

1. March 15, 2016 - Council - Agenda

Documents: [2016_03_15_CC_SS_AG.PDF](#)

2. March 15, 2016 - Council - Packet

Documents: [2016_03_15_CC_SS_PK.PDF](#)



Town of Chino Valley

MEETING NOTICE TOWN COUNCIL

**STUDY SESSION
TUESDAY, MARCH 15, 2016
6:00 P.M.**

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

AGENDA

- 1) CALL TO ORDER; ROLL CALL
- 2) Presentation and discussion regarding the Town's August 30, 2016 primary election and the Alternative Expenditure Limitation (Home Rule Option) ballot measure. (Joe Duffy, Finance Director; Jami Lewis, Town Clerk)
- 3) Presentation and discussion regarding potential savings by refunding the GADA 2007A and 2010 Excise Tax Bonds. (Joe Duffy, Finance Director)
- 4) Presentation and discussion regarding the Performance Management and Evaluation Process. (Laura Kyriakakis, Human Resources Director)
- 5) Discussion regarding a reorganization to separate the positions of Director of Public Works and Town Engineer by adopting Ordinance No. 16-810 amending Town Code Title V Public Works, Chapter 50 General Provisions, Subchapter Utility Department, Section 50.15 Public Works Director; and approving a revision to the Town of Chino Valley Organizational Chart. (Councilmember Lon Turner; Councilmember Corey Mendoza)
- 6) ADJOURNMENT

Dated this 10th day of March, 2016.

By: **Jami C. Lewis, Town Clerk**

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

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

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date: _____ Time: _____ By: _____
Jami C. Lewis, Town Clerk



Town of Chino Valley

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Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session

Item No. 2)

Meeting Date: 03/15/2016
Contact Person: Finance Director, financedirector
 Phone: 636-2646 x-1211
Department: Finance
Estimated length 30 minutes
of Staff Presentation:
Physical location of item: Town wide

Information

AGENDA ITEM TITLE:

Presentation and discussion regarding the Town's August 30, 2016 primary election and the Alternative Expenditure Limitation (Home Rule Option) ballot measure. (Joe Duffy, Finance Director; Jami Lewis, Town Clerk)

SITUATION & ANALYSIS:

The Town's current Home Rule Option will expire on June 30, 2017. Traditionally, Council places Home Rule on its primary election ballot, which in 2016 will be on August 30. Finance staff will present an overview of Alternative Expenditure Limitations and the Home Rule Option. Town Clerk staff will present the Home Rule election calendar and the Town's Home Rule Outreach Plan.

The Home Rule Option relates to the Town's budget process as prescribed by state law. All Arizona cities and towns are required to have a balanced budget wherein spending (expenditures) cannot exceed available income (revenues). State law also requires that the Town adopt a cap for its annual expenditures as part of the budget process ("expenditure limitation"). This expenditure limitation is based on a formula set by the state ("state-imposed limitation") in 1979-80. However, at any time, a municipality's voters may approve an alternative method for setting their municipality's expenditure limit ("alternative expenditure limitation").

There are 4 alternative expenditure limitation ("AEL") options, as well as an Emergency Override option, which allows a municipality to exceed its expenditure limitation in the event of a disaster in which either the governor or the Town Council declares an emergency. The 4 AELs and their applicability to the Town are:

- One-Time Override – Provides for a one time election for one year only to exceed the state-imposed limitation or to override an error in an approved AEL. This option does not apply to the Town at this time.
- Capital Projects Accumulation – This option is most appropriate for communities where the state-imposed limitation is sufficient except in the area of capital outlays. This option has become obsolete and is not being used by any Arizona municipalities. As the state-imposed

limitation is not sufficient for the Town, staff does not recommend this option.

- Permanent Base Adjustment – Allows a municipality to permanently adjust the state’s base expenditure amount used to formulate the municipality’s expenditure limitation until the voters approve another permanent base adjustment or another AEL option. This option had not been considered in the past, as it requires a longer term commitment, would bind future Town Councils, and was better during a stable economy. As this option does not require regular elections to extend it, and as the Town’s financial condition continues to improve, staff may be proposing this option for a 2018 special election.
- Home Rule – Allows a municipality to set a spending limit based upon current and projected revenues and local service demands and must be extended by the voters every 4 years. The Town currently operates under the Home Rule Option, which was originally approved in 1985, and has been extended every four years since. As this option appears to fit the community’s needs the best at the present time, staff recommends that Council ask the Town’s voters to extend this option.

