayes and \_\_\_\_ nays and abstentions. \_\_\_\_ Council members were absent or excused.

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

EXHIBIT 1  
TO  
ORDINANCE 2023-928

[Legal Description]

PARCEL 3, according to the Special Warranty Deed recorded as Document No. 2021-0027308 SWD, in the records of the Yavapai County, Arizona, on April 15, 2021:

All that portion of the Northeast quarter of Section 3, Township 16 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at a G.L.O. Brass Cap (bent) at the East quarter corner of said Section 3;

Thence North 89°44'44" West, 616.57 feet to a cap set by RLS 8562;

Thence North 05°57'50" East, 1045.39 feet to the TRUE POINT OF BEGINNING;

Thence North 89°42'59" West, 301.48 feet to a point on the Easterly right of way line of U.S. Highway 89;

Thence North 05°57'58" East, 150.80 feet along said right of way line;

Thence South 89°42'59" East, 301.48 feet;

Thence South 05°57'50" West, 150.80 feet to the TRUE POINT OF BEGINNING.

TOGETHER WITH an easement for ingress, egress and parking being 50.00 feet in width and lying Easterly of, parallel with and adjacent to the following described line:

BEGINNING AT THE G.L.O. Brass Cap (bent) at the Easter quarter corner of Section 3;

Thence North 89°44'44" East, 616.57 feet to a cap set by R.L.S. No. 8562;

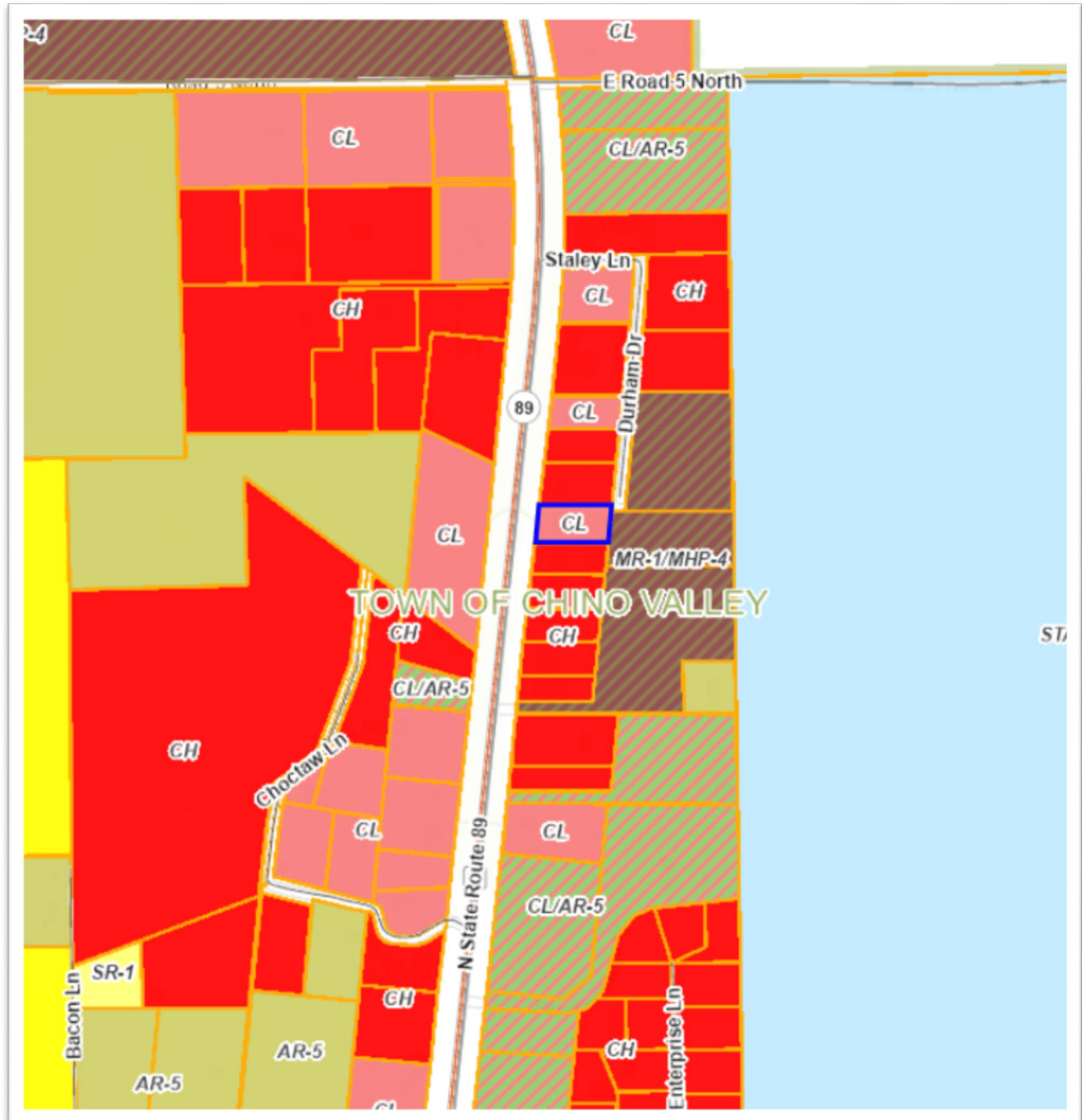
Thence North 05°57'50" East, 777.39 feet;

Thence North 89°42'59" West, 301.48 feet to a point on the Easterly right of way line of U.S. Highway 89 and the TRUE POINT OF BEGINNING;

Thence North 05°57'58" East, 418.80 feet.

EXHIBIT 2  
TO  
ORDINANCE 2023-928

[Zoning Map]



**Attachment 1**  
**Conditions of Approval**  
**ZC-2022-07**  
**Town Council**  
**January 10, 2022**

The following conditions have been found to have a reasonable nexus and are roughly proportionate to the impact of the proposed rezone for the site:

**Development Services Comments: Laurie Lineberry, Director, 928 636-4427- x1217**

1. The conditions listed below are in addition to Town codes, rules, fees, and regulations that are applicable to this action.
2. The property owner is required to sign and notarize a Waiver of Claims form that the staff will record with the County Recorder against the property.

**Attachment 2**  
**Minutes - P&Z December 6, 2022**  
**ZC-2022-07**  
**Town Council**  
**January 10, 2022**



**PUBLIC HEARING #D.2**

**ZC-2022-07** - This is a request by Tim Hendrickson to rezone 1 acre from the Commercial Light (CL) District to the Commercial Heavy (CH) District for the property located at 3699 N State Route 89.

**Chair Merritt** asked the Commission if they had any interactions with the applicant to declare. There were none.

**Bethan Heng**, Planner, presented the staff report for case ZC-2022-07. This is an active code enforcement site because the current uses don't fit with the uses allowed in the Commercial Light zone. Rezoning to Commercial Heavy will resolve the code compliance issues. This property has Commercial Heavy properties to the north and south. There were no neighbors present at the local neighborhood meeting, no public comments received, and staff is recommending a motion for approval for this case. The applicants' representative was in attendance.

**Barbara Harper**, representative for Tim Hendrickson of TDH Investment, stated that they had purchased this property in the last year and would like for it to fit in with the other uses in the surrounding areas.

There were no questions from the commission.

**Merritt** opened the meeting to public comments.

**David Aldridge** asked for clarification regarding the differences between Commercial Light uses and Commercial Heavy uses.

There were no further questions from the public and **Merritt** closed the public comment period.

**Heng** explained that the commercial heavy district includes more intensive uses but also allows the uses included in the commercial light district. **Dingee** read descriptions from the code for the commercial light district uses such as neighborhood amenities, retail, offices, apartments and related uses. Commercial heavy district included those uses and heavier uses such as hotels, manufacturing, warehouses, kennels, farming, contractor yards, etc.

The applicants' representative had no further information to add.

**Switzer** made a motion to recommend approval of ZC-2022-07 subject to staff report and Attachment A, including the replacement of item #2 regarding the owners' signature on a Waiver of Claims Form.

**Meadors** seconded the motion. A voice vote was taken and was unanimously approved by a 7-0 vote.

**Attachment 3**  
**Staff Report – P&Z December 6, 2022**  
**ZC-2022-07**  
**Town Council**  
**January 10, 2022**



**TOWN OF CHINO VALLEY**  
**Planning Commission Staff Report**  
 December 6th, 2022  
 File Number ZC-2022-07  
 Rezone

### PROJECT DESCRIPTION

This is a request by Tim Hendrickson to rezone 1 acre from the Commercial Light (CL) District to the Commercial Heavy (CH) District for the property located at 3699 N State Route 89.

### LOCATION DATA

|       | Existing Zoning                                                 | Use(s) on-site                                                              | General Plan Designation                 |
|-------|-----------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------|
| Site  | Commercial Light (CL)                                           | Commercial Yard Improvements/ 3C's<br>Automotive Fleet Repair (Unpermitted) | Commercial / Multi-family<br>Residential |
| North | Commercial Heavy (CH)                                           | Storage Warehouse                                                           | Commercial / Multi-family<br>Residential |
| South | Commercial Heavy (CH)                                           | Timbershade Co. / Yavapai Humane<br>Society Donation Center                 | Commercial / Multi-family<br>Residential |
| East  | Multiple Family<br>Residential (MR)/Mobile<br>Home Park (MHP-4) | Vacant Land /<br>Paloma Village (Future)                                    | Commercial / Multi-family<br>Residential |
| West  | Commercial Light (CL)                                           | Vacant Land                                                                 | Commercial / Multi-family<br>Residential |

### LOCATION MAP



**PRIOR SITE ACTIONS:****Code Enforcement**

July 1987 – Fire and Building concerns – Chemicals and paints being sprayed indoors, operating a junk-yard.

January 2022 – There is an ongoing zoning violation occurring on this property – Commercial Heavy Use on a Commercial Light zoned property.

**Conditional Use Permit**

August 11, 1987 – CUP application for Auto Repair Shop in Commercial Zoning.

September 01, 1987 – Issued for Auto Repair/Body Shop/Restoration with consideration of Extension at 90 days.

December 14, 1987 – Appealing decision to deny renewal of CUP for repair shop.

February 25, 1988 – CUP issued for Auto Repair Shop – Renewable in 1 Year.

June 09, 1988 – CUP Revoked. Not in compliance the conditions on the Conditional Use Permit”.

**Land Division History**

April 11, 1989 – Result of Split from APN 306-04-018 (Sibling Parcels APN 306-04-018A & 306-04-018B).

**STAFF RECOMMENDATION:**

Staff recommends that the Planning and Zoning Commission forward to the Town Council a recommendation of **APPROVAL** for the rezone of 1 acre from the Commercial Light (CL) District to the Commercial Heavy (CH) District for the property located at 3699 N State Route 89 with Conditions of Approval found in Attachment A.

**SUGGESTED MOTION:**

Move to **APPROVE** Rezone ZC-2022-07 as presented, subject to the staff report and information provided during this hearing, and the Conditions of Approval in Attachment A

**EFFECT OF THE APPROVAL:**

By approving this Rezone, the Planning and Zoning Commission is recommending approval to Town Council to approve the rezone of 1 acre from the Commercial Light (CL) District to the Commercial Heavy (CH) District for the property located at 3699 N State Route 89, subject to the staff report and information provided during this hearing.

**Staff Analysis:**

The applicant is applying for a rezone so that the land use associated with 3C's Automotive Fleet Repair will be in conformance with the Commercial Heavy Zoning District. This rezone request is the result of a series of Code Enforcement complaints, with land uses that were being performed outside of the existing Commercial Light Zoning District. As no substantial new

findings would be presented at the Pre-Application phases, staff directed property owner to proceed immediately to rezone.

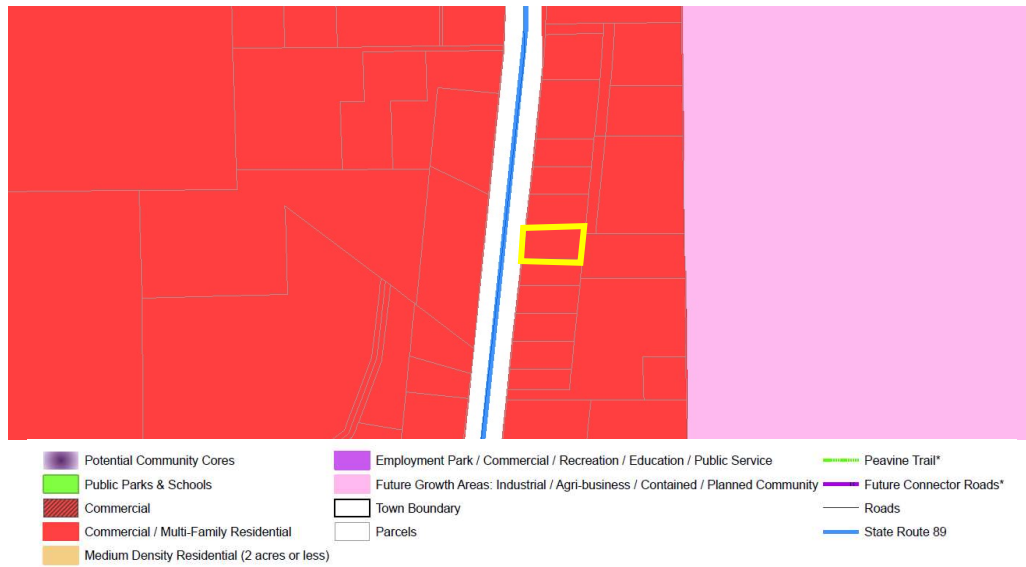
### Zoning

Section 3.16.B.7 and 3.16.B.12 of the Unified Development Ordinance list “Welding Shops” and “Contractors Yards” as Permitted Uses in the Commercial Heavy (CH) Zoning District. Rezoning the subject property to Commercial Heavy (CH) Zoning District will bring into conformance the current land use. The Commercial Heavy (CH) Zoning District includes all Permitted and Conditional Uses within the Commercial Light (CL) Zoning District. Rather than pursuing a Conditional Use Permit with the existing zoning, the applicant has chosen instead to apply for a rezone to Commercial Heavy. The resulting rezone will be the same zoning designation as the adjacent north and south properties.



### General Plan

The General Plan designates the subject property for Commercial / Multi-Family Residential. The rezone to the Commercial Heavy (CH) Zoning District will be in conformance with the General Plan.



**PUBLIC COMMENTS RECEIVED:** None Received.

**EXTERNAL AGENCY COMMENTS:** See Attachment B

**NEIGHBORHOOD MEETING COMMENTS:** See Attachment C

**PROPOSED CONDITIONS DELIVERED TO APPLICANT ON:** November 3, 2022

|   |                                                                                                               |
|---|---------------------------------------------------------------------------------------------------------------|
| X | Applicant agreed with all of the conditions of approval on (November 14, 2022)                                |
|   | Applicant did not agree with the following conditions of approval: (list #'s)                                 |
|   | If the Planner is unable to make contact with the applicant – describe the situation and attempts to contact. |

**ATTACHMENTS:**

| A                      | B                        | C                             | D                    | E              |
|------------------------|--------------------------|-------------------------------|----------------------|----------------|
| Conditions of Approval | External Agency Comments | Neighborhood Meeting Comments | Site Plan & Exhibits | Staff Research |

PREPARED BY:

DATE:

BETHAN HENG, PLANNER  
(BHENG@CHINOAZ.NET)  
928 636-4427 - x1295

NOVEMBER 16, 2022

APPROVED BY:

LAURIE LINEBERRY, AICP  
DEVELOPMENT SERVICES DIRECTOR

**ATTACHMENT A**  
**CONDITIONS OF APPROVAL**

The following conditions have been found to have a reasonable nexus and are roughly proportionate to the impact of the proposed rezone for the site:

**Development Services Comments: Laurie Lineberry, Director, 928 636-4427- x1217**

1. The conditions listed below are in addition to Town codes, rules, fees, and regulations that are applicable to this action.
2. The Owner's signature on the application for this land use action request takes the place of the requirement for a separate "Waiver of Claims" document.

Any questions or comments regarding the Conditions of Approval as stated above should be directed to the staff member who provided the comment. Name and phone numbers are provided.



ATTACHMENT B  
EXTERNAL AGENCY COMMENTS

STAFF RECEIVED NO COMMENTS FROM EXTERNAL AGENCIES.

**ATTACHMENT C**  
**NEIGHBORHOOD MEETING COMMENTS**

**DATE MEETING HELD:** NOVEMBER 2, 2022

**LOCATION:** ON SITE - 3699 N STATE ROUTE 89 CHINO VALLEY AZ

**ATTENDEES:**

AGENT/DEVELOPER: TIM HENDRICKSON, APPLICANT.

TOWN STAFF: BETHAN HENG, PLANNER; WILL DINGEE, SENIOR PLANNER

NEIGHBORS IN ATTENDANCE (NONE)

**SUMMARY OF ATTENDEE(S') COMMENTS RELATED TO THE PROJECT:**

NO NEIGHBORS WERE IN ATTENDANCE AT THE NEIGHBORHOOD MEETING.

ATTACHMENT D  
SITE PLAN AND EXHIBITS

APN# 306-04-018A

ADDRESS: 3699 N State Route 89



ATTACHMENT E  
STAFF RESEARCH

PLEASE SEE FOLLOWING PAGES.



