



Town of Chino Valley

MEETING NOTICE TOWN COUNCIL

REGULAR MEETING
Tuesday, October 23, 2018
6:00 P.M.

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

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

AGENDA

ADDENDUM - 10/22/18

Item 6a ADDS attachment: Schedule and Report

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

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a.** Proclamation declaring November 2018 as "Charitable Tax Credit Giving Month," sponsored by Yavapai Big Brothers Big Sisters. (Mayor Croft)

3. CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

4. RESPONSE TO THE PUBLIC

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

- a.** Comments regarding the Town's code compliance processes and signage for small businesses.

5. CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

- a. Status reports by Mayor and Council regarding current events.
- b. Status report by Town Manager Cecilia Grittmann and/or Town staff members regarding Town accomplishments, and current or upcoming projects.
- c. Quarterly status report on residential and commercial building permits, code compliance matters, and UDO rewrite. (Jason Sanks, Development Services Director)

6. CONSENT AGENDA

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

- a. Consideration and possible action to approve the Notice of Intent to call an election for the purpose of requesting authorization to levy a primary property tax for the purpose of funding a Roads Maintenance Program. (Jami Lewis, Town Clerk)
- b. Consideration and possible action to adopt Ordinance 18-854, rezoning 5 acres of real property from AR-5 (Agricultural Residential-5 acre minimum) zoning district to SR-1 (Single Family Residential-1 acre minimum) zoning district. The property, Assessor's Parcel No. 306-29-111A, is located 625 feet south of the southeast corner of West Center Street and South Road 1 West. (Owner/Applicant: Jeff Lira)
(Alex Lerma, Planner)
- c. Consideration and possible action to accept the September 25, 2018 regular meeting minutes. (Jami Lewis, Town Clerk)
- d. Consideration and possible action to accept the October 9, 2018 regular meeting minutes. (Jami Lewis, Town Clerk)

7. ACTION ITEMS

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

- a. Presentation by Prescott Council Member Alexa Scholl, and consideration and possible action to appropriate funds for the Granite Mountain Hotshots Memorial Partnership for a memorial at the Courthouse Square in the City of Prescott, in an amount to be determined by the Council. (Cecilia Grittman, Town Manager)

Recommended Action: Authorize appropriation of \$ _____ toward the Granite Mountain Hotshots Memorial Partnership for a memorial honoring the Hotshots at the Courthouse Square in the City of Prescott.

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

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

- c. Presentation, discussion, and possible action regarding Yavapai County Ordinance 2018-2: Regulating Portable Communication Devices and Texting While Operating a Motor Vehicle. (Chuck Wynn, Police Chief)

Recommended Action: Discuss the ordinance and provide input to staff.

8. EXECUTIVE SESSION

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

9. ACTION ITEMS RESUMED

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

10. ADJOURNMENT

Dated this 18th day of October, 2018.

By: *Jami C. Lewis, Town Clerk*

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

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at <http://www.chinoaz.net/agendacenter> and in the Public Library and Town Clerk's Office.

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. 6.a.

Meeting Date: 10/23/2018
Contact Person: Jami Lewis, Town Clerk
 Phone: 928-636-2646 x-1208
Department: Town Clerk
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve the Notice of Intent to call an election for the purpose of requesting authorization to levy a primary property tax for the purpose of funding a Roads Maintenance Program.

RECOMMENDED ACTION:

Approve the Notice of Intent to call an election for the purpose of requesting authorization to levy a primary property tax to fund a Roads Maintenance Program.

SITUATION AND ANALYSIS:

The Roads and Streets Committee has recommended that the Town ask its voters to authorize the levy of a primary property tax for the purpose of implementing a roads maintenance program. On October 9, the Council directed staff to proceed with taking the steps toward this end. The first legal requirement in this process per A.R.S. § 9-499.15(B)(1) is to prepare a schedule and written report that supports the new tax. This report will be filed in the Town Clerk's Office and placed on the Town's website home page. Although the posting and notice requirements of A.R.S. § 9-499.15(B)(2) & (C) may not apply to the approval of an initial primary property tax levy apply, the advice of the Town Attorney is that it is best to follow those requirements to avoid a challenge based on that. Therefore, it is staff's recommendation to post a notice of intent to call for an election to submit to the voters the adoption of a real property tax pursuant to A.R.S. 42-17056, as well as to post such information on the Town's website at least 60 days prior to the scheduled call of election. As the call of election is scheduled for January 8, 2019, this information will be posted prior to November 9, 2018. Staff requests that Council approve the notice, schedule, and written report.