The Town Council has three possible options to propose to the voters:

- Propose an extension of the Home Rule Option for another 4 years;
- Propose another AEL option;
- Propose nothing and revert to the default state-imposed expenditure limitation.

In order to extend Home Rule, Council must hold two public hearings to hear public comment. Those are scheduled for March 22 and April 12. After the second public hearing, Council must adopt, in a special meeting, a resolution proposing an extension of the Home Rule Option and placing it on a Town election ballot. Staff recommends that the proposal be placed on the August 30, 2016 primary election ballot. Alternately, it may be placed on the November General election ballot.

For more details on the Home Rule Option, see the Exhibit A – Frequently Asked Questions about Alternative Expenditure Limitation – Home Rule Option.

Finance staff has prepared the financial analysis required by law prior to placing the question before the voters. Those documents include a summary analysis (Exhibit 1), summary analysis worksheet (Exhibit 2), and a detailed analysis (Exhibit 3). These analyses contain the calculations for determining the state-imposed limitation and the projected AEL under the Home Rule option for the next four fiscal years.

The summary analysis delineates four things:

- The estimated expenditure limitation (or budget cap) that the Town will be allowed to expend for the next four fiscal years under the Home Rule Option (paragraph 2).
- The budgetary purposes (Town services and operations) for which the Town will use its expenditure authority (paragraph 3).
- The estimated expenditure limitation that the Town will be allowed to expend for the next four fiscal years under the state-imposed limitation (paragraph 4).
- The amount of revenues estimated to be available to fund the Town’s operations (paragraph 5).

The summary analysis worksheet is used to compute the total expenditures under the state imposed limitation, which includes as its base the Town’s revenues from 1979-80 and its 1978 population.

The detailed analysis includes:

- A synopsis of the summary analysis (paragraphs 2 & 3).

- The amounts estimated to be expended in specific areas for Town services and operations (1st table).
- Estimated revenues from federal, state, and local sources (2nd table).

All of this assumes that the revenues the Town receives will continue to be available as they have been for the past four years.

Should Council approve Resolution No. 16-1078 on April 12, 2016, staff will place the Home Rule extension proposal on the August 30, 2016 ballot. Should Council not approve the Resolution, the item will not be placed on the ballot and the Town's expenditure limitation will revert back to the state-imposed limitation.

The attached documents are those which have been developed over the last 8 years to educate the public on Home Rule, with the exception of Exhibit C: Voter Information Pamphlet, which has been developed and updated over the last 30 years per state law. Staff desires that Council look over these materials and be prepared to ask questions and provide input on their content, as we desire to present the most comprehensive, yet understandable materials.

Attachments

Exhibit 1-Summary Analysis
Exhibit 2-Summary Analysis Worksheet
Exhibit 3-Detailed Analysis
Home Rule Outreach presentation
Exhibit A-Home Rule FAQs
Exhibit B-Brochure
Exhibit C-Saturation Mailing
Exhibit D-Voter Information Pamphlet

**TOWN OF CHINO VALLEY, ARIZONA
ALTERNATIVE EXPENDITURE LIMITATION**

(Home Rule Option)

SUMMARY ANALYSIS

The voters of the Town of Chino Valley in 2005 adopted an alternative expenditure limitation (Home Rule Option). The purpose of this election is for the continued use of the Home Rule Option.

Pursuant to the Arizona State Constitution, the Town of Chino Valley seeks voter approval to adopt a Home Rule Option to apply to the town for the next four years beginning in 2017-2018. Under the Home Rule Option if approved by the voters, the town estimates it will be allowed to expend approximately \$19,688,500 in 2017-2018, \$21,149,050 in 2018-2019, \$20,588,250 in 2019-2020, and \$21,047,150 in 2020-2021.

With approval of the Home Rule Option, the town will utilize the expenditure authority for all local budgetary purposes including; General Government; Public Safety; Parks & Recreation; Aquatics; Library; Senior Center; Magistrate; Prosecutor; Planning & Building; Public Works & Engineering; Roads; Water & Sewer Utilities; Capital Improvements; and Debt Service.

Under the state-imposed limitation, after considering the constitutionally allowed exclusions, the town estimates it will be allowed to expend approximately \$8,564,329 in 2017-2018, \$9,172,407 in 2018-2019, \$9,100,545 in 2019-2020, and \$9,345,848 in 2020-2021 for the operation of your local government.