## STAFF RESEARCH – REZONE

CASE #: ZC-2022-07

CASE PLANNER: BETHAN HENG

## I. PROJECT DATA

|                             |                       |
|-----------------------------|-----------------------|
| Project Location:           | 3699 N State Route 89 |
| Parcel Number(s):           | 306-04-018A           |
| Parcel Size(s):             | 1.04 Acres            |
| Total Acreage:              | 1.02 Acres            |
| Proposed Dwelling Units:    | N/A                   |
| Address:                    | 3699 N State Route 89 |
| Applicant:                  | Tim Hendrickson       |
| Applicant's Agent:          | N/A                   |
| Land Use Conformity Matrix: | Conforms: Yes X No    |

|                |                                                              |                                                                                |                                          |
|----------------|--------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------|
| Zoning Overlay | PAD                                                          |                                                                                | N/A                                      |
|                | Existing Zoning                                              | Use(s) on-site                                                                 | General Plan Designation                 |
| Site           | Commercial Light (CL)                                        | Commercial Yard Improvements/<br>3C’s Automotive Fleet Repair<br>(Unpermitted) | Commercial / Multi-family<br>Residential |
| North          | Commercial Heavy (CH)                                        | Storage Warehouse                                                              | Commercial / Multi-family<br>Residential |
| South          | Commercial Heavy (CH)                                        | Timbershade Co. / Yavapai<br>Humane Society Donation Center                    | Commercial / Multi-family<br>Residential |
| East           | Multiple Family Residential<br>(MR)/Mobile Home Park (MHP-4) | Vacant Land /<br>Paloma Village (Future)                                       | Commercial / Multi-family<br>Residential |
| West           | Commercial Light (CL)                                        | Vacant Land                                                                    | Commercial / Multi-family<br>Residential |

Prior Cases or Related Actions:

| Type                     | Conforms |   |    |   | Cases, Actions or Agreements       |
|--------------------------|----------|---|----|---|------------------------------------|
| Pre-Annexation Agreement | Yes      |   | No | X |                                    |
| Annexation               | Yes      | X | No |   | September 21, 1970 – Original Town |
| General Plan Amendment   | Yes      |   | No | X |                                    |
| Development Agreement    | Yes      |   | No | X |                                    |
| Rezone                   | Yes      |   | No | X |                                    |
| Subdivision              | Yes      |   | No | X |                                    |

|                         |     |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------|-----|-----|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conditional Use Permit  | Yes | X   | No | <p>June 09, 1988 – CUP Revoked. Applicant was found to be “uncooperative regarding the conditions on his Conditional Use Permit”.</p> <p>February 25, 1988 – CUP issued for Auto Repair Shop – Renewable in 1 Year</p> <p>December 14, 1987 – Appealing decision to deny renewal of CUP for repair shop.</p> <p>September 01, 1987 – Issued for Auto Repair/Body Shop/Restoration with consideration of Extension at 90 days.</p> <p>August 11, 1987 – CUP application for Auto Repair Shop in Commercial Zoning.</p> |
| Pre-Application Meeting | Yes |     | No | X <p>After a series of Code Enforcement cases were reported, staff directed property owner to proceed immediately to Rezone, as no substantial new findings would be presented at the Pre-Application phases.</p>                                                                                                                                                                                                                                                                                                     |
| Enforcement Actions     | Yes | X   | No | <p>January 2022 – There is an ongoing Zoning violation occurring on this property – Commercial Heavy Use on a Commercial Light zoned property.</p> <p>July 1987 – Fire and Building concerns – Chemicals and paints being sprayed indoors, operating like a junk-yard.</p>                                                                                                                                                                                                                                            |
| Land Division Status:   | Yes | X   | No | <p>April 11, 1989 – Result of Split from APN 306-04-018 (Sibling Parcels APN 306-04-018A &amp; 306-04-018B).</p>                                                                                                                                                                                                                                                                                                                                                                                                      |
| Irrigation District:    |     | N/A |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

## II. TOWN OF CHINO VALLEY GENERAL PLAN

|                                     |                               |                                                                                               |  |
|-------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------|--|
| <b>Land Use Element:</b>            |                               |                                                                                               |  |
| Land Use Designation:               |                               | Commercial/Multi-Family Residential                                                           |  |
| Issues:                             |                               | N/A                                                                                           |  |
| <b>Public Services Element:</b>     |                               |                                                                                               |  |
| Water Facility Plan:                | Source:                       | Closest line is 2 miles South on Perkinsville Road<br>Existing City of Prescott 8" Water Main |  |
| Sewer Facility Plan:                | Treatment:                    | No Existing Sewer available.                                                                  |  |
| Issues:                             | N/A                           |                                                                                               |  |
| <b>Safety Element:</b>              |                               |                                                                                               |  |
| Flood Plain Designation:            | N/A                           |                                                                                               |  |
| Issues:                             | N/A                           |                                                                                               |  |
| <b>Transportation Element:</b>      |                               |                                                                                               |  |
| Road Classification                 | State Route 89                |                                                                                               |  |
| Issues:                             | N/A                           |                                                                                               |  |
| <b>Parks and Rec Element:</b>       |                               |                                                                                               |  |
| Closest Park:                       | Peavine Trail 0.75 Miles East |                                                                                               |  |
| Within 1 mile of the Peavine Trail? | Yes                           |                                                                                               |  |

### NOTIFICATION

- Legal Ad Published: The Daily Courier (11/08/22)
- 300' Vicinity Mailing: (10/17/22)
- 19 Commenting/Reviewing Agencies noticed: (10/12/22)
- Neighborhood Meeting: (11/02/22)
- Hearing Dates: (12/06/22)
- Comments Due: (10/27/22)

| <b>External List (Comments)</b>                        | <b>Response Received</b> | <b>Date Received</b> | <b>“No Comment”</b>    | <b>Written Comments</b>   | <b>Comments Attached</b> |
|--------------------------------------------------------|--------------------------|----------------------|------------------------|---------------------------|--------------------------|
| Chuck Dowdy – CAFMA                                    | N                        |                      |                        |                           |                          |
| Samantha Alvarez – APS                                 | N                        |                      |                        |                           |                          |
| Richard Perez - A.D.O.T.                               | Y                        | 10/24/2022           | X                      |                           |                          |
| Ralph Baker – C.V.I.D.                                 | Y                        | 10/24/2022           | X                      |                           |                          |
| Suzann E. – YC ENV                                     | N                        |                      |                        |                           |                          |
| Jose Galvez – YC Health                                | N                        |                      |                        |                           |                          |
| SparkLite Cable                                        | N                        |                      |                        |                           |                          |
| LUMEN                                                  | N                        |                      |                        |                           |                          |
| Unisource Gas                                          | N                        |                      |                        |                           |                          |
| CVUSD                                                  | N                        |                      |                        |                           |                          |
| United States Postal Service                           | N                        |                      |                        |                           |                          |
| <b>Town of Chino Valley Internal List (Conditions)</b> | <b>Response Received</b> | <b>Date Received</b> | <b>“No Conditions”</b> | <b>Written Conditions</b> | <b>Comments Attached</b> |
| Bethan Heng – Planner (DS)                             | Y                        | 11/3/2022            | X                      |                           |                          |
| Will Dingee – Senior Planner (DS)                      | Y                        | 11/3/2022            | X                      |                           |                          |
| Laurie Lineberry – DS Director                         | Y                        | 11/3/2022            |                        | X                         | X                        |
| Frank Marbury – PW Director                            | N                        |                      |                        |                           |                          |
| Steve Sullivan – Assistant Engineer (PW)               | Y                        | 11/3/2022            | X                      |                           |                          |
| Dan Trout – CBO (DS)                                   | N                        |                      |                        |                           |                          |
| Damon Stanley – Code Enforcement                       | N                        |                      |                        |                           |                          |
| Chuck Winn – Chief of Police (Police)                  | N                        |                      |                        |                           |                          |



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

6. d.

**Meeting Date:** 01/10/2023  
**Contact Person:** Will Dingee, Senior Planner  
 Phone: 928-636-4427 x-1233  
**Department:** Development Services  
**Estimated length of staff presentation:** 5 minutes  
**Physical location of item:** 575 W Road 1 North

### AGENDA ITEM TITLE:

Public hearing, consideration, and possible action to approve Ordinance 2023-929 to rezone approximately 5.83 acres of property located at 575 West Road 1 North (APN 306-23-078F), from Agricultural Residential 5-Acre Minimum to Single-Family Residential 1-Acre Minimum. (Will Dingee, Senior Planner)

### RECOMMENDED ACTION:

- i) Hold a Public Hearing.
- ii) Approve Ordinance 2023-929.

### SITUATION AND ANALYSIS:

The applicant is applying for a rezone from Agricultural Residential 5-Acre Minimum (AR-5) to Single Family Residential 1-Acre Minimum (SR-1). The applicant intends to split his property into two lots, and sell the resulting property. A neighborhood meeting was held, three neighbors attended. No opposition was voiced, questions centered around the intention after the rezone. The applicant indicated his plans to sell off the property he no longer needs.

This item was presented to the Planning and Zoning Commission on December 13, 2022 and received a 6-1 Vote recommending approval to the Town Council. To provide you with more insight into this item, the minutes from this Commission meeting pertaining to this item can be found in Attachment 2 and the Staff Report presented to the Planning Commission can be found in Attachment 3.

### Fiscal Impact

**Fiscal Impact?:** N/A  
**If Yes, Budget Code:**  
**Available:**  
**Funding Source:**



### **Attachments**

ORD - 2023-929

Attachment 1 Conditions

Attachment 2 P&Z Minutes

Attachment 3 P&Z Staff Report

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When recorded, return to:

Town Clerk  
Town of Chino Valley  
202 N. State Route 89  
Chino Valley, Arizona 86323

## **ORDINANCE NO. 2023-929**

### **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 5.83 ACRES OF REAL PROPERTY LOCATED AT 575 WEST ROAD 1 NORTH, FROM AR-5 (AGRICULTURAL RESIDENTIAL 5-ACRE MINIMUM) TO SR-1 (SINGLE-FAMILY RESIDENTIAL 1-ACRE MINIMUM).**

**WHEREAS**, the Mayor and Common Council of the Town of Chino Valley (the "Town Council") desires to amend the Town of Chino Valley (the "Town") Official Zoning Map for approximately 5.83 acres of real property located at 575 West Road 1 North (APN 306-23-078F), from AR-5 (Agricultural Residential 5-Acre Minimum) to SR-1 (Single-Family Residential 1-Acre Minimum), as described in Exhibit 1 and shown on the Zoning Map in Exhibit 2, both attached hereto and incorporated herein by reference (the "Zoning Map Amendment"); and

**WHEREAS**, the Town Council has determined that this Zoning Map Amendment conforms with the Town of Chino Valley General Plan and any applicable specific area plan, neighborhood plan, or other plan, any overlay zoning district, and the standards and design requirements contained in the Unified Development Ordinance of the Town of Chino Valley (the "UDO"); 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 Town's Planning and Zoning Commission recommended approval of the Zoning Map Amendment; and

**WHEREAS**, in accordance with Article II, Sections 1 and 2 of the Constitution of Arizona, the Town Council has considered the individual property rights and personal liberties of the residents of the Town before adopting this ordinance; and

**WHEREAS**, the Town Council has considered the probable impact of this ordinance on the cost to construct housing for sale or rent.

**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 hereby incorporated as if fully set forth herein.

**Section 2.** The Zoning Map Amendment is hereby approved, and the Official Zoning Map is hereby amended for property consisting of approximately 5.83 acres, as described in Exhibit 1 and shown on the Zoning Map in Exhibit 2, to rezone the property from AR-5 (Agricultural Residential 5-Acre Minimum) to SR-1 (Single-Family Residential 1-Acre Minimum), subject to the requirements of the Chino Valley Town Code, the UDO, and the following stipulations:

1. The property owner shall sign and notarize a Waiver of Claims form that the staff will record with the County Recorder against the property.
2. The Owner shall dedicate approximately 15' of additional right of way, for a total of 40' from the east-west mid-section line of section 22 along West Road 1 North. The exact amount to be dedicated will be determined through a survey and subject to approval by the Town.

**Section 3.** The Town Manager is directed, upon the effective date of this ordinance, to cause the Official Zoning Map to reflect the Zoning Map Amendment as applicable to the property, indicating the zoning is subject to compliance with the stipulations provided herein.

**Section 4.** If any provision of this ordinance is for any reason held by any court of competent jurisdiction to be unenforceable, such provision or portion hereof shall be deemed separate, distinct, and independent of all other provisions, and such holding shall not affect the validity of the remaining portions of this ordinance.

**Section 5.** The Mayor, the Town Manager, the Town Clerk, and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this ordinance.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 10th day of January, 2023.

\_\_\_\_\_  
Jack W. Miller, Mayor

ATTEST:

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Andrew J. McGuire, Town Attorney  
Gust Rosenfeld, PLC

I hereby certify the above foregoing Ordinance No. 2023-929 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on January 10, 2023, and that quorum was present, and that the vote thereon was \_\_\_\_ ayes and \_\_\_\_ nays and abstentions. \_\_\_\_ Council members were absent or excused.

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

EXHIBIT 1  
TO  
ORDINANCE 2023-929

[Legal Description]

All that portion of Section 22, Township 16 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at the West one quarter corner of said Section 22;

thence North 89°36'27" East, 2054.52 feet along the East-West mid-section line of said Section 22 to the TRUE POINT OF BEGINNING;

thence North 89°36'27" East, 293.32 feet along said mid-section line;

thence South 01°45'52" West (01°45'50" of record), 661.63 feet along a fence;

thence South 89°36'02" West, 465.05 feet to a fence;

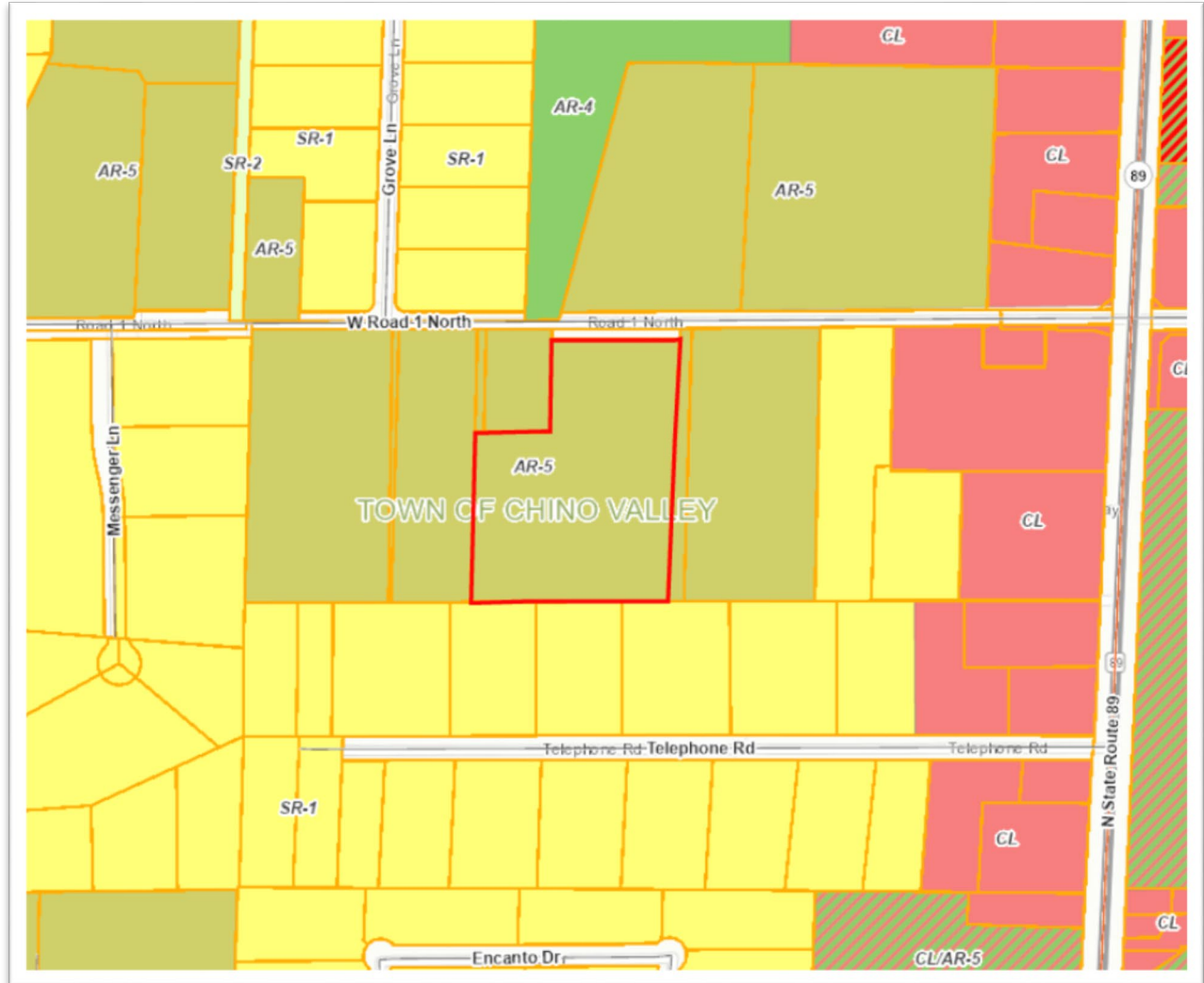
thence North 01°40'55" East, 396.18 feet along a fence;

thence North 89°59'10" East, 175.21 feet;

thence North 01°07'40" East, 266.54 feet to the TRUE POINT OF BEGINNING.

EXHIBIT 2  
TO  
ORDINANCE 2023-929

[Zoning Map]



**Attachment 1**  
**Conditions of Approval**  
**ZC-2022-08**  
**Town Council**  
**January 10, 2022**

The following conditions have been found to have a reasonable nexus and are roughly proportionate to the impact of the proposed rezone for the site:

**Development Services Comments: Laurie Lineberry, Director, 928 636-4427- x1217**

1. The conditions listed below are in addition to Town codes, rules, fees, and regulations that are applicable to this action.
2. The property owner is required to sign and notarize a Waiver of Claims form that the staff will record with the County Recorder against the property.

**Public Works/Engineering: Steve Sullivan, Assistant Engineer, (928) 636-7140 - x1308**

3. The owner shall dedicate 40' minimum right-of-way south of the east-west mid-section line / centerline of section 22 along West Road 1 North.

Any questions or comments regarding the Conditions of Approval as stated above should be directed to the staff member who provided the comment. Name and phone numbers are provided.

**Attachment 2**  
**Minutes - P&Z December 6, 2022**  
**ZC-2022-08**  
**Town Council**  
**January 10, 2022**



**PUBLIC HEARING #D.3**

**ZC-2022-07** - This is a request by Ralph Simpson to rezone 5.83 acres from the Agricultural Residential 5-Acre Minimum (AR-5) District to the Single Family Residential 1-Acre Minimum (SR-1) District, for property located at 575 W Road 1 North.

**Chair Merritt** asked the Commission if they had any interactions with the applicant to declare. There were none.

**Heng** presented the staff report for case ZC-2022-08. The request is in conformance with the land use map. There were three people at the neighborhood meeting that had questions as to the owner's intention after the rezone. There were no comments received from the public. The applicant was in attendance.

**Ralph Simpson** stated he has lived here for 25 years and as noted on the aerial photograph, he is currently only using half of his property. He added he no longer has horses and would like to be able to sell the vacant half. Each of the future lots will be approximately 2.8 acres. He plans on splitting the property into two parcels.

The public comment period was opened but no one spoke.

**Merritt** closed the public comment period and opened the discussion to the commissioners. **Switzer** shared that he felt a SR2.5 zoning was more in align with the sizes of the adjacent area. **Heng** stated that they couldn't support a SR-2.5 zoning because it would be considered "spot-zoning" since it would be the only one parcel zoned SR-2.5 in the vicinity. Staff considers the General Plan and the zoning of neighboring parcels in reviewing zone change requests. **Switzer** stated that he felt the SR 2.5 zoning district was a better fit, since the majority of the surrounding lots were AR-5 and only the properties to the south were SR-1. This proposed zone would allow the parcels to be further divided which does not suit the AR-5 area. **Somerville** asked about water and sewer connections. **Dingee** stated that those items are determined during the building permit process.