(The schedule and report for this item is still being finalized. It will be provided on Monday.)

Fiscal Impact

Attachments

Notice of Intent

Schedule & Report



Town of Chino Valley Roads Maintenance Program Property Tax Rate Study 2018

This report is prepared to meet the requirements of ARS 9-499.15

Table of Contents

Introduction.....	3
HURF Fund Cash Flow Projections.....	3
How Much Funding is needed for the Roads Maintenance Program	4
Proposed Property Tax	6
Property Tax Calculation	7
How The Funds Will Be Used.....	8
Establishing the New Property Tax Levy and Future Years	8

Introduction

The Town of Chino Valley has determined that the current funding available to maintain its existing road network is insufficient. The Town is proposing to establish a primary property tax to be used to provide additional funding for Road Maintenance Program.

Currently the main source of funding for road and street maintenance comes from Highway User Revenue Fund revenues, commonly referred to as HURF funding. These funds are maintained in a separate fund and are required to be used exclusively for road and street maintenance.

HURF Fund Cash Flow Projections

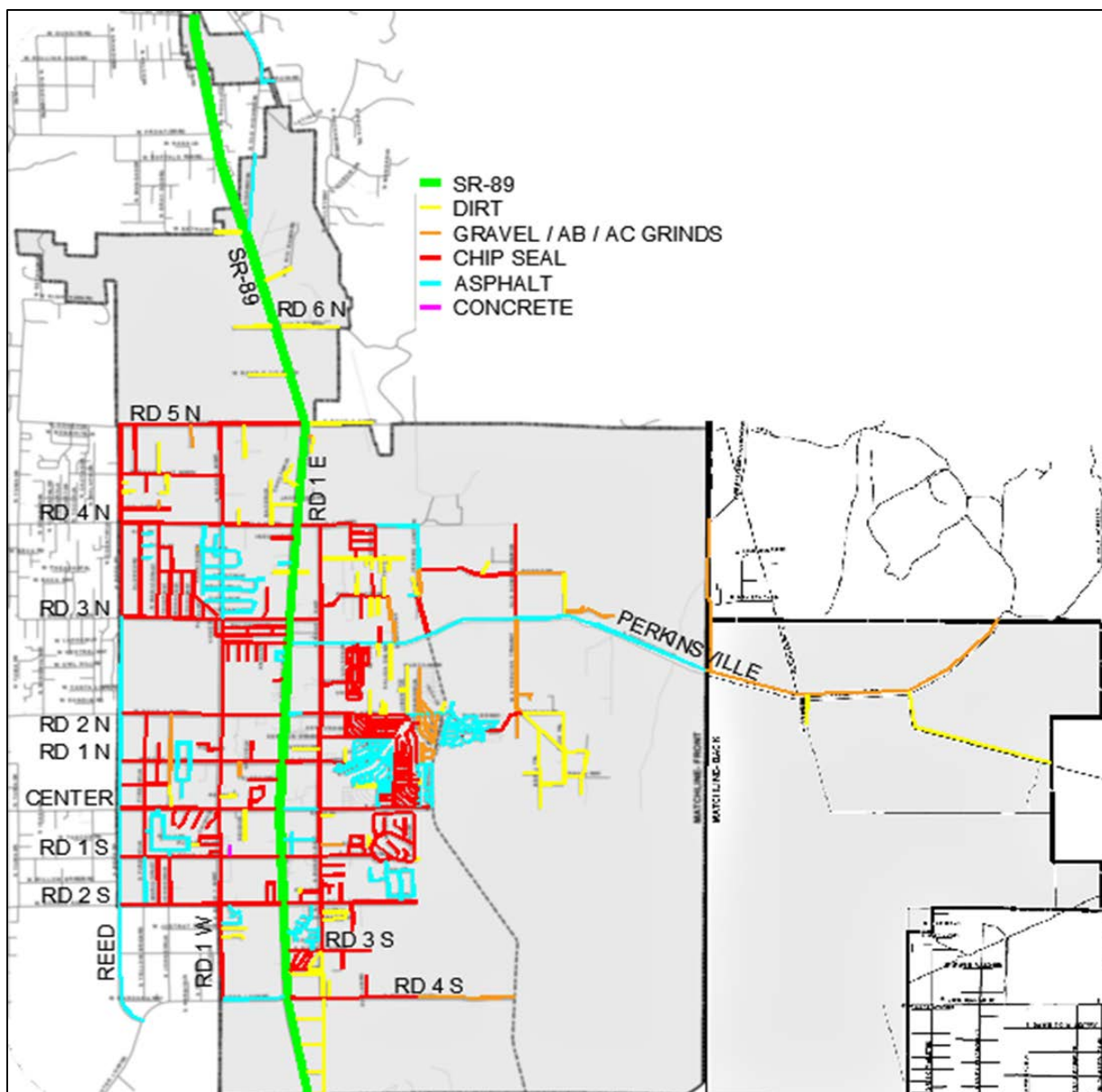
Highway User Revenue – The table below summarizes the projected HURF fund revenues and expenses for the next three fiscal years. The Road Materials line item summarizes the total amount of funds available each year for road and street maintenance. This table *excludes* any funding from the proposed property tax.