The amount of revenue estimated to be available to fund the operation of your town government is \$19,688,500 in 2017-2018, \$21,149,050 in 2018-2019, \$20,588,250 in 2019-2020, and \$21,047,150 in 2020-2021. These revenue estimates are the same under the Home Rule Option or the state-imposed expenditure limitation.

Any and all dollar figures presented in this summary are estimates only and are based upon information available at the time of preparation of this analysis. The budget and actual expenditures in any of the four years may be more or less than expenditures noted above depending on available revenue.

If no alternative expenditure limitation is approved, the state-imposed expenditure limitation will apply to the town.

**TOWN OF CHINO VALLEY, ARIZONA
ALTERNATIVE EXPENDITURE LIMITATION**

(Home Rule Option)

SUMMARY ANALYSIS WORKSHEET

POPULATION FACTOR COMPUTATION

Fiscal Year	Prior Fiscal Year Population	÷	1978 Population	=	Population Factor
2017-2018	11,440	÷	2,400	=	4.7667
2018-2019	11,650	÷	2,400	=	4.8542
2019-2020	11,870	÷	2,400	=	4.9458
2020-2021	12,100	÷	2,400	=	5.0417

STATE-IMPOSED EXPENDITURE LIMITATION

Fiscal Year	1979-80 Base	x	Population Factor	x	Inflation Factor	=	Projected State-Imposed Expenditure Limitation	+	Estimated Exclusions	=	Total Expenditures Under State-Imposed Limit
2017-2018	\$255,094	X	4.7667	X	2.9160	=	\$3,545,731	+	\$5,018,598	=	\$8,564,329
2018-2019	\$255,094	X	4.8542	X	2.9743	=	\$3,683,009	+	\$5,489,398	=	\$9,172,407
2019-2020	\$255,094	X	4.9458	X	3.0442	=	\$3,840,697	+	\$5,259,848	=	\$9,100,545
2020-2021	\$255,094	X	5.0417	X	3.1046	=	\$3,992,850	+	\$5,352,998	=	\$9,345,848

**TOWN OF CHINO VALLEY, ARIZONA
ALTERNATIVE EXPENDITURE LIMITATION
(Home Rule Option)
DETAILED ANALYSIS**

Pursuant to the Arizona State Constitution, the Town of Chino Valley as authorized by Resolution 16-1078 passed on April 12, 2016 will seek voter approval to adopt an alternative expenditure limitation (Home Rule Option) to apply to the Town for the next four years beginning in 2017-2018.

Under a Home Rule Option if approved by the voters, the Town estimates it will be allowed to expend approximately \$19,688,500 in 2017-2018, \$21,149,050 in 2018-2019, \$20,588,250 in 2019-2020, and \$21,047,150 in 2020-2021.

With approval of the Home Rule Option, the Town will utilize the expenditure authority for all local budgetary purposes including: General Government; Public Safety; Parks & Recreation; Aquatics; Library; Senior Center; Magistrate; Prosecutor; Planning & Building; Public Works & Engineering; Roads; Water & Sewer Utilities; Capital Improvements; and Debt Service. We estimate that the expenditures for the next four years under the Home Rule Option will be as follows:

ESTIMATED AMOUNTS TO BE EXPENDED IN SPECIFIC AREAS

Purpose	2017-2018	2018-2019	2019-2020	2020-2021
General Government	\$ 6,607,800	\$ 7,011,500	\$ 6,718,950	\$ 6,797,350
Public Safety	2,869,800	2,921,200	3,023,150	3,052,400
Parks & Recreation	418,100	427,650	437,300	437,600
Aquatics	248,700	252,000	255,350	258,750
Library	318,200	323,650	329,200	334,850
Senior Center	260,350	265,700	271,150	276,650
Magistrate	278,300	284,300	289,900	295,600
Prosecutor	134,200	136,700	139,200	141,600
Planning & Building	548,900	558,450	568,450	578,650
Public Works & Engineering	125,750	128,100	130,500	132,950
Roads	940,250	1,004,550	1,019,100	1,070,950
Water & Sewer Utilities	2,212,900	2,203,650	2,213,750	2,211,500
Capital Improvements	3,983,500	4,746,050	4,263,250	4,464,150
Debt Service	741,750	885,550	929,000	994,150
Total Expenditures	\$19,688,500	\$21,149,050	\$20,588,250	\$21,047,150