There was no further discussion. A motion was made by **Pasciak** to recommend approval subject to staff report and attachment a with the replacement of condition #2, as previously noted. **Somerville** seconded the motion. A voice vote was taken with 6-1 vote to recommend approval, with **Switzer** voting Nay. Chair **Merritt** asked **Switzer** to explain his reasoning for the Nay vote. **Switzer** stated that he felt a larger zoning district, such as the SR-2.5, would fit in better with the surrounding properties and reduce the risk of further subdivision in an area predominantly AR-5.

**Attachment 3**  
**Staff Report – P&Z December 6, 2022**  
**ZC-2022-08**  
**Town Council**  
**January 10, 2022**



**TOWN OF CHINO VALLEY**  
**Planning Commission Staff Report**  
**December 6<sup>th</sup>, 2022**  
**File Number ZC-2022-08**  
**Rezone**

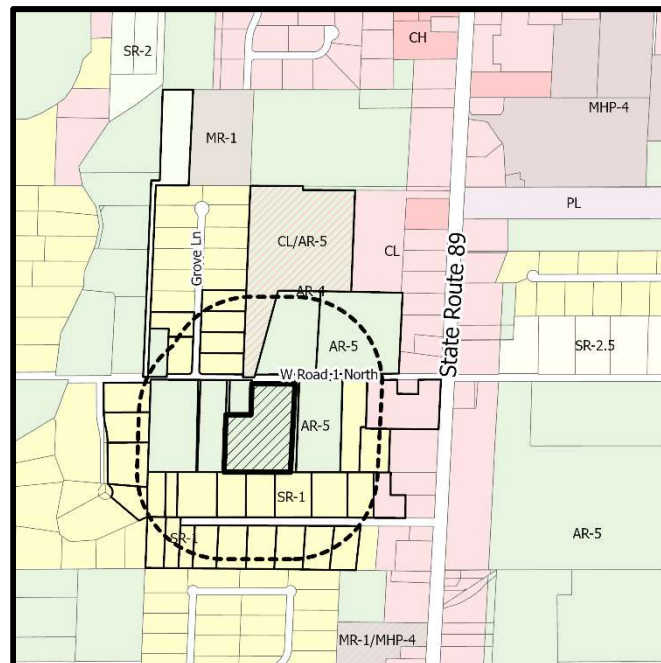
**PROJECT DESCRIPTION**

This is a request by Ralph Simpson to rezone 5.83 acres from the Agricultural Residential 5-Acre Minimum (AR-5) District to the Single Family Residential 1-Acre Minimum (SR-1) District, for property located at 575 W Road 1 North.

**LOCATION DATA**

|       | Existing Zoning                                 | Use(s) on-site | General Plan Designation                                                             |
|-------|-------------------------------------------------|----------------|--------------------------------------------------------------------------------------|
| Site  | Agricultural Residential 5-Acre Minimum (AR-5)  | Residential    | Commercial/Multi-Family Residential and Medium Density Residential (2 acres or less) |
| North | Agricultural Residential 5-Acre Minimum (AR-5)  | Residential    | Commercial/Multi-Family Residential                                                  |
| South | Single Family Residential 1-Acre Minimum (SR-1) | Residential    | Commercial/Multi-Family Residential and Medium Density Residential (2 acres or less) |
| East  | Agricultural Residential 5-Acre Minimum (AR-5)  | Residential    | Commercial/Multi-Family Residential                                                  |
| West  | Agricultural Residential 5-Acre Minimum (AR-5)  | Residential    | Medium Density Residential (2 acres or less)                                         |

**LOCATION MAP**



**PRIOR SITE ACTIONS:****Land Division History**

October 3, 1991 – Result of Split from APN 306-23-078 (Sibling Parcels APN 306-23-078 & 306-23-078E. Please see Ord. 165).

October 25, 1991 – Result of Lot Split from APN 306-23-078 (Sibling Parcels APN 306-23-078A & APN 306-23-078B).

January 14, 1992 – Result of Lot Split from APN 306-23-078B (Sibling Parcels APN 306-23-078C & 306-23-078D).

September 9, 1997 – Dedication of Public Right of Way; APN 306-23-078C now APN 306-23-078F.

**STAFF RECOMMENDATION:**

Staff recommends that the Planning and Zoning Commission forward to the Town Council a recommendation of **APPROVAL** for the rezone of 5.83 acres from the Agricultural Residential 5-Acre Minimum (AR-5) District to the Single Family Residential 1-Acre Minimum (SR-1) District, for property located at 575 W Road 1 North, with Conditions of Approval found in Attachment A.

**SUGGESTED MOTION:**

Move to **APPROVE** Rezone ZC-2022-08 as presented, subject to the staff report and information provided during this hearing, and the Conditions of Approval in Attachment A

**EFFECT OF THE APPROVAL:**

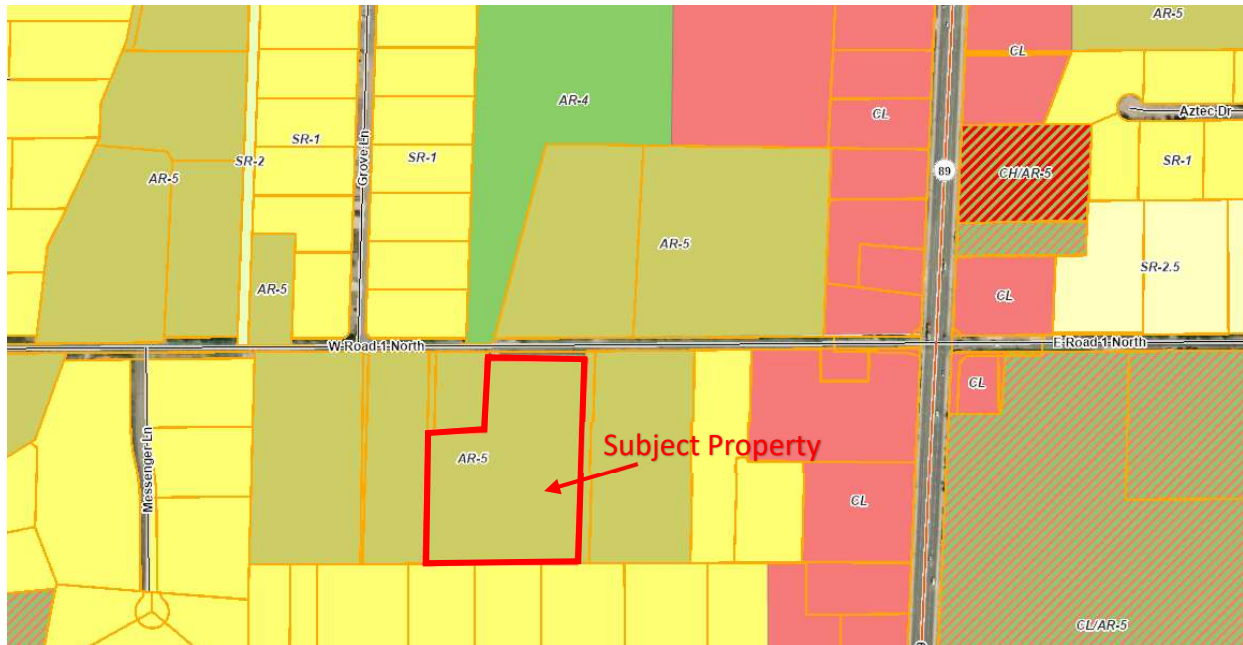
By approving this rezone, the Planning and Zoning Commission is recommending approval to Town Council to approve the rezone of 5.83 acres from the Agricultural Residential 5-Acre Minimum (AR-5) District to the Single Family Residential 1-Acre Minimum (SR-1) District, for property located at 575 W Road 1 North, subject to the staff report and information provided during this hearing.

**Staff Analysis:**

The applicant is applying for a rezone from Agricultural Residential 5-Acre Minimum (AR-5) to Single Family Residential 1-Acre Minimum (SR-1). The applicant intends to split his property into two lots, and sell the resulting property.

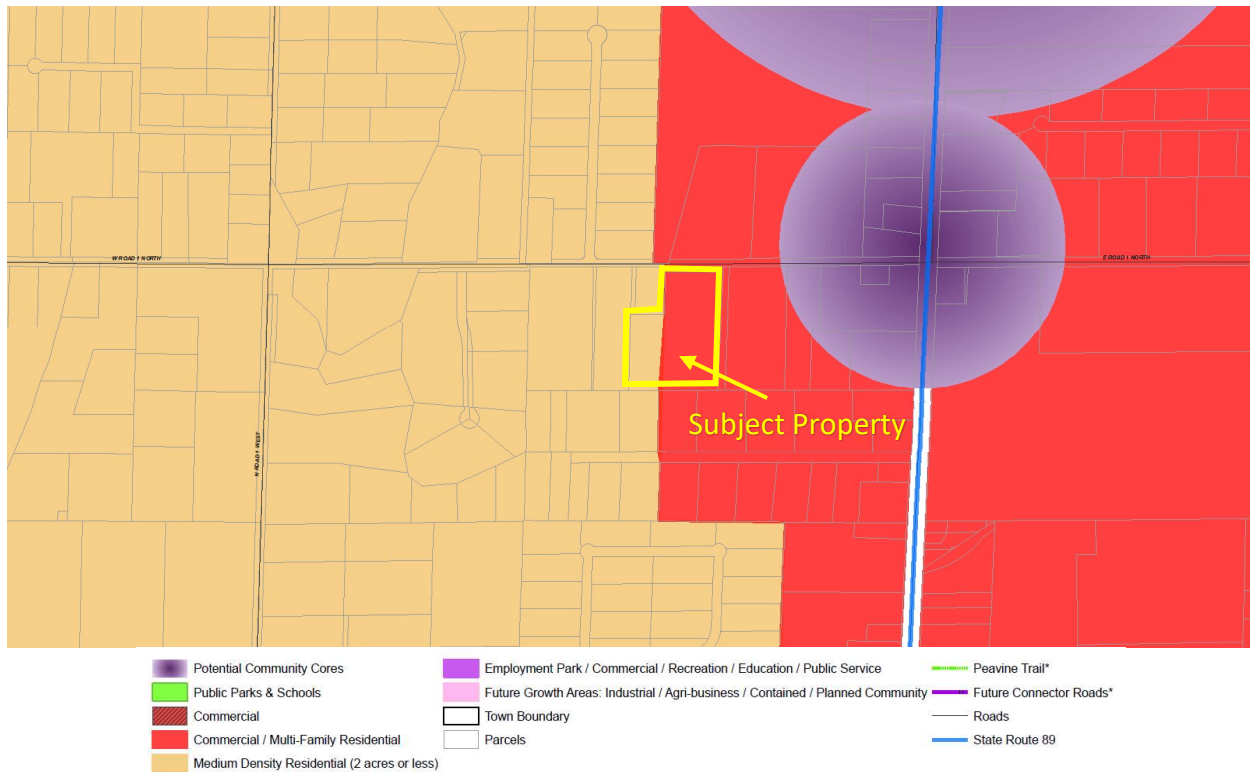
**Zoning**

Section 3.11.B.1 of the Unified Development Ordinance lists “Single-family dwelling” as a Permitted Use. Rezoning the subject property to Single Family Residential 1-Acre Minimum (SR-1) will be the same zoning designation as the properties to the south and west.



### General Plan

The General Plan designates the subject property as Commercial / Multifamily Residential and Medium Density Residential (2 acres or less). Rezoning the subject property to Single Family Residential 1-Acre Minimum (SR-1) Zoning District will be in conformance with the General Plan for the subject property.



**PUBLIC COMMENTS RECEIVED:** None Received.

**EXTERNAL AGENCY COMMENTS:** See Attachment B

**NEIGHBORHOOD MEETING COMMENTS:** See Attachment C

**PROPOSED CONDITIONS DELIVERED TO APPLICANT ON:** November 3, 2022

|   |                                                                                                               |
|---|---------------------------------------------------------------------------------------------------------------|
| X | Applicant agreed with all of the conditions of approval on (November 14, 2022)                                |
|   | Applicant did not agree with the following conditions of approval: (list #'s)                                 |
|   | If the Planner is unable to make contact with the applicant – describe the situation and attempts to contact. |

**ATTACHMENTS:**

| A                      | B                        | C                             | D                    | E              |
|------------------------|--------------------------|-------------------------------|----------------------|----------------|
| Conditions of Approval | External Agency Comments | Neighborhood Meeting Comments | Site Plan & Exhibits | Staff Research |

PREPARED BY:

DATE:

BETHAN HENG, PLANNER  
([BHENG@CHINOAZ.NET](mailto:BHENG@CHINOAZ.NET))  
928 636-4427 - x1295

NOVEMBER 16, 2022

APPROVED BY:

LAURIE LINEBERRY, AICP  
DEVELOPMENT SERVICES DIRECTOR

**ATTACHMENT A**  
**CONDITIONS OF APPROVAL**

The following conditions have been found to have a reasonable nexus and are roughly proportionate to the impact of the proposed rezone for the site:

**Development Services Comments: Laurie Lineberry, Director, 928 636-4427- x1217**

1. The conditions listed below are in addition to Town codes, rules, fees, and regulations that are applicable to this action.
2. The Owner's signature on the application for this land use action request takes the place of the requirement for a separate "Waiver of Claims" document.

**Public Works/Engineering: Steve Sullivan, Assistant Engineer, (928) 636-7140 - x1308**

3. The owner shall dedicate 40' minimum right-of-way south of the east-west mid-section line / centerline of section 22 along West Road 1 North.

Any questions or comments regarding the Conditions of Approval as stated above should be directed to the staff member who provided the comment. Name and phone numbers are provided.



**ATTACHMENT B**  
**EXTERNAL AGENCY COMMENTS**

|                                                                                                                               |            |       |              |        |                    |
|-------------------------------------------------------------------------------------------------------------------------------|------------|-------|--------------|--------|--------------------|
| DATE:                                                                                                                         | 10/12/2022 | NAME: | RALPH BAKER  | TITLE: | IRRIGATION MANAGER |
| AGENCY:                                                                                                                       | CVID       | PHONE | 928 713-0468 |        |                    |
| <p>"CVID has a waterline in the front of the lot. Applicant is aware of waterline and will need to coordinate with CVID."</p> |            |       |              |        |                    |

**ATTACHMENT C**  
**NEIGHBORHOOD MEETING COMMENTS**

**DATE MEETING HELD:** NOVEMBER 3, 2022

**LOCATION:** ON SITE - 575 W ROAD 1 NORTH

**ATTENDEES:**

APPLICANT: RALPH SIMPSON, PROPERTY OWNER

TOWN STAFF: BETHAN HENG, PLANNER.

NEIGHBORS IN ATTENDANCE (3 - WESLEY PRIBBLE, DONALD GILBERT, & LES MATTHEWS)

**SUMMARY OF ATTENDEE(S') COMMENTS RELATED TO THE PROJECT:**

- QUESTIONS REGARDING INTENTION AFTER REZONE.

ATTACHMENT D  
SITE PLAN AND EXHIBITS

APN# 306-23-078F

ADDRESS: 575 W Road 1 North



ATTACHMENT E  
STAFF RESEARCH

PLEASE SEE FOLLOWING PAGES.



## STAFF RESEARCH – REZONE

CASE #: ZC-2022-08

CASE PLANNER: BETHAN HENG

## I. PROJECT DATA

|                             |                    |
|-----------------------------|--------------------|
| Project Location:           | 575 W Road 1 North |
| Parcel Number(s):           | 306-23-078F        |
| Parcel Size(s):             | 5.83 Acres         |
| Total Acreage:              | 5.83 Acres         |
| Proposed Dwelling Units:    | N/A                |
| Address:                    | 575 W Road 1 North |
| Applicant:                  | Ralph Simpson      |
| Applicant's Agent:          | N/A                |
| Land Use Conformity Matrix: | Conforms: Yes X No |

| Zoning Overlay |                                                    | PAD            |                                                                                          | N/A |
|----------------|----------------------------------------------------|----------------|------------------------------------------------------------------------------------------|-----|
|                | Existing Zoning                                    | Use(s) on-site | General Plan Designation                                                                 |     |
| Site           | Agricultural Residential<br>5-Acre Minimum (AR-5)  | Residential    | Commercial/Multi-Family<br>Residential & Medium Density<br>Residential (2 acres or less) |     |
| North          | Agricultural Residential<br>5-Acre Minimum (AR-5)  | Residential    | Commercial/Multi-Family<br>Residential                                                   |     |
| South          | Single Family Residential<br>1-Acre Minimum (SR-1) | Residential    | Commercial/Multi-Family<br>Residential & Medium Density<br>Residential (2 acres or less) |     |
| East           | Agricultural Residential<br>5-Acre Minimum (AR-5)  | Residential    | Commercial/Multi-Family<br>Residential                                                   |     |
| West           | Agricultural Residential<br>5-Acre Minimum (AR-5)  | Residential    | Medium Density Residential<br>(2 acres or less)                                          |     |

## Prior Cases or Related Actions:

| Type                     | Conforms |   |    |   | Cases, Actions or Agreements                                   |
|--------------------------|----------|---|----|---|----------------------------------------------------------------|
| Pre-Annexation Agreement | Yes      |   | No | X |                                                                |
| Annexation               | Yes      | X | No |   | September 21, 1970 – Original Town                             |
| General Plan Amendment   | Yes      |   | No | X |                                                                |
| Development Agreement    | Yes      |   | No | X |                                                                |
| Rezone                   | Yes      |   | No | X |                                                                |
| Subdivision              | Yes      |   | No | X |                                                                |
| Conditional Use Permit   | Yes      |   | No | X |                                                                |
| Pre-Application Meeting  | Yes      | X | No |   | August 10, 2022 – PA-2022-59<br>September 7, 2022 – PA-2022-68 |
| Enforcement Actions      | Yes      |   | No | X |                                                                |

|                       |     |   |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------|-----|---|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land Division Status: | Yes | X | No | <p>October 3, 1991 – Result of Split from APN 306-23-078 (Sibling Parcels APN 306-23-078 &amp; 306-23-078E. Please see Ord. 165).</p> <p>October 25, 1991 – Result of Lot Split from APN 306-23-078 (Sibling Parcels APN 306-23-078A &amp; APN 306-23-078B).</p> <p>January 14, 1992 – Result of Lot Split from APN 306-23-078B (Sibling Parcels APN 306-23-078C &amp; 306-23-078D).</p> <p>September 9, 1997 – Dedication of Public Right of Way; APN 306-23-078C now APN 306-23-078F.</p> |
| Irrigation District:  | N/A |   |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