Town of Chino Valley			
Projected HURF Department Revenues and Expenses			
	Budget 6/30/19	Budget 6/30/20	Budget 6/30/21
Revenue			
HURF Revenue	\$ 899,000	\$ 926,000	\$ 954,000
Other Revenues	\$ 3,500	\$ 3,500	\$ 3,500
Transfers from General Fund	\$ 75,000	\$ 100,000	\$ 150,000
Total Revenues	\$ 977,500	\$ 1,029,500	\$ 1,107,500
Expenses			
Salaries and Wages	\$ 423,400	\$ 431,900	\$ 440,500
Maint Machinery and Equipment	\$ 30,000	\$ 30,000	\$ 30,000
Other Operating Costs	\$ 55,800	\$ 55,800	\$ 56,800
Gas/Oil	\$ 20,000	\$ 21,000	\$ 22,000
Lease Purchase Payments	\$ 132,500	\$ 70,300	\$ 49,500
Contingencies	\$ 56,000	\$ 47,000	\$ 60,000
Total Operating Expenses	\$ 717,700	\$ 656,000	\$ 658,800
Road Materials	\$ 450,000	\$ 330,000	\$ 410,000
Equipment	\$ 155,000		
Total Road Materials	\$ 605,000	\$ 330,000	\$ 410,000
Total Expenses	\$ 1,322,700	\$ 986,000	\$ 1,068,800
Net Revenues/Expenses	\$ (345,200)	\$ 43,500	\$ 38,700

How Much Funding is Needed for the Roads Maintenance Program

The Town Currently maintains 153 miles of roads consisting of asphalt, chip seal, gravel and dirt.

Town of Chino Valley		
Existing Road Surfacing		
	# of Miles	% of Total Miles
Asphalt	39	25%
Chip Seal	78	51%
Improved - Gravel	16	10%
Unimproved - Dirt	20	13%
Total	153	100%



The Town Engineer has estimated that the cost to maintain the Town's roads range from \$30,000 to \$250,000 per mile depending on the type of maintenance performed.

Town of Chino Valley	
Estimated Maintenance Costs Per Mile - Over 20 Years	
	Cost Per Mile
Arterial - overlay and sealcoats	\$250,000
Local Streets - mostly sealcoats	\$175,000
Dirt or Gravel - routine maintenance	\$30,000 - \$50,000

In order to maintain the Town's roads, the total amount of funding required each fiscal year is between \$1.6 to \$1.7 million.