If approved, the expenditures authorized will be funded from revenues obtained from federal, state and local sources. It is estimated that the amount of revenue from each source for the next four years will be as follows:

ESTIMATED AMOUNTS OF REVENUE FROM EACH AND ANY SOURCE

Source	2017-2018	2018-2019	2019-2020	2020-2021
Federal	\$ 3,225,000	\$ 3,525,000	\$ 3,225,000	\$ 3,225,000
State	4,391,500	4,514,500	4,639,500	4,769,500
Local	12,072,000	13,109,550	12,723,750	13,052,650
Total Revenues	\$19,688,500	\$21,149,050	\$20,588,250	\$21,047,150

ALTERNATIVE EXPENDITURE LIMITATION DETAILED ANALYSIS

In determining the revenue sources to fund the authorized additional expenditures under the alternative expenditure limitation, it is assumed that the federal, state and local revenues received by the Town will continue to be available in 2017-2018 as they have for the past four (4) years. Their continued availability is also assumed for the next three (3) consecutive years following 2017-2018.

Any and all dollar figures shown in this analysis are estimated figures only and are based upon information available at the time of preparation of this report. The budgets and actual expenditures in any given year may be more or less than the figures noted above depending on available revenues. The actual expenditure limitation for each fiscal year shall be adopted as an integral part of the budget for that fiscal year.

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“HOME RULE”

ELECTION –

AUGUST 2016

March 15, 2016

Town Clerk's Office



TARGET DATE/ LEGAL DEADLINE	ACTION STEP
March 22	1 st Public Hearing
April 1	Town receives est. State limit for coming year
April 12	2 nd Public Hearing; Council votes on proposal (resolution) in Special Meeting
May 10	Call of Election (resolution); Final pamphlet review
June 1	Pamphlet arguments due
August 30	PRIMARY ELECTION DAY

Home Rule Calendar



TARGET DATES	ACTION STEP
Mar.-May	Council education
April-July	Town staff and public education
Mar.-Aug.	News Releases; Website; Channel 57; FaceBook; Twitter
July-Aug.	Candidate's Forum (Joe Duffy)

OUTREACH ACTIONS-Staff



TARGET DATES	ACTION STEP
May-July	Presentations to service clubs, HOAs, other local organizations
July-Aug.	Talk of the Town (Vice-Mayor Croft)
TBD	Mayor's Report(s); video spots?

OUTREACH ACTIONS-Council



Outreach Materials:

- April-August – Home Rule FAQ sheet (Exhibit A)
- April-August – Brochure (Exhibit B)
- Late July – Voter Information Pamphlet (Exhibit C)
- Early August – Saturation mailing to all residents (Exhibit D)
- May-August – Video spots (infomercial)

OUTREACH MATERIALS

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FREQUENTLY ASKED QUESTIONS

ALTERNATIVE EXPENDITURE LIMITATION – HOME RULE OPTION

What is the *Expenditure Limitation*?

- Chino Valley, like all cities and towns in Arizona, is required to have a balanced budget where spending (expenditures) cannot exceed available revenues.
- Additionally, in 1980, Arizona voters approved a constitutional amendment designed to limit the annual expenditures of all Arizona cities and towns. The law requires that each municipality cap its annual expenditures by adhering to a budgetary limit set by the state. This is known as the *state-imposed expenditure limitation*.
- As Arizona's municipalities began experiencing the growth that we still see today, with their revenues and budget demands growing, it became clear that the state formula, set according to the economic climate of the late seventies, no longer reflected the revenue and expenditure needs of a rapidly growing state.
- The Arizona Constitution was then amended to provide options to accommodate these growing financial needs and allow voters to authorize their Council to adopt an alternative method for setting their municipality's expenditure limit. This is known as the *Alternative Expenditure Limitation* (or AEL).
- Each fiscal year, the Council adopts an expenditure limitation (based upon either the state limitation or an alternative) in conjunction with adoption of the budget. Expenditures can not exceed that limitation, thereby creating the required balanced budget.

What are the 4 Alternative Expenditure Limitation Options?