## II. TOWN OF CHINO VALLEY GENERAL PLAN

|                                     |            |                                                                                      |  |
|-------------------------------------|------------|--------------------------------------------------------------------------------------|--|
| <b>Land Use Element:</b>            |            |                                                                                      |  |
| Land Use Designation:               |            | Commercial/Multi-Family Residential and Medium Density Residential (2 acres or less) |  |
| Issues:                             |            | N/A                                                                                  |  |
| <b>Public Services Element:</b>     |            |                                                                                      |  |
| Water Facility Plan:                | Source:    | Existing City of Prescott 8" Water Main on W Road 1 North                            |  |
| Sewer Facility Plan:                | Treatment: | 12" Existing Gravity Main available on East Road 2 north or West Center St.          |  |
| Issues:                             |            | N/A                                                                                  |  |
| <b>Safety Element:</b>              |            |                                                                                      |  |
| Flood Plain Designation:            |            | N/A                                                                                  |  |
| Issues:                             |            | N/A                                                                                  |  |
| <b>Transportation Element:</b>      |            |                                                                                      |  |
| Road Classification                 |            | Urban Road with Sidewalks                                                            |  |
| Issues:                             |            | N/A                                                                                  |  |
| <b>Parks and Rec Element:</b>       |            |                                                                                      |  |
| Closest Park:                       |            | LIST                                                                                 |  |
| Within 1 mile of the Peavine Trail? |            | Center Street Park 4,800ft away – Intersection of W Center St and N Road 1 West.     |  |

### NOTIFICATION

- Legal Ad Published: The Daily Courier (11/08/22)
- 600' Vicinity Mailing: (10/17/22)
- 19 Commenting/Reviewing Agencies noticed: (10/12/22)
- Neighborhood Meeting: (11/03/22)
- Hearing Dates: (12/06/22)
- Comments Due: (10/31/22)

| External List (Comments)     | Response Received | Date Received | "No Comment" | Written Comments | Comments Attached |
|------------------------------|-------------------|---------------|--------------|------------------|-------------------|
| Chuck Dowdy – CAFMA          | N                 |               |              |                  |                   |
| Samantha Alvarez – APS       | N                 |               |              |                  |                   |
| Richard Perez - A.D.O.T.     | N                 |               |              |                  |                   |
| Ralph Baker – C.V.I.D.       | Y                 | 10/12/2022    | X            |                  |                   |
| Suzann E. – YC ENV           | N                 |               |              |                  |                   |
| Jose Galvez – YC Health      | N                 |               |              |                  |                   |
| SparkLite Cable              | N                 |               |              |                  |                   |
| LUMEN                        | N                 |               |              |                  |                   |
| Unisource Gas                | N                 |               |              |                  |                   |
| CVUSD                        | N                 |               |              |                  |                   |
| United States Postal Service | N                 |               |              |                  |                   |

| <b><i>Town of Chino Valley Internal List<br/>(Conditions)</i></b> | <b>Response<br/>Received</b> | <b>Date<br/>Received</b> | <b>“No<br/>Conditions”</b> | <b>Written<br/>Conditions</b> | <b>Comments<br/>Attached</b> |
|-------------------------------------------------------------------|------------------------------|--------------------------|----------------------------|-------------------------------|------------------------------|
| Bethan Heng – Planner (DS)                                        | Y                            | 11/3/2022                | X                          |                               |                              |
| Will Dingee – Senior Planner (DS)                                 | Y                            | 11/3/2022                | X                          |                               |                              |
| Laurie Lineberry – DS Director                                    | Y                            | 11/3/2022                |                            | X                             | X                            |
| Frank Marbury – PW Director                                       | N                            |                          |                            |                               |                              |
| Steve Sullivan – Assistant Engineer (PW)                          | Y                            | 11/3/2022                |                            | X                             | X                            |
| Dan Trout – CBO (DS)                                              | N                            |                          |                            |                               |                              |
| Damon Stanley – Code Enforcement                                  | N                            |                          |                            |                               |                              |
| Chuck Winn – Chief of Police (Police)                             | N                            |                          |                            |                               |                              |



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

6. e.

**Meeting Date:** 01/10/2023

**Contact Person:** Will Dingee, Senior Planner  
Phone: 928-636-4427 x-1233

**Department:** Development Services

**Estimated length** 5 minutes

**of staff presentation:**

**Physical location of item:** Directly south of 722 West Road 2 South

### AGENDA ITEM TITLE:

Public hearing, consideration, and possible action to approve Ordinance No. 2023-930 to rezone an approximately 2,438-square-foot portion of an approximately 1.59-acre property (APN 306-29-041E) located directly south of 722 West Road 2 South (APN 306-29-041D, from Single-Family Residential 1-Acre Minimum to Agricultural Residential 5 Acre Minimum. (Will Dingee, Senior Planner)

### RECOMMENDED ACTION:

- i) Hold a Public Hearing
- ii) Approve Ordinance No. 2023-930

### SITUATION AND ANALYSIS:

The applicant is applying for a rezone of a 2500 square foot portion of property from Single Family Residential 1-Acre Minimum (SR-1) to Agricultural Residential 5-Acre Minimum (AR-5). The vacant subject property currently has an unpermitted accessory structure site. In order to build an accessory structure, an applicant must first have a main residence on a property within a residential-zoning district. The applicant intends to sell the subject property as vacant land without the unpermitted accessory structure by adjusting the lot line to include the 2500 sq ft of property, with the property to the north. In order to do this, the 2500 sq ft portion of land must be rezoned to match the zoning district with the adjacent property it will be tied with (AR-5). A neighborhood meeting was held. There were no attendees and no opposition to the project has been received.

This item was presented to the Planning and Zoning Commission on December 13, 2022 and received a 7-0 Vote recommending approval to the Town Council. To provide you with more insight into this item, the minutes from this Commission meeting pertaining to this item can be found in Attachment 2 and the Staff Report presented to the Planning Commission can be found in Attachment 3.

### Fiscal Impact

**Fiscal Impact?:** N/A

**If Yes, Budget Code:**



**Available:**

**Funding Source:**

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**Attachments**

ORD - 2023-930

Attachment 1 Conditions

Attachment 2 P&Z Minutes

Attachment 3 P&Z Staff Report

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When recorded, return to:

Town Clerk  
Town of Chino Valley  
202 N. State Route 89  
Chino Valley, Arizona 86323

### **ORDINANCE NO. 2023-930**

**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 AN APPROXIMATELY 2,438-SQUARE-FOOT PORTION OF AN APPROXIMATELY 1.59-ACRE PROPERTY LOCATED DIRECTLY SOUTH OF 722 WEST ROAD 2 SOUTH, FROM SR-1 (SINGLE-FAMILY RESIDENTIAL 1-ACRE MINIMUM) TO AR-5 (AGRICULTURAL RESIDENTIAL 5-ACRE MINIMUM).**

**WHEREAS**, the Mayor and Common Council of the Town of Chino Valley (the “Town Council”) desires to amend the Town of Chino Valley (the “Town”) Official Zoning Map for an approximately 2,438-square-foot portion of an approximately 1.59-acre property (APN 306-29-041E) located directly south of 722 West Road 2 South (APN 306-29-041D), from SR-1 (Single-Family Residential 1-Acre Minimum) to AR-5 (Agricultural Residential 5-Acre Minimum), as described in Exhibit 1 and shown on the Zoning Map in Exhibit 2, both attached hereto and incorporated herein by reference (the “Zoning Map Amendment”); and

**WHEREAS**, the Town Council has determined that this Zoning Map Amendment conforms with the Town of Chino Valley General Plan and any applicable specific area plan, neighborhood plan, or other plan, any overlay zoning district, and the standards and design requirements contained in the Unified Development Ordinance of the Town of Chino Valley (the “UDO”); 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 Town’s Planning and Zoning Commission recommended approval of the Zoning Map Amendment; and

**WHEREAS**, in accordance with Article II, Sections 1 and 2 of the Constitution of Arizona, the Town Council has considered the individual property rights and personal liberties of the residents of the Town before adopting this ordinance; and

**WHEREAS**, the Town Council has considered the probable impact of this ordinance on the cost to construct housing for sale or rent.

**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 hereby incorporated as if fully set forth herein.

**Section 2.** The Zoning Map Amendment is hereby approved, and the Official Zoning Map is hereby amended for property consisting of approximately 2,438 square feet, as described in Exhibit 1 and shown on the Zoning Map in Exhibit 2, to rezone the property from SR-1 (Single-

Family Residential 1-Acre Minimum) to AR-5 (Agricultural Residential 5-Acre Minimum), subject to the requirements of the Chino Valley Town Code, the UDO, and the following stipulations:

1. The property owner shall sign and notarize a Waiver of Claims form that the staff will record with the County Recorder against the property.
2. The applicant must obtain a building permit for the unpermitted structure located on parcel 306-29-041E.
3. The applicant shall submit a lot line adjustment to incorporate the rezoned area into the parcel directly to the north (306-29-041D).

**Section 3.** The Town Manager is directed, upon the effective date of this ordinance, to cause the Official Zoning Map to reflect the Zoning Map Amendment as applicable to the property, indicating the zoning is subject to compliance with the stipulations provided herein.

**Section 4.** If any provision of this ordinance is for any reason held by any court of competent jurisdiction to be unenforceable, such provision or portion hereof shall be deemed separate, distinct, and independent of all other provisions, and such holding shall not affect the validity of the remaining portions of this ordinance.

**Section 5.** The Mayor, the Town Manager, the Town Clerk, and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this ordinance.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 10th day of January, 2023.

\_\_\_\_\_  
Jack W. Miller, Mayor

ATTEST:

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Andrew J. McGuire, Town Attorney  
Gust Rosenfeld, PLC

I hereby certify the above foregoing Ordinance No. 2023-930 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on January 10, 2023, and that quorum was present, and that the vote thereon was \_\_\_\_ ayes and \_\_\_\_ nays and abstentions. \_\_\_\_ Council members were absent or excused.

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

EXHIBIT 1  
TO  
ORDINANCE 2023-930

[Description]

The northwest corner of APN 306-29-041E measuring approximately 48.65' (N 89°26'31" E & S 89°26'31" W) by 50.11' (S 00°58'06" E & N 00°58'06" W), as depicted on the following page.



MAP OF ZONING CHANGE  
PORTION OF SECTION 27, TT16N-R2W  
OF THE GILA AND SALT RIVER BASE & MERIDIAN  
YAVAPAI COUNTY, ARIZONA

CURRENT APN: 306-29-041D & 306-29-041E  
WARRANTY DEED: BK: 4841, PG 496  
WARRANTY DEED: INS# 2020-0043467

APN:306-29-050C  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
AR-5

APN:306-29-053C  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
AR-5

APN:306-29-053F  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
AR-5

APN:306-29-038P  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
AR-5

APN:306-29-041D  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
AR-5

APN:306-29-042  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
AR-5

APN:306-29-038J  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
AR-5

L1  
L2  
L3  
L4  
S 89°26'31" W  
255.61'  
S 89°26'31" W  
48.65'

APN:306-29-041E  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
SR-1

APN:306-29-041G  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
SR-1

APN:306-29-040B  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
AR-5

APN:306-29-041F  
RESIDENTIAL, SINGLE FAMILY  
CURRENT ZONING  
SR-1

W ROAD 2 SOUTH  
50' PUBLIC RIGHT-OF-WAY



LINE TABLE

|                               |                               |
|-------------------------------|-------------------------------|
| L1<br>N 89°26'31" E<br>48.65' | L3<br>S 89°26'31" W<br>48.65' |
| L2<br>S 00°58'06" E<br>50.11' | L4<br>N 00°58'06" W<br>50.11' |

VICINITY MAP  
NOT TO SCALE



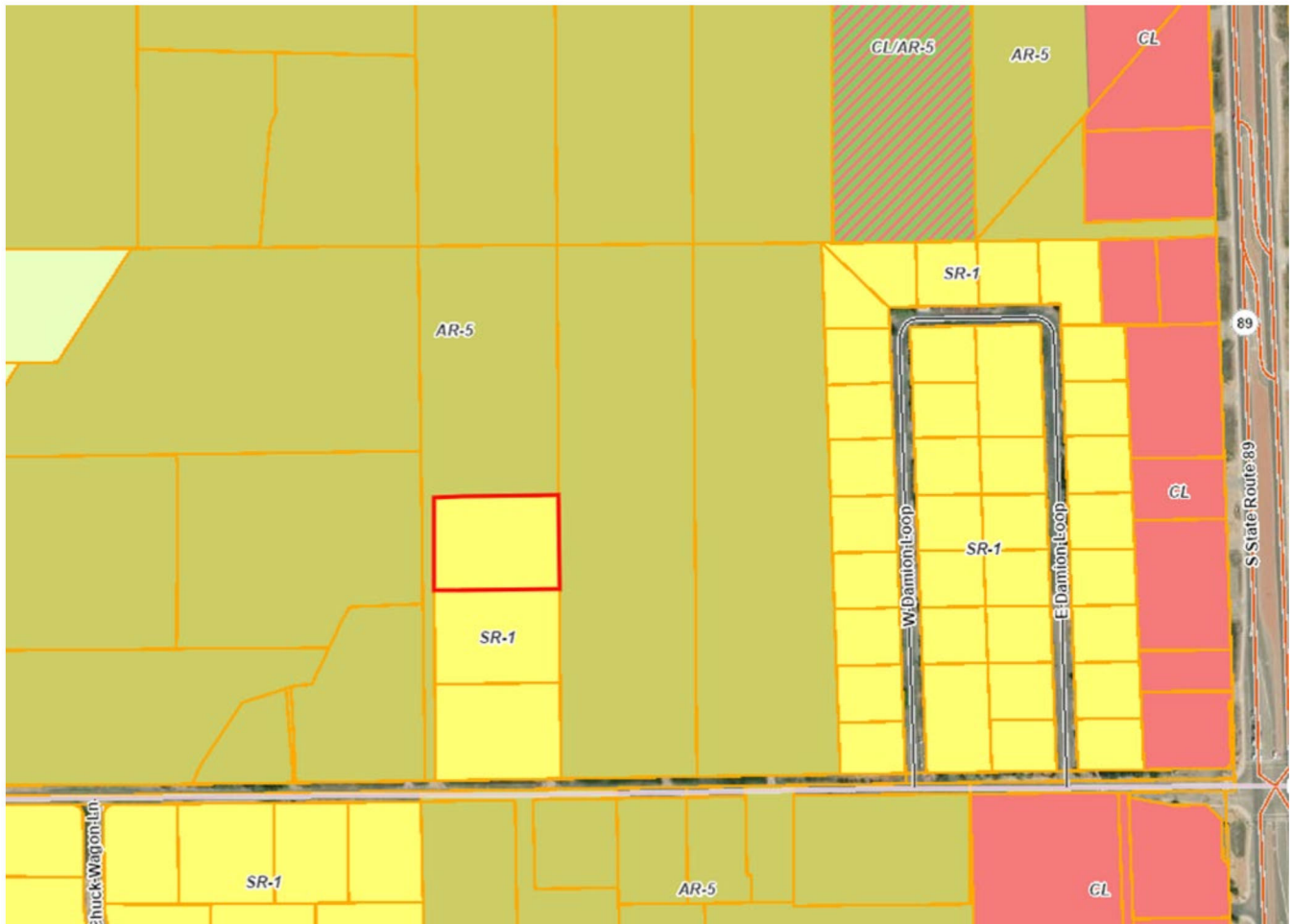
THIS MAP IS CREATED FOR DEMONSTRATIONAL  
PURPOSES ONLY AND DOES NOT REPRESENT  
NOR CONSTITUTE A BOUNDARY SURVEY DONE  
BY ME

BORDERLANDS LLC  
212 S. MARINA ST.  
PRESCOTT, AZ 86303  
(928) 925-6135

|                 |              |
|-----------------|--------------|
| JOB NO: 22-379  | DRAWN: AMH   |
| CLIENT: SCOTT   | 8/17/22      |
| CREW: AMH       | CHECKED: AMH |
| SCALE: 1" = 60' | 8/17/22      |

EXHIBIT 2  
TO  
ORDINANCE 2023-930

[Zoning Map]



**Attachment 1**  
**Conditions of Approval**  
**ZC-2022-09**  
**Town Council**  
**January 10, 2022**

The following conditions have been found to have a reasonable nexus and are roughly proportionate to the impact of the proposed rezone for the site:

**Development Services Comments: Laurie Lineberry, Director, 928 636-4427- x1217**

1. The conditions listed below are in addition to Town codes, rules, fees, and regulations that are applicable to this action.
2. The property owner is required to sign and notarize a Waiver of Claims form that the staff will record with the County Recorder against the property.

**Development Services Comments: Bethan Heng, Planner, 928 636-4427- x1295**

3. The applicant must obtain a building permit for the unpermitted structure located on parcel 306-29-041E.
4. The applicant shall submit a lot line adjustment to incorporate the rezoned area into parcel directly north (306-29-041D).

Any questions or comments regarding the Conditions of Approval as stated above should be directed to the staff member who provided the comment. Name and phone numbers are provided.



**Attachment 2**  
**Minutes - P&Z December 6, 2022**  
**ZC-2022-09**  
**Town Council**  
**January 10, 2022**

**Merritt** recused himself from the next case to be heard, stepped down from the dais, and vacated the council chambers as the applicant is a business associate and good friend. Alternate Zamudio took the empty spot on the dais. **Vice-Chair Pasciak** ran the meeting for this item.

#### **PUBLIC HEARING #D.4**

**ZC-2022-09** - This is a request by Ty Scott to rezone a 250 square foot portion of property from the Single Family Residential 1-Acre Minimum (SR-1) District to the Agricultural Residential 5-Acre Minimum (AR-5) District, for property located just south of 722 W Road 2 South.

**Heng** begin her presentation for case ZC-2022-09 by making a correction to the size of the rezone from 250 to 2500-square feet. This is a request by Tyler Scott to rezone 2500 square feet in order to consolidate the land into his existing property and zoning. Mr. Scott had previously built an unpermitted barn on the northwest corner of the parcel to the south of him. This rezone will correct the permit oversite and placement of the unpermitted structure and allow that 2500-square feet to be added to his AR-5 parcel and then split from the SR-1 parcel. The general plan supports this request, there were no neighbors in attendance at the neighborhood meeting, there were no public comments received, and staff is recommending approval.

**Pasciak** asked if the resulting parcel would be smaller than the required one-acre minimum. **Heng** shared that the parcel is currently 1.52 acres in size, so removing the 2500-square feet does not impact the parcel size for zoning purposes.