Town of Chino Valley	
Total Estimate Maintenance Cost over 20 Years	
Arterial/Collector	\$16,000,000
Residential/Rural	\$16,500,000
Total	\$32,500,000
Average Annual	\$1,600,000 - \$1,700,000

Proposed Property Tax

The Town is proposing to ask the citizens of Chino Valley to approve a Primary Property Tax in order to fund the \$1,600,000 annual shortfall for road maintenance. The Town is considering a Primary Property Tax Rate between 1 and 2 percent. The Town Council will determine the exact proposed rate, not-to-exceed 2%, after receiving input from the public.

The table below summarizes the amount of funding available at a 1%, 1.5% and 2% tax rate.

Town of Chino Valley			
Projected HURF Department Revenues			
	1% Tax Rate	1.5% Tax Rate	2% Tax Rate
Road Materials HURF FUND	\$400,000	\$400,000	\$400,000
Property Tax Funding	\$762,000	\$1,143,000	\$1,524,000
Total Funds Available	\$1,162,000	\$1,543,000	\$1,924,000
Funds Needed for Maintenance	\$1,600,000	\$1,600,000	\$1,600,000
Additional Funds Available for Upgrades			\$324,000

Note that a 1% rate will not fully fund the required road maintenance, thus the Town's roads will continue to deteriorate. The 1.5% rate will fund the current anticipated needs. The 2.0% rate will provide the Town additional funds to upgrade and/or expand the existing road system.

Property Tax Calculation

The table below summarizes the impact on a \$100,000 assessed home for each proposed tax rate.

Town of Chino Valley				
Property Tax Calculation				
Net Primary Assessed Value 2018	\$76,176,661			
Property Tax Revenue by Tax Rate:	Tax Rate	Tax Levy*	Annual Cost on a \$100,000 Primary Assessed Home	Monthly Cost on a \$100,000 Primary Assessed Home
	1.0000	\$762,000	\$100.00	\$8.33
	1.5000	\$1,143,000	\$150.00	\$12.50
	2.0000	\$1,524,000	\$200.00	\$16.67
* Rounded				

The table below summarizes the average annual tax increase for each proposed rate.

Town of Chino Valley					
Average Annual Cost per Taxpayer					
Property Tax Calculation					
Net Primary Assessed Value 2018			\$76,176,661		
Property Tax Revenue by Tax Rate:		Average Assessed Value	1.00%	1.50%	2.00%
Commercial - 255	18.00%	\$267,000	\$804	\$1,207	\$1,609
Vacant Land - 2202	15.00%	\$38,000	\$30	\$45	\$60
Residential - 3535	10.00%	\$117,000	\$115	\$172	\$230
Non Primary Residential - 909	10.00%	\$93,000	\$93	\$139	\$186
Total - 6901		\$101,000	\$110	\$166	\$221

How The Funds Will Be Used

Summarized below is how the funds will be accounted for.

- **Funds will be used exclusively for Road Maintenance and Construction**
 - Funds will not be used for Employee Salaries and Wages
 - Funds will not be used for Services and Supplies
 - Funds will not be used for Overhead
- **Funds will be accounted for in a separate fund**
 - An annual report will be made to Council and published on the Town's website detailing how the funds were used
 - The Town's independent auditors will issue a report to verify the funds were used as intended
- **Tax will be assessed for 20 years**

Establishing the New Property Tax Levy and Future Years

To establish a new primary property tax, the Town must present the proposed levy to the voters at an election on the third Tuesday in May. The ballot must state that the amount on the ballot will be the base for determining levy limitations for the Town in subsequent years.

After selecting the rate, the Town will determine the levy amount to be put on the ballot not to exceed \$1,524,000. This will establish the Town's base amount. The primary tax levy is limited to an increase of two percent more than the previous year's maximum allowable primary levy, plus an increased dollar amount due to a net gain in property not taxed the previous year. The net new property factor is included to take into account all new construction and additional property added due to annexation.

Each year if the proposed primary tax levy, excluding amounts attributable to new construction, is greater than the amount levied by the Town in the previous year the council must go through the "Truth in Taxation" process that notifies the taxpayers of the proposed increase in primary tax levy.