- One-Time Override – Provides for a one time election for one year only to exceed the state-imposed limitation or to override an error in an approved AEL.
- Capital Projects Accumulation – This option is most appropriate for communities where the state-imposed limitation is sufficient except in the area of capital outlays. This option has become obsolete and is not currently being used by any Arizona municipalities.
- Permanent Base Adjustment – Allows a municipality to permanently adjust the state's base expenditure amount used to formulate the municipality's expenditure limitation. It requires a longer-term commitment and remains in effect until the voters approve another permanent base adjustment or another AEL option.
- Home Rule – Allows a municipality to set a spending limit based upon current and projected revenues and local service demands. It must be extended by the voters every 4 years.

MUNICIPALITIES & EXPENDITURE LIMITATIONS – 2016

STATE-IMPOSED	CAPITAL PROJECTS	PERMANENT BASE	HOME RULE
11	0	25	55

- Emergency Override – This is not an AEL, but it allows a municipality to exceed its expenditure limitation in the event of a disaster in which either the governor or the Town Council declares an emergency.

What is the Home Rule Option?

- The Home Rule Option permits the citizens of Chino Valley and their elected officials to set a spending limit based upon local priorities instead of making budget decisions based on a state-imposed formula. Hence, budget decisions are made at “home.”
- Home Rule does *not* enable the Town to spend more than the revenues it receives. Should the Town receive fewer revenues than budget projections, Town officials will cut expenditures to maintain a balanced budget.
- The Town was under the state limitation until 1985, when Chino Valley citizens voted to approve the Home Rule Option for the first time. Chino Valley voters have extended the Home Rule Option every four years since.
- The Town’s current option expires in June 2017 and the Town Council will be asking the voters to extend it another four years at the Town’s Primary Election on August 30, 2016.
- The Town is recommending the Home Rule Option over the other options, because it best fits the Town’s current circumstances. More specifically:
 - The One-Time Override does not apply to the Town at this time.
 - The state-imposed limitation under the Capital Projects Accumulation is not sufficient for the Town at this time.
 - The Permanent Base Adjustment requires a longer term commitment, would bind future Town Councils, and tends to be more favorable during a stable economy.

What effect does Home Rule have on revenues and taxes?

- Home Rule does not increase or decrease the revenues that the Town receives from sales taxes and state shared revenues.
- Home Rule has *no* impact on taxes or tax rates. It does not change the Town’s sales tax rate.

What is the difference between Home Rule and the state-imposed limitation?

- The expenditure limitation was originally adopted in 1980 and the formula for the state limitation is based on revenues and population from 1978-1980.
- While the state limitation for subsequent years permits increased spending limits using a population growth factor and an inflation factor, those factors are *not* calculated from *actual* revenues, population growth, or inflation.
- When the state limitation formula was originally developed in 1980, Chino Valley had a population of 2,400 and revenues of \$255,094.
- As the Town has grown, so have its revenues, operating costs, and demand for services. Today, the Town has a population of about 11,000 and it projects to receive approximately \$19,688,500 in revenues during fiscal year 2017-2018.

STATE LIMIT VS. HOME RULE – PROJECTIONS – 2017-2021

	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
State imposed expenditure limitation plus exclusions	\$8,564,329	\$9,172,407	\$9,100,545	\$9,345,848
Estimated revenues received from any source	\$19,688,500	\$21,149,050	\$20,588,250	\$21,047,150
Additional dollars available with Home Rule	\$11,124,171	\$11,976,643	\$11,487,705	\$11,701,302

What happens if the voters APPROVE the Home Rule Option?

- The Home Rule Option will remain in effect for the next four consecutive fiscal years.
- The voters will authorize the Council to set the Town's expenditure limitation based on current and projected revenues and needs while remaining within the broad budgetary limits prescribed by the state.
- The Town will adopt an expenditure limitation based on the Home Rule AEL each of the four next fiscal years during the budget process.
- After four years, the Mayor and Council may ask the voters to extend it again or propose another alternative.

What happens if the voters DO NOT APPROVE the Home Rule Option?

- The Town will lose the ability to set its budget based on current needs and revenues and will be required to limit Town expenditures to the state imposed formula for at least two consecutive fiscal years.

- Projections indicate that approximately 57% of the Town's overall budget for the next two years would have to be eliminated.
- Although the Town will still receive revenues approximating the estimates above, revenue amounts in excess of the state limitation will remain unavailable for two years, as state law will prevent the Town from expending those funds to provide general government services.

What do we need to know about voting on the proposal?