**Ty Scott**, applicant, stated that he would like to sell parcel B and needs to make sure the structure is attached to the correct parcel before that can occur.

**Pasciak** opened the public comment period. There were no public comments.

**Switzer** made the motion to approval the rezone according to the town report and also replace condition #2 with the provided handout verbiage. The motion was seconded by **Meadors** and passed by a 7-0 vote.

**Attachment 3**  
**Staff Report – P&Z December 6, 2022**  
**ZC-2022-09**  
**Town Council**  
**January 10, 2022**



**TOWN OF CHINO VALLEY**  
**Planning Commission Staff Report**  
**December 6<sup>th</sup>, 2022**  
**File Number ZC-2022-09**  
**Rezone**

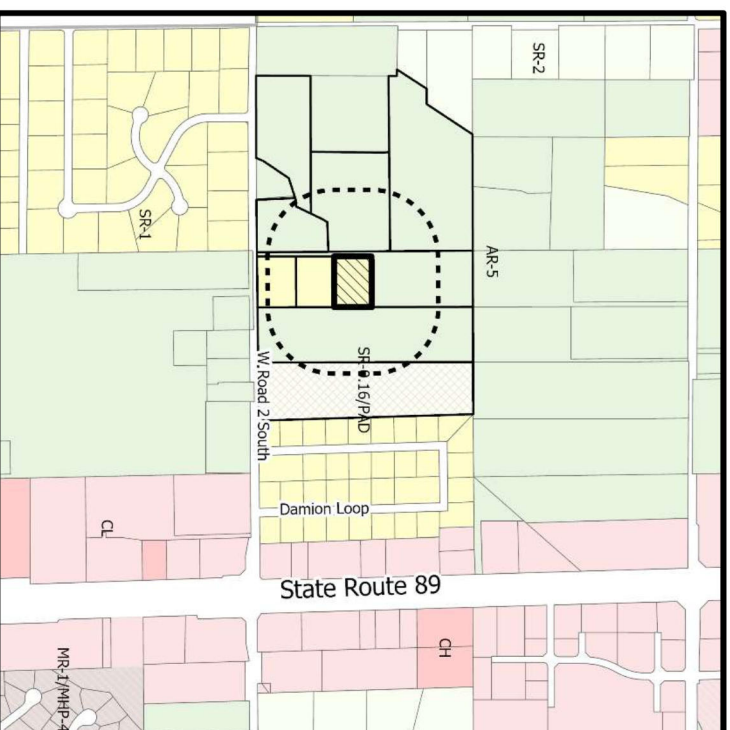
### PROJECT DESCRIPTION

This is a request by Ty Scott to rezone a 250 square foot portion of property from the Single Family Residential 1-Acre Minimum (SR-1) District to the Agricultural Residential 5-Acre Minimum (AR-5) District, for property located just south of 722 W Road 2 South.

### LOCATION DATA

|       | Existing Zoning                                 | Use(s) on-site | General Plan Designation                     |
|-------|-------------------------------------------------|----------------|----------------------------------------------|
| Site  | Single Family Residential 1-Acre Minimum (SR-1) | Vacant         | Medium Density Residential (2 acres or less) |
| North | Agricultural Residential 5-Acre Minimum (AR-5)  | Residential    | Medium Density Residential (2 acres or less) |
| South | Single Family Residential 1-Acre Minimum (SR-1) | Vacant         | Medium Density Residential (2 acres or less) |
| East  | Agricultural Residential 5-Acre Minimum (AR-5)  | Residential    | Medium Density Residential (2 acres or less) |
| West  | Agricultural Residential 5-Acre Minimum (AR-5)  | Residential    | Medium Density Residential (2 acres or less) |

### LOCATION MAP



**PRIOR SITE ACTIONS:****Rezone History**

January 12, 2006 – Rezone from AR-5 to SR-1.

**Land Division History**

December 27, 1994 - Result of split from APN 306-29-041 (Sibling Parcels APN 306-29-041A & 041B).

January 13, 1995 – Dedication of a Public Right-of-way.

September 1997 – New parcel number given – APN 306-29-041A is now APN 306-29-041C.

June 7, 2006 – Result of split from APN 306-29-041C (Sibling Parcels APN 306-29-041E, 041F, & 041G).

**STAFF RECOMMENDATION:**

Staff recommends that the Planning and Zoning Commission forward to the Town Council a recommendation of **APPROVAL** for the rezone of a 250 square foot portion of property from the Single Family Residential 1-Acre Minimum (SR-1) District to the Agricultural Residential 5-Acre Minimum (AR-5) District, for property located just south of 722 W Road 2 South, with Conditions of Approval found in Attachment A.

**SUGGESTED MOTION:**

Move to **APPROVE** Rezone ZC-2022-09 as presented, subject to the staff report and information provided during this hearing, and the Conditions of Approval in Attachment A

**EFFECT OF THE APPROVAL:**

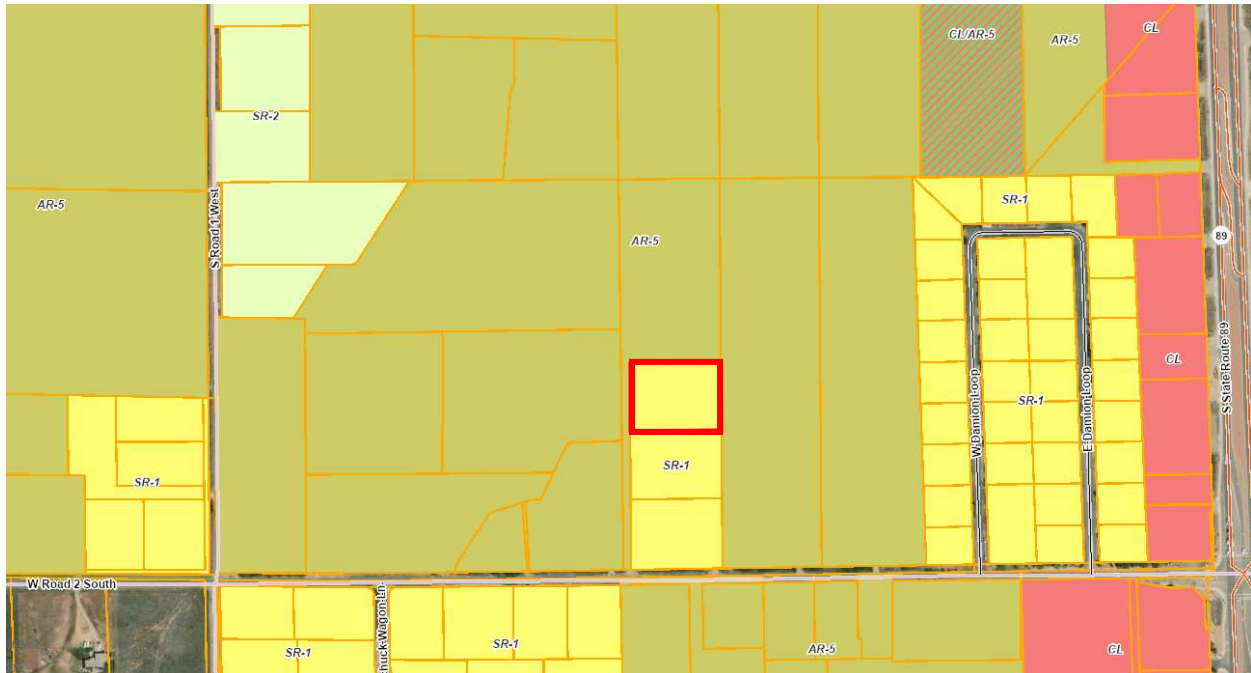
By approving this rezone, the Planning and Zoning Commission is recommending approval to Town Council to approve the rezone of a 250 square foot portion of property from the Single Family Residential 1-Acre Minimum (SR-1) District to the Agricultural Residential 5-Acre Minimum (AR-5) District, for property located just south of 722 W Road 2 South, subject to the staff report and information provided during this hearing.

**Staff Analysis:**

The applicant is applying for a rezone of a 250 square foot portion of property from Single Family Residential 1-Acre Minimum (SR-1) to Agricultural Residential 5-Acre Minimum (AR-5). The vacant subject property currently has an unpermitted accessory structure site. In order to build an accessory structure, an applicant must first have a main residence on a property within a residential-zoning district. The applicant intends to sell the subject property as vacant land without the unpermitted accessory structure by adjusting the lot line to include the 250 sq ft of property, with the property to the North. In order to do this, the 250 sq ft portion of land must be rezoned to match the zoning district with the adjacent property it will be tied with (AR-5).

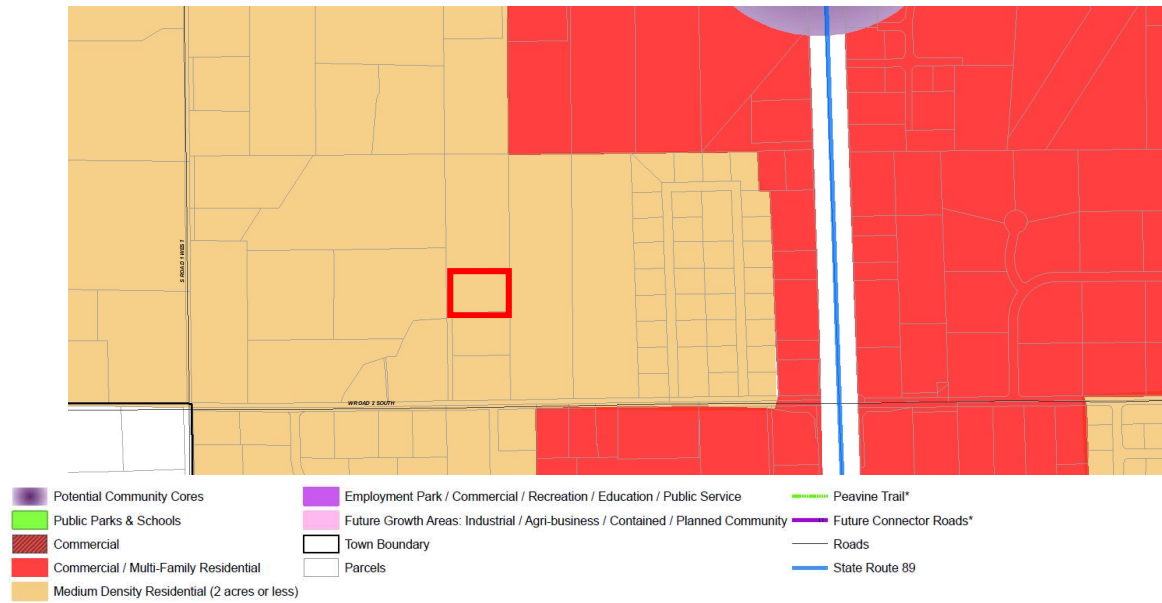
## Zoning

Section 3.6.4 of the Unified Development Ordinance lists “Customary accessory structures such as barns, corrals, private arenas, training tracks, coops, non- commercial greenhouses up to 600 sq. ft., and storage sheds for the care and keeping of non-household animals, fowl, produce, farm machinery and equipment” as a permitted use within the Agricultural Residential 5-Acre Minimum (AR-5) District. The same Section also states, “Accessory structures shall not be permitted prior to the issuance of a building permit for the primary residence”. Rezoning the 250 sq ft portion of the subject property will resolve the current non-conformity. The subject property will be the same zoning designation as the adjacent north and west properties.



## General Plan

The General Plan designates the subject parcel as Medium Density Residential (2 acres or less). While the requested zoning district of AR-5 is greater than two acres, staff is still in support of the rezone as the 250 square feet being rezoned is considered de-minimis due to its size and the fact that the square footage will be incorporated into the parcel to the north.



**PUBLIC COMMENTS RECEIVED:** None Received.

**EXTERNAL AGENCY COMMENTS:** See Attachment B

**NEIGHBORHOOD MEETING COMMENTS:** See Attachment C.

**PROPOSED CONDITIONS DELIVERED TO APPLICANT ON:** November 22, 2022

|                                     |                                                                                                               |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | Applicant agreed with all of the conditions of approval on (November 22, 2022)                                |
| <input type="checkbox"/>            | Applicant did not agree with the following conditions of approval: (list #'s)                                 |
| <input type="checkbox"/>            | If the Planner is unable to make contact with the applicant – describe the situation and attempts to contact. |

**ATTACHMENTS:**

| A                      | B                        | C                             | D                    | E              |
|------------------------|--------------------------|-------------------------------|----------------------|----------------|
| Conditions of Approval | External Agency Comments | Neighborhood Meeting Comments | Site Plan & Exhibits | Staff Research |

PREPARED BY:

DATE:

BETHAN HENG, PLANNER

NOVEMBER 22, 2022

(BHENG@CHINOAZ.NET)

928 636-4427 - x1295

APPROVED BY:

LAURIE LINEBERRY, AICP

DEVELOPMENT SERVICES DIRECTOR



**ATTACHMENT A**  
**CONDITIONS OF APPROVAL**

The following conditions have been found to have a reasonable nexus and are roughly proportionate to the impact of the proposed rezone for the site:

**Development Services Comments: Laurie Lineberry, Director, 928 636-4427- x1217**

1. The conditions listed below are in addition to Town codes, rules, fees, and regulations that are applicable to this action.
2. The Owner's signature on the application for this land use action request takes the place of the requirement for a separate "Waiver of Claims" document.

**Development Services Comments: Bethan Heng, Planner, 928 636-4427- x1295**

3. The applicant must obtain a building permit for the unpermitted structure located on parcel 306-29-041E.
4. The applicant shall submit a lot line adjustment to incorporate the rezoned area into parcel directly north (306-29-041D).

Any questions or comments regarding the Conditions of Approval as stated above should be directed to the staff member who provided the comment. Name and phone numbers are provided.

ATTACHMENT B  
EXTERNAL AGENCY COMMENTS

STAFF RECEIVED NO COMMENTS FROM EXTERNAL AGENCIES.

**ATTACHMENT C**  
**NEIGHBORHOOD MEETING COMMENTS**

**DATE MEETING HELD:** NOVEMBER 2, 2022

**LOCATION:** ON SITE - 722 West Road 2 South

**ATTENDEES:**

AGENT/DEVELOPER: ADAM HAYWOOD, SURVEYOR; TY SCOTT, APPLICANT

TOWN STAFF: BETHAN HENG, PLANNER

NEIGHBORS IN ATTENDANCE (NONE)

**SUMMARY OF ATTENDEE(S') COMMENTS RELATED TO THE PROJECT:**

No neighbors were in attendance at the Neighborhood Meeting.

ATTACHMENT D  
SITE PLAN AND EXHIBITS

APN# 306-29-041D

ADDRESS: 722 West Road 2 South



ATTACHMENT E  
STAFF RESEARCH

PLEASE SEE FOLLOWING PAGES.



## STAFF RESEARCH – REZONE

CASE #: ZC-2022-09

CASE PLANNER: BETHAN HENG

**I. PROJECT DATA**

|                             |                                       |
|-----------------------------|---------------------------------------|
| Project Location:           | 722 W Road 2 South                    |
| Parcel Number(s):           | 306-29-041E                           |
| Parcel Size(s):             | 250 sq ft of 1.59 Acres being Rezoned |
| Total Acreage:              | 250 sq ft                             |
| Proposed Dwelling Units:    | N/A                                   |
| Address:                    | 722 W Road 2 South                    |
| Applicant:                  | Ty Scott                              |
| Applicant's Agent:          | N/A                                   |
| Land Use Conformity Matrix: | Conforms: Yes X No                    |

| Zoning Overlay |                                                    | PAD |                | N/A |                                                 |
|----------------|----------------------------------------------------|-----|----------------|-----|-------------------------------------------------|
|                | Existing Zoning                                    |     | Use(s) on-site |     | General Plan Designation                        |
| Site           | Single Family Residential<br>1-Acre Minimum (SR-1) |     | Vacant         |     | Medium Density Residential<br>(2 acres or less) |
| North          | Agricultural Residential<br>5-Acre Minimum (AR-5)  |     | Residential    |     | Medium Density Residential<br>(2 acres or less) |
| South          | Single Family Residential<br>1-Acre Minimum (SR-1) |     | Vacant         |     | Medium Density Residential<br>(2 acres or less) |
| East           | Agricultural Residential<br>5-Acre Minimum (AR-5)  |     | Residential    |     | Medium Density Residential<br>(2 acres or less) |
| West           | Agricultural Residential<br>5-Acre Minimum (AR-5)  |     | Residential    |     | Medium Density Residential<br>(2 acres or less) |

## Prior Cases or Related Actions:

| Type                     | Conforms |   |    |   | Cases, Actions or Agreements                                                                                                                                                                                                                                                                                                                               |
|--------------------------|----------|---|----|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pre-Annexation Agreement | Yes      |   | No | X |                                                                                                                                                                                                                                                                                                                                                            |
| Annexation               | Yes      | X | No |   | November 13, 1970 – 1 <sup>st</sup> Annexation                                                                                                                                                                                                                                                                                                             |
| General Plan Amendment   | Yes      |   | No | X |                                                                                                                                                                                                                                                                                                                                                            |
| Development Agreement    | Yes      |   | No | X |                                                                                                                                                                                                                                                                                                                                                            |
| Rezone                   | Yes      | X | No |   | January 12, 2006 – Rezone from AR-5 to SR-1                                                                                                                                                                                                                                                                                                                |
| Subdivision              | Yes      |   | No | X |                                                                                                                                                                                                                                                                                                                                                            |
| Conditional Use Permit   | Yes      |   | No | X |                                                                                                                                                                                                                                                                                                                                                            |
| Pre-Application Meeting  | Yes      | X | No |   | April 20, 2022 – PA-2022-23                                                                                                                                                                                                                                                                                                                                |
| Enforcement Actions      | Yes      |   | No | X |                                                                                                                                                                                                                                                                                                                                                            |
| Land Division Status     | Yes      | X | No |   | December 27, 1994 - Result of split from APN 306-29-041 (Sibling Parcels APN 306-29-041A & 041B).<br>January 13, 1995 – Dedication of a Public Right-of-way.<br>September 1997 – New parcel number given – APN 306-29-041A is now APN 306-29-041C.<br>June 7, 2006 – Result of split from APN 306-29-041C (Sibling Parcels APN 306-29-041E, 041F, & 041G). |
| Irrigation District:     | N/A      |   |    |   |                                                                                                                                                                                                                                                                                                                                                            |