- The Town is proposing to place the proposal on the August 30, 2016 ballot.
- Registered voters will receive a voter information pamphlet with voting information, as well as much of the material presented here on Home Rule.
- Individuals or a group can file an argument for the voter pamphlet supporting or opposing Home Rule. Submit arguments to the Town Clerk's office by June 1, 2016, notarized, and accompanied by an \$80 submittal fee.

Town of Chino Valley

Proposition 436

Aug. 30, 2016 Ballot



Alternative Expenditure Limitation Home Rule Option

EXHIBIT B

Q: What is Proposition 436?

A: Proposition 436 will determine the amount of revenues the Town government will be able to spend to provide services to the community such as Public Safety, Library, Recreation, Senior Center, Parks, Roads, Water and Sewer.

Q: Why do Town residents have to vote on this?

A: State law requires that the Mayor and Council approve a spending cap for each year's budget. The voters decide the method for determining that spending cap. There are two methods to choose from in 2017: The State Imposed method, which is based on a formula set in 1980, or the "Home Rule Option," where your local elected officials determine how our local revenues should be spent.

Q: What method does the Town use now?

A: In 2013, Chino Valley voters approved the "Home Rule Option." This option allows the Mayor and Council to determine the Town's spending cap based on actual projected revenues and local service needs. Every four years, the citizens must evaluate whether or not to continue with the Home Rule option, adopt another alternative, or default back to the State limit.

Q: Why have Chino Valley voters chosen Home Rule over the State limit?

A: Under Home Rule, the Town sets its spending cap based on actual projected revenues each fiscal year. The State limit requires the Town to set its spending cap based on revenues received and services provided in 1980 when the Town's population was 2,400, its revenues were \$255,000, and it had 18 square miles, with no municipal water and sewer service, few paved roads, and only the most basic services.

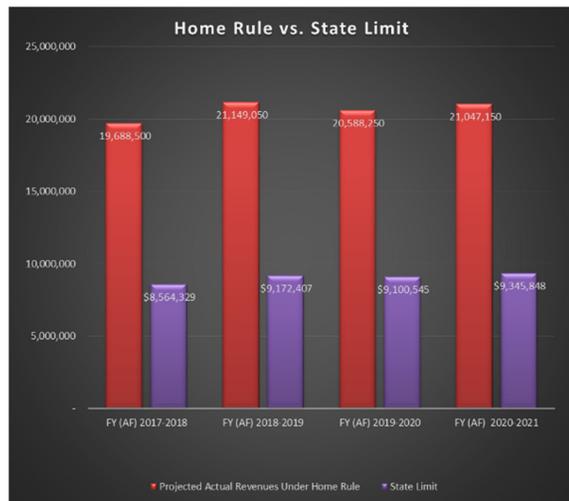
Under the State Imposed Limitation, the Town's revenues will still be received, but the Town will not be able to spend a large percentage of them to provide services to the community.

Q: What is the difference between a "YES" vote and a "NO" vote?

A: A "YES" vote will allow the Town to set its annual spending cap annually based on actual projected revenues and current needs for the next four years. A "NO" vote will require the Town to set its spending cap based on the State imposed limit for at least two years.

Q: How does Home Rule affect the Town's ability to continue providing services for its citizens?

A: Under Home Rule, the Town will continue to provide services based on the amount of revenues received each year. Under the State Imposed Limitation the Town would still receive the same amount of revenue, but would not be able to spend a large portion of it to provide services to the community.

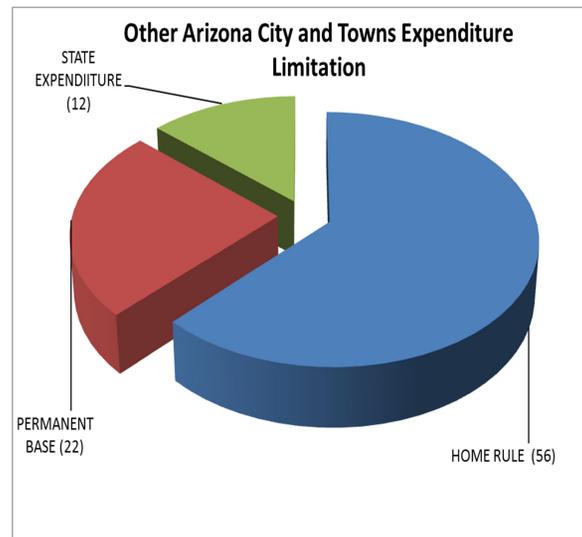


Q: What effect will this vote have on taxes or what I pay for services?