**II. TOWN OF CHINO VALLEY GENERAL PLAN**

|                                     |            |                                                                                                                                                                                                                                 |  |
|-------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Land Use Element:</b>            |            |                                                                                                                                                                                                                                 |  |
| Land Use Designation:               |            | Medium Density Residential (2 acres or less)                                                                                                                                                                                    |  |
| Potential Issues:                   |            | Rezone will be to AR-5, which is greater than the “2 acres or less” designation by the General Plan. Staff is in support of rezone because it is eliminating a non-conformity, and only 250 sq ft of property is being rezoned. |  |
| <b>Public Services Element:</b>     |            |                                                                                                                                                                                                                                 |  |
| Water Facility Plan:                | Source:    | 1120ft east - Existing City of Prescott 8” Water Main (Damion Loop)                                                                                                                                                             |  |
| Sewer Facility Plan:                | Treatment: | 8” and 12” Existing Gravity Main<br>(Intersection at S Road 1 West and W Road 1 South)                                                                                                                                          |  |
| Issues:                             |            |                                                                                                                                                                                                                                 |  |
| <b>Safety Element:</b>              |            |                                                                                                                                                                                                                                 |  |
| Flood Plain Designation:            |            | N/A                                                                                                                                                                                                                             |  |
| Issues:                             |            | N/A                                                                                                                                                                                                                             |  |
| <b>Transportation Element:</b>      |            |                                                                                                                                                                                                                                 |  |
| Road Classification                 |            | Rural Road without Trail                                                                                                                                                                                                        |  |
| Issues:                             |            | N/A                                                                                                                                                                                                                             |  |
| <b>Parks and Rec Element:</b>       |            |                                                                                                                                                                                                                                 |  |
| Closest Park:                       |            | Chino Valley Cemetery – 3,500 ft                                                                                                                                                                                                |  |
| Within 1 mile of the Peavine Trail? |            | No – 2.50 mi from Peavine Trail                                                                                                                                                                                                 |  |

**NOTIFICATION**

- Legal Ad Published: The Daily Courier (MM/DD/YY)
- 400’ Vicinity Mailing: (10/17/22)
- 19 Commenting/Reviewing Agencies noticed: (10/12/22)
- Neighborhood Meeting: (11/02/22)
- Hearing Dates: (12/06/22)
- Comments Due: (10/31/22)

| <b>External List (Comments)</b>                        | <b>Response Received</b> | <b>Date Received</b> | <b>“No Comment”</b>    | <b>Written Comments</b>   | <b>Comments Attached</b> |
|--------------------------------------------------------|--------------------------|----------------------|------------------------|---------------------------|--------------------------|
| Chuck Dowdy – CAFMA                                    | N                        |                      |                        |                           |                          |
| Samantha Alvarez – APS                                 | N                        |                      |                        |                           |                          |
| Richard Perez - A.D.O.T.                               | N                        |                      |                        |                           |                          |
| Ralph Baker – C.V.I.D.                                 | Y                        | 10/24/2022           | X                      |                           |                          |
| Suzann E. – YC ENV                                     | N                        |                      |                        |                           |                          |
| Jose Galvez – YC Health                                | N                        |                      |                        |                           |                          |
| SparkLite Cable                                        | N                        |                      |                        |                           |                          |
| LUMEN                                                  | N                        |                      |                        |                           |                          |
| Unisource Gas                                          | N                        |                      |                        |                           |                          |
| CVUSD                                                  | N                        |                      |                        |                           |                          |
| United States Postal Service                           | N                        |                      |                        |                           |                          |
| <b>Town of Chino Valley Internal List (Conditions)</b> | <b>Response Received</b> | <b>Date Received</b> | <b>“No Conditions”</b> | <b>Written Conditions</b> | <b>Comments Attached</b> |
| Bethan Heng – Planner (DS)                             | Y                        | 11/3/2022            |                        | X                         | X                        |
| Will Dingee – Senior Planner (DS)                      | Y                        | 11/3/2022            | X                      |                           |                          |
| Laurie Lineberry – DS Director                         | Y                        | 11/3/2022            |                        | X                         | X                        |
| Frank Marbury – PW Director                            | N                        |                      |                        |                           |                          |
| Steve Sullivan – Assistant Engineer (PW)               | Y                        | 11/3/2022            | X                      |                           |                          |
| Dan Trout – CBO (DS)                                   | N                        |                      |                        |                           |                          |

|                                       |   |  |  |  |  |
|---------------------------------------|---|--|--|--|--|
| Damon Stanley – Code Enforcement      | N |  |  |  |  |
| Chuck Winn – Chief of Police (Police) | N |  |  |  |  |





## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

6. f.

**Meeting Date:** 01/10/2023  
**Contact Person:** Will Dingee, Senior Planner  
 Phone: 928-636-4427 x-1233  
**Department:** Development Services  
**Estimated length of staff presentation:** 5 minutes  
**Physical location of item:** Northeast corner of East Road 2 North and Peppertree Place.

### AGENDA ITEM TITLE:

Public hearing, consideration, and possible action to approve Ordinance No. 2023-927 to rezone approximately 10 acres of property generally located at the northeast corner of East Road 2 North and Peppertree Place (APN 306-18-017C and 306-18-017D), from Agricultural Residential 5 Acre Minimum to Single-Family Residential 12,000 Square Foot Minimum. (Will Dingee, Senior Planner)

### RECOMMENDED ACTION:

- i) Hold a Public Hearing.
- ii) Approve Ordinance No. 2023-927.

### SITUATION AND ANALYSIS:

The applicant is requesting a rezone from Agricultural Residential 5-Acre Minimum (AR-5) to Single Family Residential 12,000 square foot minimum (SF-12,000) to develop a 25 lot manufactured home subdivision, Meadow view North. The project is proposed to be completed in one phase, including an internal road with curb and sidewalk. The applicant intends for the subdivision to be served by Town of Chino Valley water and sewer infrastructure, connecting to an existing 12" sewer main and a proposed 12" water main extension on Road 2 North.

During the research phase of the rezone, a property neighbor claimed that the 25' right-of-way directly South of the subject properties (Parcel No. 306-18-017F), was not transferred to the Town's ownership in 2002 as shown by the Record of Easement provided by the applicant. This issue of legal access to Road 2 North was brought to the attention of the Town's Attorney, who added condition of approval #3 found in Attachment 1.

This item was presented to the Planning and Zoning Commission on December 13, 2022 and received a 7-0 Vote recommending approval to the Town Council. To provide you with more insight into this item, the minutes from this Commission meeting pertaining to this item can be found in Attachment 2 and the Staff Report presented to the Planning Commission can be found in Attachment 3.

### Fiscal Impact

**Fiscal Impact?:** N/A

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

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**Attachments**

ORD - 2023-927

Attachment 1 - Conditions

Attachment 2 - P&Z Minutes

Attachment 3 P&Z Staff Report

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When Recorded, Return to:

Town Clerk  
Town of Chino Valley  
202 N. State Route 89  
Chino Valley, Arizona 86323

## **ORDINANCE NO. 2023-927**

**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 10 ACRES OF REAL PROPERTY GENERALLY LOCATED AT THE NORTHEAST CORNER OF EAST ROAD 2 NORTH AND PEPPERTREE PLACE, IN CHINO VALLEY, ARIZONA, FROM AR-5 (AGRICULTURAL/RESIDENTIAL – 5 ACRE MINIMUM) TO SF-12,000 (SINGLE-FAMILY RESIDENTIAL – 12,000 SQUARE FOOT MINIMUM).**

**WHEREAS**, the Mayor and Common Council of the Town of Chino Valley (the “Town Council”) desires to amend the Town of Chino Valley (the “Town”) Official Zoning Map for approximately 10 acres of real property generally located at the northeast corner of East Road 2 North and Peppertree Place, in Chino Valley, Arizona, from AR-5 (Agricultural/Residential – 5 Acre Minimum) to SF-12,000 (Single-Family Residential – 12,000 Square Foot Minimum), as described in Exhibit 1 and shown on the Zoning Map in Exhibit 2, both attached hereto and incorporated herein by reference (the “Zoning Map Amendment”); and

**WHEREAS**, the Town Council has determined that this Zoning Map Amendment conforms with the Town of Chino Valley General Plan and any applicable specific area plan, neighborhood plan, or other plan, any overlay zoning district, and the standards and design requirements contained in the Unified Development Ordinance of the Town of Chino Valley (the “UDO”); 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 Zoning Map Amendment; and

**WHEREAS**, in accordance with Article II, Sections 1 and 2 of the Constitution of Arizona, the Town Council has considered the individual property rights and personal liberties of the residents of the Town before adopting this ordinance; and

**WHEREAS**, the Town Council has considered the probable impact of this ordinance on the cost to construct housing for sale or rent.

**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 hereby incorporated as if fully set forth herein.

**Section 2.** The Zoning Map Amendment is hereby approved, and the Official Zoning Map is hereby amended for property consisting of approximately 10 acres, as described in

Exhibit 1 and shown on the Zoning Map in Exhibit 2, to rezone the property from AR-5 (Agricultural/Residential – 5 Acre Minimum) to SF-12,000 (Single-Family Residential – 12,000 Square Foot Minimum), subject to the requirements of the Chino Valley Town Code (the “Town Code”), the UDO, and the following stipulations:

1. The property owner shall sign and notarize a Waiver of Claims form that the staff will record with the County Recorder against the property.
2. Legal access to Road 2 North will be provided by that certain easement for the dedication of Road 2 North recorded on January 30, 2002, at Book 3897, Page 423, Records of Yavapai County, Arizona, Yavapai County Recorder’s No. 3426062 (the “Road 2 North Easement”). To the fullest extent permitted by law, the owner agrees to indemnify and hold harmless the Town and each council member, officer, employee, or agent thereof (the Town and any such person being herein called an “Indemnified Party”), for, from, and against any and all losses, claims, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys’ fees, court costs, and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (“Claims”), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the owner’s access to Road 2 North via the Road 2 North Easement or any improvements constructed in the easement by the owner.
3. The owner shall dedicate real property for use as right-of-way per UDO § 5.3.2, as follows:
  - a. East Road 2 North: Such portions of land as necessary, in conjunction with the 25’ Road 2 North Easement described above, to result in 30’ of right-of-way north of the southern line of Section 14, equating to a total East Road 2 North right-of-way of 80’.
  - b. East Road 2 North and the Subdivision’s Entrance: At street intersections, property line corners shall be rounded by circular arc having a minimum chamfer length of 35 feet for collector and arterial streets.
  - c. Merritt Lane: The northern 25’ of the subdivision equating to a total Merritt Lane right-of-way of 50’.
  - d. Internal Streets: Minimum right-of-way width is 50’.
4. The owner shall construct the half-width improvements for East Road 2 North, along the subdivision’s frontage, per the Town’s Urban and Rural Roadways map as follows:
 

The improvements shall include, at a minimum, a 10’ concrete multi-use path, required landscaping, concrete curb and gutter, and road half-width improvements to include a 12’ thru lane and half of a 14’ two-way left turn lane. The Town will accept cash in lieu of these roadway improvements per UDO § 5.3.1(J).
5. The owner shall construct onsite improvements per UDO § 5.3.2, as follows:

Internal Streets: Per Urban Local Road standards, which include 24' asphalt minimum roadway width without on-street parking, rolled concrete curb, and 5' minimum sidewalk on one side.

6. The owner shall connect the subdivision to the Town's public water system per Town Code § 51.075(E), as amended.
7. The owner shall connect the subdivision to the Town's public wastewater system per Town Code § 51.155(B), as amended.

**Section 3.** The Town Manager is directed, upon the effective date of this ordinance, to cause the Official Zoning Map to reflect the Zoning Map Amendment as applicable to the property, indicating the zoning is subject to compliance with the stipulations provided herein.

**Section 4.** If any provision of this ordinance is for any reason held by any court of competent jurisdiction to be unenforceable, such provision or portion hereof shall be deemed separate, distinct, and independent of all other provisions, and such holding shall not affect the validity of the remaining portions of this ordinance.

**Section 5.** The Mayor, the Town Manager, the Town Clerk, and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this ordinance.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 10th day of January, 2023.

\_\_\_\_\_  
Jack W. Miller, Mayor

ATTEST:

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Andrew J. McGuire, Town Attorney  
Gust Rosenfeld, PLC

I hereby certify the above foregoing Ordinance No. 2023-927 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on January 10, 2023, and that quorum was present, and that the vote thereon was \_\_\_\_ ayes and \_\_\_\_ nays and abstentions. \_\_\_\_ Council members were absent or excused.

\_\_\_\_\_  
Erin N. Deskins, Town Clerk

EXHIBIT 1  
TO  
ORDINANCE 2023-927

[Legal Description]

See the following pages.



B-4437 P-820  
Page: 3 of 4  
SWD 4060192

## EXHIBIT A

### PARCEL A

All that portion of Tract 52, Section 14, Township 16 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

COMMENCING at the Southwest corner of said Tract 52;

Thence North 00°03'27" West, along the West line of said tract, a distance of 25.00 feet to **THE POINT OF BEGINNING**;

Thence South 89°59'40" East (basis), along a line that is 25.00 feet North of, and running parallel with the South line of said tract, a distance of 268.02 feet;

Thence North 00°03'27" West, a distance of 812.67 feet to a point on the South line of CHINO MEADOWS, Unit 1, as recorded in Book 9 of Maps and Plats, Page 65 of the Yavapai County Recorder's Office;

Thence South 89°59'57" West, along said South line, a distance of 268.02 feet to a point on the West line of said tract;

Thence South 00°03'27" East, along said West line, a distance of 812.64 feet to **THE POINT OF BEGINNING**.

Containing 5.00 acres, more or less

RESERVING, SUBJECT TO, AND TOGETHER WITH all easements of record.

### PARCEL B

All that portion of Tract 52, Section 14, Township 16 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

COMMENCING at the Southwest corner of said Tract 52;

Thence North 00°03'27" West, along the West line of said tract, a distance of 25.00



B-4437 P-820  
Page: 4 of 4  
SWD 4060192

feet;

Thence South 89°59'40" East (basis), along a line that is 25.00 feet North of, and running parallel with the South line of said tract, a distance of 268.02 feet to **THE POINT OF BEGINNING**;

Thence continuing South 89°59'40" East, a distance of 268.01 feet;

Thence North 00°03'27" West, a distance of 812.70 feet to a point on the South line of CHINO MEADOWS, Unit 1, as recorded in Book 9 of Maps and Plats, Page 65 of the Yavapai County Recorder's Office;

Thence South 89°59'57" West, along said South line, a distance of 268.01 feet;

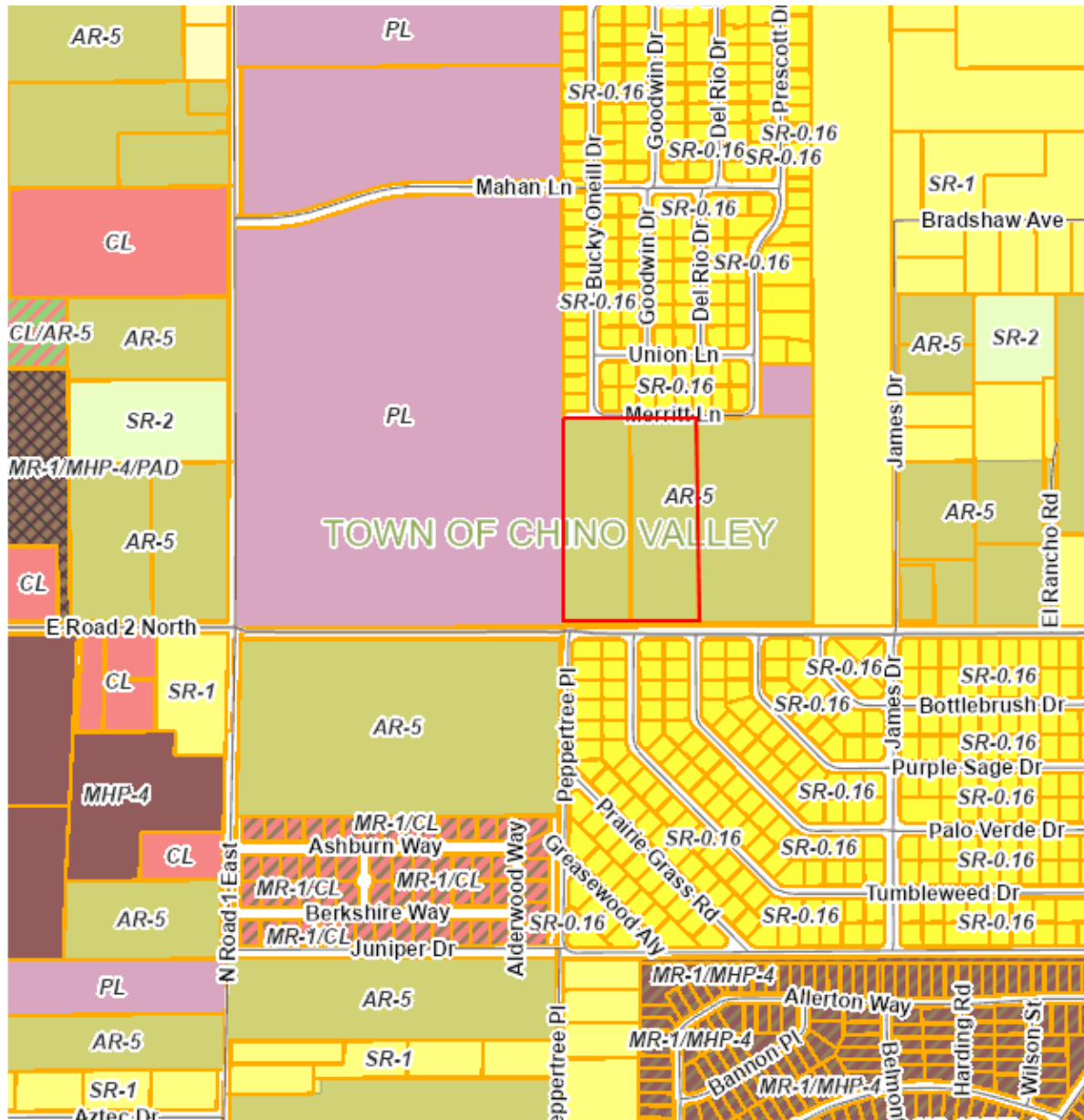
Thence South 00°03'27" East, a distance of 812.67 feet to **THE POINT OF BEGINNING**.

Containing 5.00 acres, more or less

RESERVING, SUBJECT TO, AND TOGETHER WITH all easements of record.



EXHIBIT 2  
TO  
ORDINANCE 2023 927



**Attachment 1**  
**Conditions of Approval**  
**ZC-2022-05**  
**Town Council**  
**January 10, 2022**

The following conditions have been found to have a reasonable nexus and are roughly proportionate to the impact of the proposed rezone for the site:

**Development Services Comments: Laurie Lineberry, Director, 928 636-4427- x1217**

1. The conditions listed below are in addition to Town codes, rules, fees, and regulations that are applicable to this action.
2. The property owner is required to sign and notarize a Waiver of Claims form that the staff will record with the County Recorder against the property.

**Public Works/Engineering: Steve Sullivan, Assistant Town Engineer, (928) 636-7140 - x1308**

3. Legal access to Road 2 North will be provided by that certain easement for the dedication of Road 2 North recorded on January 30, 2002, at Book 3897, Page 423, Records or Yavapai County, Arizona, Yavapai County Recorder's No. 3426062 (the "Road 2 North Easement"). To the fullest extent permitted by law, the owner agrees to indemnify and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon owner's access to Road 2 North via the Road 2 North Easement or any improvements constructed in the easement by the owner.
4. The owner shall dedicate real property for use as right-of-way per UDO § 5.3.2, as follows:
  - a. East Road 2 North: Such portions of land as necessary, in conjunction with the 25' Road 2 North Easement described above, to result in 30' of right-of-way north of the southern line of Section 14, equating to a total East Road 2 North right-of-way of 80'.
  - b. East Road 2 North and the Subdivision's Entrance: At street intersections, property line corners shall be rounded by circular arc having a minimum chamfer length of thirty-five (35) feet for collector and arterial streets.
  - c. Merritt Lane: The northern 25' of the subdivision equating to a total Merritt Lane right-of-way of 50'.
  - d. Internal Streets: Minimum right-of-way width is 50'.
5. The owner shall construct the half-width improvements for East Road 2 North, along the subdivision's frontage, per the Town's Urban and Rural Roadways map as follows:  
The improvements shall include, at a minimum, a 10' concrete multi-use path, required landscaping, concrete curb and gutter, and road half-width improvements to include a 12' thru lane and half of a 14' two-way left turn lane. Town will accept cash in lieu of these roadway improvements. Town Council will accept cash in-lieu for the roadway improvements.
6. The owner shall construct the following onsite improvements per UDO § 5.3.2:  
Internal Streets: Per Urban Local Road standards that includes 24' asphalt minimum roadway width without on street parking, rolled concrete curb and 5' minimum sidewalk on one side.

7. The owner shall connect the subdivision to the Town's public water system per Town Code of Ordinances §51.075(E).

*New subdivisions containing lots of less than one acre shall connect each lot to the town's water system. New subdivisions containing lots of 1 acre or greater which are within 300 feet of the town's water system shall connect each lot to the town's water system.*

8. The owner shall connect the subdivision to the Town's public wastewater system per Town Code of Ordinances §51.155(B).

*A new development containing 1 or more lots shall connect to the sanitary sewer system, except that:*

- i. A single lot greater than or equal to 1 acre may be permitted to install a septic tank system if the sanitary sewer system is not available at the property line.*
- ii. A subdivision containing lots greater than or equal to 1 acre may be permitted to install septic tank systems if the sanitary sewer system is not available within 300 feet of the subdivision.*
- iii. A subdivision containing lots of any size may be permitted to construct a package wastewater treatment plant with the approval of the Public Works Director and Town Engineer.*

Any questions or comments regarding the Conditions of Approval as stated above should be directed to the staff member who provided the comment. Name and phone numbers are provided.

**Attachment 2**  
**Minutes - P&Z December 6, 2022**  
**ZC-2022-05**  
**Town Council**  
**January 10, 2022**

**PUBLIC HEARING #D.1**

**ZC-2022-05** - This is a request by Jon Rocha to rezone approximately 10 acres of land from AR-5 Agricultural Residential to SF-12,000 Single Family Residential for property generally located on the north side of E. Road 2 North, between Peppertree Place and James Drive, Chino Valley, Arizona.

**Chair Merritt** asked the Commission if they had any interactions with the applicant to declare. There were none.

**Will Dingee**, Senior Planner, presented the staff report for case ZC-2022-05 on this property situated between Chino Meadows 1 and Chino Meadows 2. This is the first SF 12,000 project for the Town. The draft plan of this development includes 24 lots, with the smallest lot at 12,000 square feet and many larger lots. There are two open space parcels that would be used for drainage. The project will take direct access to Road 2 North and the applicant will extend town water and sewer connections. The neighborhood meeting was held on July 29, 2022. All properties within 600' were notified. Four people attended the Neighborhood Meeting, expressing concerns about water, sewer, traffic and potential safety impacts. Ultimately, none of the neighbors opposed the project. Condition #2 was modified by the Town Attorney to require the owner to sign a "Waiver of Claims" form. Staff received no written comments regarding this proposal and **Dingee** also noted that this request was in conformance with the General Plan. Staff is recommending approval of the rezone, subject to the attached conditions. **Dingee** shared that the applicant, Mr. Rocha, was in attendance.

**Switzer** asked about the development of the road at this project. **Marbury** stated the easements are there, but the town does not improve just one small part of the road, they try to build the entire stretch of road at one time. The Town does take cash in-lieu for construction. That money is held in a separate account until the entire road segment is ready to be built. Any construction cost increases from that in-lieu amount are covered by the Town. **Dingee** shared that this developer did not own the property to the east. **Marbury** shared that the City of Prescott owns the property to the west.

**Somerville** asked for clarification/definition for "sibling". **Dingee** explained that in Chino Valley, the property on record as of October 2020 is called the parent parcel and any splits from that original parcel become sibling parcels. The October 2020 date coincides with changes to the Towns' Subdivision Code. **Merritt** asked **Marbury** if there was existing right-of-way (ROW) at this location. **Marbury** stated there was. Additional discussion about the 25' strip of land along the street took place.

**Jon Rocha**, applicant for this project, stated that he is excited to bring in a quality project to help address affordable housing issues in the Quad-city area. He plans to extend city water 1800 feet on Road 1 East to connect to his planned subdivision. He added that more projects like this, where he will extend the town utilities, will help other builders in this area too. He shared that he is proud of the quality of this project.

**Switzer** asked if he would be selling the lots. **Mr. Rocha** stated that he will be placing a manufactured home, a "cross-mod" with 2 by 6 construction and R-50 insulation, on a permanent foundation, with attached garages. He felt these homes would sell for at least \$200,000 less than a site-built home of the same size. **Mr. Rocha** explained that he has plans to create walking trails in the catch basins, and to connect through the detention on the west side to the nearby school.

**Chair Merritt** opened the public comment portion of the meeting for this case.

**Heidi Anderson**, stated she lives on Ken Drive. She had concerns about new wells and added that she prefers to stay on her well even if town water was available to her. She asked about sidewalks, paved roads and infrastructure. She added that the roadway and the intersection of Road 2 North and Road 1 East is a joke and it needs to be widened or repaved. Improving the road is important. **Anderson** shared that she has lived on her property since 1980 and has watched Chino Valley develop. She stated she just wants development to be done properly.

**John Garden** questioned if the units were single family homes for purchase. He wondered if someone would bid for the contract and questioned who was building the homes. He added that **Jon Rocha** is currently on the commission for the CCJ – Community for Compassion and Justice. He also asked if these were going to be low-income housing because he didn't want this to contribute to crime, attracting more people to Chino Valley, and possibly the devaluation of adjacent properties. He asked if the project was a for-profit development.

**Sherry Klein** spoke about the need to widen Road 2 North especially if there is a new development coming, since there is nowhere to walk or ride a bike. She also had concerns about low-income housing, the need to hire police and fire employees. She doesn't want to see Chino Valley become like Phoenix.

**Ben Duran**, stated he lived on James and prefers to keep his well and septic even if the town utilities are extended along his road. He also asked for clarification as to the size of the lots in this project.

There were no further public comments. **Merritt** closed the public comment period. **Merritt** listed off the issues brought up by the speakers and asked staff to respond.

**Dingee** clarified that this project proposal is planned to be 24-12,000 square foot single-family lots, about two homes per acre after the roads and sidewalks are installed. There will be one structure per lot with town water and sewer connections. **Marbury** added that the manufacturer of the homes would be public record. He added that the streets within the subdivision will be 24' wide with curb, gutter and sidewalk. He shared that the road project at Road 2 North and Road 1 East is at least 5-years in the future. It will be a 3-lane road with curb and gutter, a 10-foot multi-use path on one side and a 5-foot sidewalk on the other, with the multi-use path connecting to the school and the Peavine Trail. This developer will be responsible for the portion along his property.

**Marbury** stated the town's master plan identifies where future utilities will be placed. He added that if a citizen is already on a well, they do not have to connect to town utilities if they become available. He stated that in the Town of Prescott if water infrastructure is built, they require citizens to hook up to their water. Discussion of water loops will happen in the future. He also clarified that projects with less than 30 lots do not need to have a secondary access point. The roads are planned to accommodate school buses and Fire Engine Equipment vehicles. Intersections would need to line up with roads on the south side of this project. A second access is not required since this subdivision is less than 30 lots. **Merritt** shared that more people may mean more crime regardless of the income level. **Switzer** commented that an 1800 square foot home would probably be around 400k, and would like clarification from the developer. **Somerville** asked if there would be any 2-story homes.

**Jon Rocha** returned to the podium to address these comments. He confirmed that yes, he was on the CCJ commission, however this project is private, for profit. Some manufactured homes builders vary based on availability. Such as Carsten, Clayton, and Champion, that the developer will consider. **Switzer** asked if there would be an HOA to maintain the streets. **Marbury** answered that they were proposed to be public streets, that the Town would maintain.

With no more questions, **Merritt** closed the public hearing portion of the meeting and called for a motion. **Switzer** made a motion to approved ZC-2022-05 as presented by staff with the modification to item 2. **Pasciak** seconded the motion and passed by a 7-0 voice vote.

**Attachment 3**  
**Staff Report – P&Z December 6, 2022**  
**ZC-2022-05**  
**Town Council**  
**January 10, 2022**





**TOWN OF CHINO VALLEY**  
**Planning Commission Staff Report**  
**December 6th, 2022**  
**File Number ZC-2022-05**  
**Rezone**

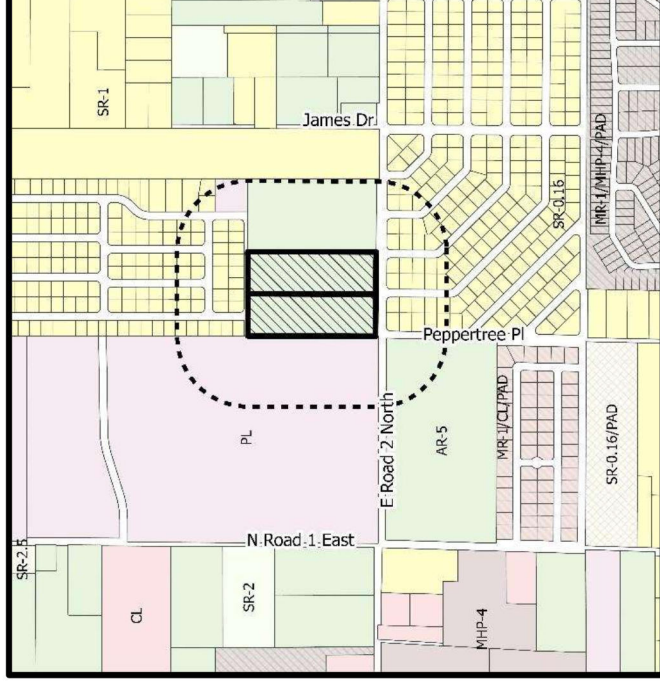
**PROJECT DESCRIPTION**

This is a request by Jon Rocha to rezone approximately 10 acres of land from AR-5 Agricultural Residential to SF-12,000 Single Family Residential for property generally located on the north side of E. Road 2 North, between Peppertree Place and James Drive, Chino Valley, Arizona.

**LOCATION DATA**

|       | Existing Zoning                                          | Use(s) on-site                                | General Plan Designation                        |
|-------|----------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Site  | Agricultural Residential<br>5-Acre Minimum (AR-5)        | Vacant                                        | Medium Density Residential<br>(2 Acres or less) |
| North | Single Family Residential<br>0.16-Acre Minimum (SR-0.16) | Single Family Homes<br>(Chino Meadows)        | Medium Density Residential<br>(2 Acres or less) |
| South | Single Family Residential<br>0.16-Acre Minimum (SR-0.16) | Single Family Homes<br>(Chino Meadows Unit 2) | Medium Density Residential<br>(2 Acres or less) |
| East  | Agricultural Residential<br>5-Acre Minimum (AR-5)        | Single Family Home                            | Medium Density Residential<br>(2 Acres or less) |
| West  | Public Land (PL)                                         | City of Prescott<br>Well Facility             | Medium Density Residential<br>(2 Acres or less) |

**LOCATION MAP**



**PRIOR SITE ACTIONS:****Land Division History**

March 2, 2002 – Land Split of Parcel # 306-18-017, resulting in sibling parcels # 306-18-017A & 306-18-017B.

July 14, 2005 – Land Split of Parcel# 306-18-017B, resulting in sibling parcels # 306-18-017C, 306-18-017D, 306-18-017E, & 306-18-017F).

January 2022 – Record of dedicated right-of-way on E Road 2 North.

**Rezone History**

May 6, 1986 – Request to Rezone Parcel # 306-18-017 from AR (Agricultural/Residential) to R-3 (High Density Single Family Residential) for the Prairie Vista subdivision was unanimously denied by Planning and Zoning Commission until a more specific development plan could be provided.

June 17, 1986 – Planning and Zoning Commission voted unanimously to approve request to Rezone Parcel # 306-18-017 from AR (Agricultural/Residential) to R-2 (Medium Density Single Family Residential).

July 19, 1986 – Town Council voted unanimously to approve rezone of Parcel # 306-18-017 from AR to R-2, subject to conditions approved by Town Council.

December 26, 1987 – Property zoning reverted to AR (Agricultural/Residential) because applicant failed to meet condition #3, “the zoning will revert to Agriculture if all subdivision requirements are not met within 18 months”.

**STAFF RECOMMENDATION:**

Staff recommends that the Planning and Zoning Commission forward to the Town Council a recommendation of **APPROVAL** for the rezoning of approximately 10 acres of land from AR-5 Agricultural Residential to SF-12,000 Single Family Residential, for property generally located on the north side of E. Road 2 North, between Peppertree Place and James Drive, Chino Valley, Arizona, with the Conditions of Approval found in Attachment A.

**SUGGESTED MOTION:**

Move to **APPROVE** Rezone ZC-2022-05 as presented, subject to the staff report and information provided during this hearing, and the Conditions of Approval in Attachment A

**EFFECT OF THE APPROVAL:**

By approving this Rezone, the Planning and Zoning Commission is recommending approval to the Town Council for the rezoning of approximately 10 acres of land from AR-5 Agricultural Residential to SF-12,000 Single Family Residential for property generally located on the north side of E. Road 2 North, between Peppertree Place and James Drive, Chino Valley, Arizona, subject to the staff report and information provided during this hearing.

Site Background:

In 1990, the Chino Valley Town Council enacted Ordinance 147, which adopted a revised Chino Valley Town Code. As a result of this ordinance, parcels #306-18-017C & #306-18-017D changed from the AR Zoning District to the existing AR-5 (Agricultural Residential 5-Acre Minimum) Zoning District in 1990.

On March 2, 2002, parcel # 306-18-017 was split into sibling parcels # 306-18-017A & 306-18-017B. On July 14, 2005, parcel # 306-18-017B, resulting in sibling parcels # 306-18-017C, 306-18-017D, 306-18-017E, & 306-18-017F).

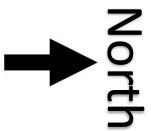
Staff Analysis:

The applicant is requesting a rezone from Agricultural Residential 5-Acre Minimum (AR-5) to Single Family Residential 12,000 square foot minimum (SF-12,000) to develop a 25 lot “higher quality manufactured home” subdivision, Meadowview North. The project is proposed to be completed in one phase, including an internal road with curb and sidewalk. The applicant intends for the subdivision to be served by Town of Chino Valley water and sewer infrastructure, connecting to an existing 12” sewer main and a proposed 12” water main extension on Road 2 North.

During the research phase of the rezone, a property neighbor claimed that the 25’ right-of-way directly South of the subject properties (Parcel No. 306-18-017F), was not transferred to the Town’s ownership in 2002 as shown by the Record of Easement provided by the applicant. This issue of legal access to Road 2 North was brought to the attention of the Town’s Attorney, who added condition of approval #3.

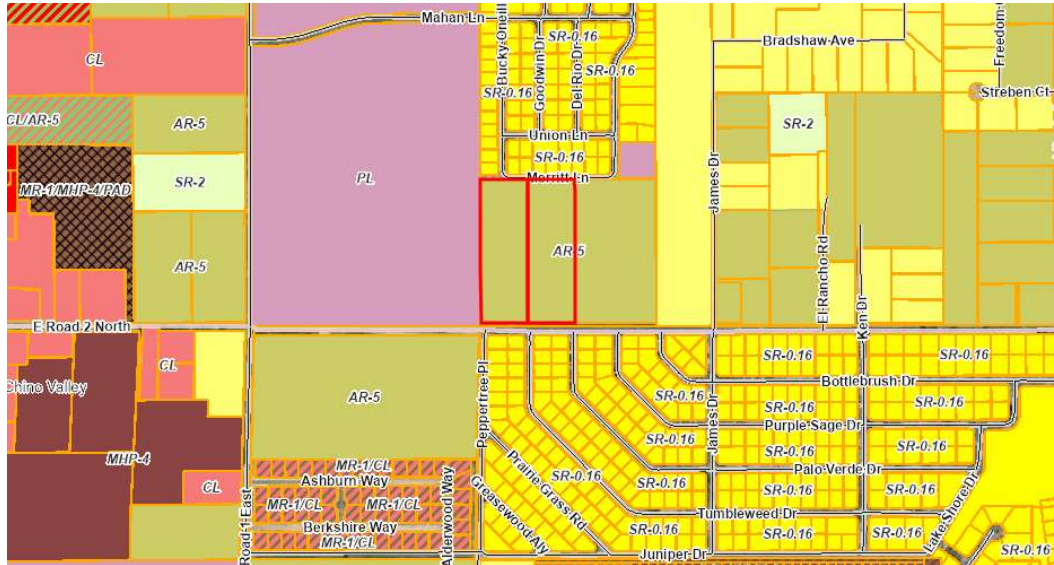
Case History:

The applicant requested a continuance of the rezone request on August 17, 2022, as a result of the issue of the legal access to Road 2 North. On November 3, 2022, after a few months in conversation with the Town Attorney and researching the status of the legal access, the applicant reached out to Town Staff to proceed with the rezone.



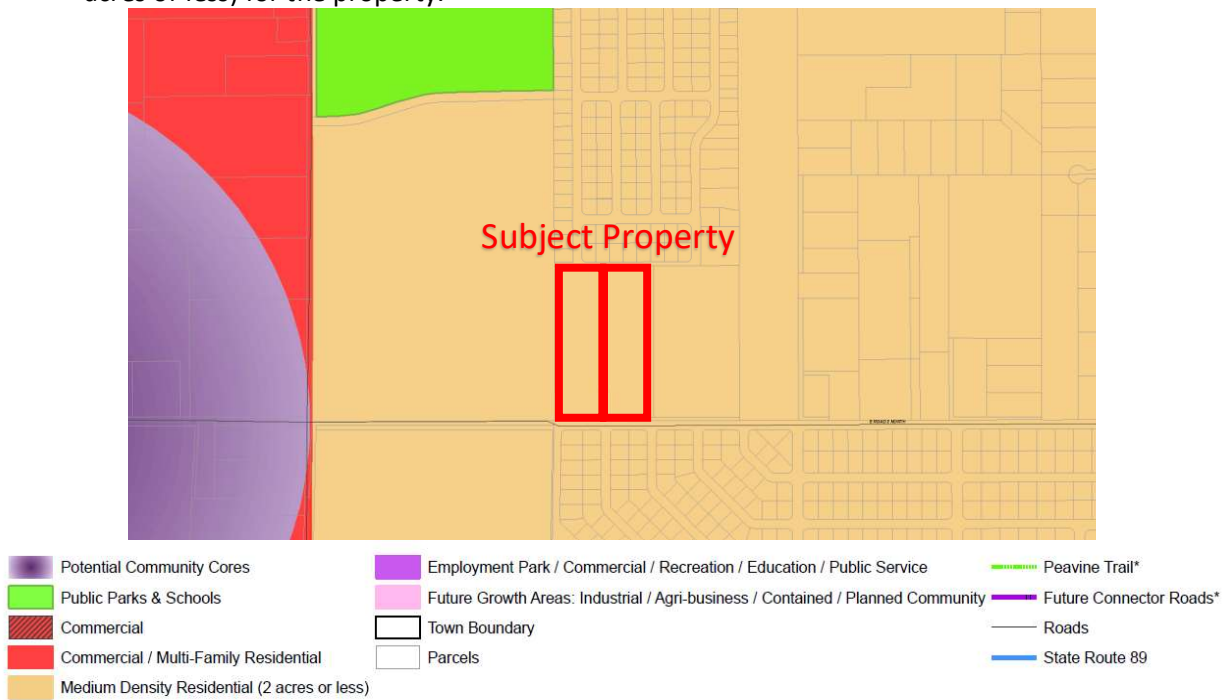
## Zoning

Section 3.11B of the Unified Development Ordinance lists “One (1) single-family dwelling” as a permitted use within the SF-12,000 Single Family Residential zoning district. The resulting rezone will be of lesser density than the parcels adjacent to the North (Chino Meadows) and South (Chino Meadows Unit 2), which are zoned Single Family Residential 0.16-Acre Minimum (SR-0.16).



## General Plan

The zoning request of SF-12,000 Single Family Residential zoning district will bring the property into conformance with the General Plan’s land use designation of Medium Density Residential (2 acres or less) for the property.



**PUBLIC COMMENTS RECEIVED:** None Received.

**EXTERNAL AGENCY COMMENTS:** See Attachment B

**NEIGHBORHOOD MEETING COMMENTS:** See Attachment C

**PROPOSED CONDITIONS DELIVERED TO APPLICANT ON:** August 4, 2022

|   |                                                                                                               |
|---|---------------------------------------------------------------------------------------------------------------|
| X | Applicant agreed with all of the conditions of approval on (November 3, 2022)                                 |
|   | Applicant did not agree with the following conditions of approval: ()                                         |
|   | If the Planner is unable to make contact with the applicant – describe the situation and attempts to contact. |

**ATTACHMENTS:**

| A                      | B                        | C                             | D                    | E              |
|------------------------|--------------------------|-------------------------------|----------------------|----------------|
| Conditions of Approval | External Agency Comments | Neighborhood Meeting Comments | Site Plan & Exhibits | Staff Research |

**PREPARED BY:**

**DATE:**

BETHAN HENG, PLANNER  
[BHENG@CHINOAZ.NET](mailto:BHENG@CHINOAZ.NET)  
 928 636-4427 - x1295

NOVEMBER 3, 2022

**APPROVED BY:**

LAURIE LINEBERRY, AICP  
 DEVELOPMENT SERVICES DIRECTOR



**ATTACHMENT A**  
**CONDITIONS OF APPROVAL**

The following conditions have been found to have a reasonable nexus and are roughly proportionate to the impact of the proposed rezone for the site:

**Development Services Comments: Laurie Lineberry, Director, 928 636-4427- x1217**

1. The conditions listed below are in addition to Town codes, rules, fees, and regulations that are applicable to this action.
2. The Owner's signature on the application for this land use action request takes the place of the requirement for a separate "Waiver of Claims" document.

**Public Works/Engineering: Steve Sullivan, Assistant Town Engineer, (928) 636-7140 - x1308**

3. Legal access to Road 2 North will be provided by that certain easement for the dedication of Road 2 North recorded on January 30, 2002, at Book 3897, Page 423, Records or Yavapai County, Arizona, Yavapai County Recorder's No. 3426062 (the "Road 2 North Easement"). To the fullest extent permitted by law, the owner agrees to indemnify and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon owner's access to Road 2 North via the Road 2 North Easement or any improvements constructed in the easement by the owner.
4. The owner shall dedicate real property for use as right-of-way per UDO § 5.3.2, as follows:
  - a. East Road 2 North: Such portions of land as necessary, in conjunction with the 25' Road 2 North Easement described above, to result in 30' of right-of-way north of the southern line of Section 14, equating to a total East Road 2 North right-of-way of 80'.
  - b. East Road 2 North and the Subdivision's Entrance: At street intersections, property line corners shall be rounded by circular arc having a minimum chamfer length of thirty-five (35) feet for collector and arterial streets.
  - c. Merritt Lane: The northern 25' of the subdivision equating to a total Merritt Lane right-of-way of 50'.
  - d. Internal Streets: Minimum right-of-way width is 50'.
5. The owner shall construct the half-width improvements for East Road 2 North, along the subdivision's frontage, per the Town's Urban and Rural Roadways map as follows:  
The improvements shall include, at a minimum, a 10' concrete multi-use path, required landscaping, concrete curb and gutter, and road half-width improvements to include a 12' thru lane and half of a 14' two-way left turn lane. Town will accept cash in lieu of these roadway improvements. Town Council will accept cash in-lieu for the roadway improvements.
6. The owner shall construct the following onsite improvements per UDO § 5.3.2:  
Internal Streets: Per Urban Local Road standards that includes 24' asphalt minimum roadway width without on street parking, rolled concrete curb and 5' minimum sidewalk on one side.

ATTACHMENT A  
CONDITIONS OF APPROVAL

7. The owner shall connect the subdivision to the Town's public water system per Town Code of Ordinances §51.075(E).  
*New subdivisions containing lots of less than one acre shall connect each lot to the town's water system. New subdivisions containing lots of 1 acre or greater which are within 300 feet of the town's water system shall connect each lot to the town's water system.*
8. The owner shall connect the subdivision to the Town's public wastewater system per Town Code of Ordinances §51.155(B).  
*A new development containing 1 or more lots shall connect to the sanitary sewer system, except that:*
- i. A single lot greater than or equal to 1 acre may be permitted to install a septic tank system if the sanitary sewer system is not available at the property line.*
  - ii. A subdivision containing lots greater than or equal to 1 acre may be permitted to install septic tank systems if the sanitary sewer system is not available within 300 feet of the subdivision.*
  - iii. A subdivision containing lots of any size may be permitted to construct a package wastewater treatment plant with the approval of the Public Works Director and Town Engineer.*

Any questions or comments regarding the Conditions of Approval as stated above should be directed to the staff member who provided the comment. Name and phone numbers are provided.



**ATTACHMENT B**  
**EXTERNAL AGENCY COMMENTS**

|         |                                |       |              |        |                 |
|---------|--------------------------------|-------|--------------|--------|-----------------|
| DATE:   | 7/28/22                        | NAME: | KEVIN WAGNER | TITLE: | PROJECT MANAGER |
| AGENCY: | LUMEN (PREVIOUSLY CENTURYLINK) |       |              | PHONE  | 815-245-9640    |

**Inventory of Lumen Facilities**  
Lumen has facilities within the project limits. Terra Technologies anticipates that due to the site improvements that the Lumen facilities (buried cable & aerial cable) should not be impacted. Plan markups have been attached showing approximate locations of Lumen facilities.

**Project Overview**  
The design intent of this project appears to be developing a vacant parcel of land for a residential subdivision.

**Facility Locations and Impacts**  
Plans have been reviewed for conflicts with Lumen facilities based on NDS mapping which show a general location of utility locations. Neither Terra Technologies LLC nor Lumen makes any representation regarding the completeness or accuracy of vertical and horizontal utility information used to determine conflicts or no conflicts. Based on Lumen mapping and the construction drawings provided there appear to be no conflicts. Lumen will require engineering plans to determine if conflicts exist.

**ATTACHMENT C**  
**NEIGHBORHOOD MEETING COMMENTS**

**DATE MEETING HELD:** JULY 29<sup>TH</sup>, 2022

**LOCATION:** ON SITE

**ATTENDEES:**

AGENT/DEVELOPER: JON ROCHA

TOWN STAFF: WILL DINGEE, SENIOR PLANNER

NEIGHBORS IN ATTENDANCE (4 IN ATTENDANCE)

**SUMMARY OF ATTENDEE(S') COMMENTS RELATED TO THE PROJECT:**

- WATER & SEWER CONCERNS
- CONCERNS ON POTENTIAL INCREASE IN TRAFFIC.
- IMPACT ON SAFETY OF THE SURROUNDING NEIGHBORHOOD.
- ALL 4 NEIGHBORS EITHER SUPPORTED THE PROJECT OR HAD NO ISSUES WITH IT.

ATTACHMENT D  
SITE PLAN AND EXHIBITS

APN# 306-18-017C & 306-18-017D

ADDRESS: E ROAD 2 NORTH (BETWEEN PEPPERTREE PLACE AND JAMES DRIVE – NO ADDRESS ASSIGNED).



ATTACHMENT E  
STAFF RESEARCH

PLEASE SEE FOLLOWING PAGES.



## STAFF RESEARCH – REZONE

CASE #: ZC-2022-05

CASE PLANNER: BETHAN HENG

## I. PROJECT DATA

|                             |                                                           |
|-----------------------------|-----------------------------------------------------------|
| Project Location:           | E Road 2 North – Between Peppertree Place and James Drive |
| Parcel Number(s):           | 306-18-017C & 306-18-017D                                 |
| Parcel Size(s):             | 306-18-017C (5 Acres) & 306-18-017D (5 Acres)             |
| Total Acreage:              | 10 Acres                                                  |
| Proposed Dwelling Units:    | N/A                                                       |
| Address:                    | E Road 2 North                                            |
| Applicant:                  | Jon Rocha                                                 |
| Applicant's Agent:          | Jon Rocha – Lucense Development, LLC                      |
| Land Use Conformity Matrix: | Conforms: Yes X No                                        |

| Zoning Overlay |                                                          | PAD |                                               | N/A                                             |
|----------------|----------------------------------------------------------|-----|-----------------------------------------------|-------------------------------------------------|
|                | Existing Zoning                                          |     | Use(s) on-site                                | General Plan Designation                        |
| Site           | Agricultural Residential<br>5-Acre Minimum (AR-5)        |     | Vacant                                        | Medium Density Residential<br>(2 Acres or less) |
| North          | Single Family Residential<br>0.16-Acre Minimum (SR-0.16) |     | Single Family Homes<br>(Chino Meadows)        | Medium Density Residential<br>(2 Acres or less) |
| South          | Single Family Residential<br>0.16-Acre Minimum (SR-0.16) |     | Single Family Homes<br>(Chino Meadows Unit 2) | Medium Density Residential<br>(2 Acres or less) |
| East           | Agricultural Residential<br>5-Acre Minimum (AR-5)        |     | Single Family Home                            | Medium Density Residential<br>(2 Acres or less) |
| West           | Public Land (PL)                                         |     | City of Prescott Well Facility                | Medium Density Residential<br>(2 Acres or less) |

## Prior Cases or Related Actions:

| Type                     | Conforms |   |    |   | Cases, Actions or Agreements                                                                                                                                                                                                                          |
|--------------------------|----------|---|----|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pre-Annexation Agreement | Yes      |   | No | X | N/A                                                                                                                                                                                                                                                   |
| Annexation               | Yes      | X | No |   | September 21, 1970 - Original Town                                                                                                                                                                                                                    |
| General Plan Amendment   | Yes      |   | No | X | N/A                                                                                                                                                                                                                                                   |
| Development Agreement    | Yes      |   | No | X | N/A                                                                                                                                                                                                                                                   |
| Rezone                   | Yes      | X | No |   | April 15, 1986 – Request to Rezone Parcel # 306-18-017 from AR to R-3 for a subdivision. (Denied)<br>June 17, 1986 – Request to Rezone Parcel # 306-18-017 from AR to R-2. (Approved by P&Z and Town Council)<br>December 26, 1987 - Reversion to AR. |
| Subdivision              | Yes      |   | No | X | N/A                                                                                                                                                                                                                                                   |
| Conditional Use Permit   | Yes      |   | No | X | N/A                                                                                                                                                                                                                                                   |
| Pre-Application Meeting  | Yes      | X | No |   | May 18, 2022 – (PA-2022-30)                                                                                                                                                                                                                           |
| Enforcement Actions      | Yes      | X | No |   | July 14, 1998 - Weeds<br>June 10, 2009 - Weeds                                                                                                                                                                                                        |

|                       |     |   |    |                                                                                                                                                                                                                                                |
|-----------------------|-----|---|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land Division Status: | Yes | X | No | March 2, 2002 - Land Split from Parcel # 306-18-017.<br>(Sibling Parcels # 306-18-017A & 306-18-017B)<br>July 14, 2005 - Land Split from Parcel # 306-18-017B.<br>(Sibling Parcels # 306-18-017C, 306-18-017D, 306-18-017E,<br>& 306-18-017F). |
| Irrigation District:  | N/A |   |    |                                                                                                                                                                                                                                                |

## II. TOWN OF CHINO VALLEY GENERAL PLAN

|                                     |            |                                                                                                                                                                                                  |  |
|-------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Land Use Element:</b>            |            |                                                                                                                                                                                                  |  |
| Land Use Designation:               |            | Medium Density Residential (2 Acres or less)                                                                                                                                                     |  |
| Issues:                             |            | N/A                                                                                                                                                                                              |  |
| <b>Public Services Element:</b>     |            |                                                                                                                                                                                                  |  |
| Water Facility Plan:                | Source:    | Town of Chino Valley Water available ¼ mi East from site on North Road 1 East. (12" Water Main)<br>City of Prescott Water available directly Northwest from Site on Merit Lane. (12" Water Main) |  |
| Sewer Facility Plan:                | Treatment: | Sewer available on East Road 2 North. (12" Existing gravity main)                                                                                                                                |  |
| Issues:                             |            | N/A                                                                                                                                                                                              |  |
| <b>Safety Element:</b>              |            |                                                                                                                                                                                                  |  |
| Flood Plain Designation:            |            | N/A                                                                                                                                                                                              |  |
| Issues:                             |            | N/A                                                                                                                                                                                              |  |
| <b>Transportation Element:</b>      |            |                                                                                                                                                                                                  |  |
| Road Classification                 |            | Urban Road with Multi-Use Path as Designated by the 2022 Town of Chino Valley Urban and Rural Road Ways Map.                                                                                     |  |
| Issues:                             |            | N/A                                                                                                                                                                                              |  |
| <b>Parks and Rec Element:</b>       |            |                                                                                                                                                                                                  |  |
| Closest Park:                       |            | Peavine Trail                                                                                                                                                                                    |  |
| Within 1 mile of the Peavine Trail? |            | Yes.                                                                                                                                                                                             |  |

### NOTIFICATION

- Legal Ad Published: The Daily Courier (08/09/22)
- 600' Vicinity Mailing: (07/18/22)
- 21 Commenting/Reviewing Agencies noticed: (07/14/22)
- Neighborhood Meeting: (07/28/22)
- Hearing Dates: (09/06/22)
- Comments Due: (08/01/22)

| External List (Comments)     | Response Received | Date Received | "No Comment" | Written Comments | Comments Attached |
|------------------------------|-------------------|---------------|--------------|------------------|-------------------|
| Chuck Dowdy – CAFMA          | N/A               |               |              |                  |                   |
| Matt Meierbachtol – APS      | N/A               |               |              |                  |                   |
| Richard Perez - A.D.O.T.     | N/A               |               |              |                  |                   |
| Ralph Baker – C.V.I.D.       | N/A               |               |              |                  |                   |
| Suzann E. – YC ENV           | N/A               |               |              |                  |                   |
| Jose Galvez – YC Health      | N/A               |               |              |                  |                   |
| SparkLite Cable              | N/A               |               |              |                  |                   |
| LUMEN                        | Y                 | 8/1/2022      |              | Y                | Y                 |
| Unisource Gas                | N/A               |               |              |                  |                   |
| CVUSD                        | N/A               |               |              |                  |                   |
| United States Postal Service | N/A               |               |              |                  |                   |

| <b><i>Town of Chino Valley Internal List<br/>(Conditions)</i></b> | <b>Response<br/>Received</b> | <b>Date<br/>Received</b> | <b>“No<br/>Conditions”</b> | <b>Written<br/>Conditions</b> | <b>Comments<br/>Attached</b> |
|-------------------------------------------------------------------|------------------------------|--------------------------|----------------------------|-------------------------------|------------------------------|
| Bethan Heng – Planner (DS)                                        | Y                            | 8/3/2022                 | Y                          |                               |                              |
| Will Dingee – Senior Planner (DS)                                 | N/A                          |                          |                            |                               |                              |
| Laurie Lineberry – DS Director                                    | N/A                          |                          |                            |                               |                              |
| Frank Marbury – PW Director                                       | N/A                          |                          |                            |                               |                              |
| Steve Sullivan – Assistant Engineer (PW)                          | Y                            | 7/28/2022                |                            | Y                             | Y                            |
| Dan Trout – CBO (DS)                                              | N/A                          |                          |                            |                               |                              |
| Damon Stanley – Code Enforcement                                  | N/A                          |                          |                            |                               |                              |
| Chuck Winn – Chief of Police (Police)                             | N/A                          |                          |                            |                               |                              |