A: A vote for or against Home Rule will not impact any of your taxes or what you pay for local services. The Town's revenues will remain the same from all Federal, State, and local sources.

Q: What do other Cities and Towns do?

A: 55 of the 91 Cities and Towns in Arizona have elected to operate under the "Home Rule" Option. **[NEED TO AMEND PIE CHART: 11 state expend; 55 home rule; 25 perm base]**



Chino Valley Residents have approved the Home Rule Option since 1985.

The Town projects to receive \$19,688,500 in revenues next fiscal year; under the State Imposed Limitation, the Town can only spend \$8,564,329.

Q: How will the current economy affect Home Rule?

A: Economic conditions will affect the Town's budget in the same way under either formula, since the law requires the Town's budget to remain balanced.

Q: Where can I learn more?

A: Visit the Town website at www.chinoaz.net or contact the Town Clerk or Finance Director at (928) 636-2646.

Q: Where can I get voter information?

A: In addition to what's available on www.chinoaz.net, registered voters will receive a voter information pamphlet. You can also obtain voter information from Yavapai County Elections & Voter Registration at www.yavapai.us/electionsvr or (928) 771-3248.

Exhibit C
Saturation Mailing

Front page is the 2016 DRAFT
Back page is the 2013 design

**FOR RESIDENTS IN THE CHINO VALLEY
TOWN LIMITS***

*Alternative Expenditure Limitation
Home Rule Option*

Proposition No. 436
Primary Election
August 30, 2016

**PARA LOS RESIDENTES DENTRO DE LOS
LÍMITES DEL PUEBLO DE CHINO VALLEY***

*Limitación de Gastos Alternativa
Opción de Autonomía*

Proposición No. 436
Elección Primaria
30 de agosto de 2016

Proposition No. 436 will determine the amount of revenues your Town government will be able to spend to provide services to the community.

La Proposición No. 436 determinará la cantidad de ingresos que el gobierno de su Pueblo podrá gastar en proveer servicios a la comunidad.

State law requires that the Mayor and Council approve a spending cap for each year's budget and the voters decide the method for determining that spending cap. There are two methods to choose from on the August 30, 2016 ballot: The State-imposed method, which is based on a formula set in 1980, or the Home Rule Option, where your local elected officials determine how our local revenues should be spent.

La ley del Estado ordena que el Alcalde y el Concejo aprueben un límite de gastos para cada presupuesto de cada año y los votantes deciden el método para determinar esos límites de gastos. En la balota del 30 de agosto de 2016 se presentarán dos métodos para seleccionar. El método ordenado por el Estado, que se basa en una fórmula que se fijó en 1980, o la Opción de Autonomía, por la cual sus oficiales locales elegidos determinan como nuestros ingresos locales se deben de gastar.

*Under the **State-imposed limit**, the Town would receive its allotted revenues, but its spending allocations would be limited to 43% of those revenues for the next four years. The remaining revenues would be unavailable for local service needs such as public safety, water and sewer, roads, library, senior center, and parks.*

*Bajo el **límite ordenado por el Estado**, el Pueblo iba a recibir sus ingresos asignados, pero su asignación de gastos sería limitada al 43% de estos ingresos para los siguientes cuatro años. El resto de los ingresos no estarían disponibles para las necesidades locales de servicios tal como seguridad pública, agua y alcantarillado, caminos, la biblioteca, el centro de las personas de la tercera edad (senior center), y los parques.*

*Under **Home Rule**, the Town may budget 100% of its anticipated revenues and not be subjected to the State-imposed spending limits.*

*Bajo la **Opción de Autonomía**, el Pueblo puede presupuestar el 100% de sus ingresos anticipados y no estar sujeto a los límites de gastos ordenados por el Estado.*

A vote for or against Home Rule will NOT change any of your taxes. (Chino Valley does NOT impose a property tax.)

Un voto por o en contra de la Opción de Autonomía NO cambiará cualesquier de sus impuestos. (Chino Valley NO grava un impuesto sobre la propiedad.)

A "YES" vote on Proposition 436 will allow Chino Valley to set its own budget limit based on projected revenues and local service needs for the next four years.

A "NO" vote will require the Town to accept the State-imposed budget limit for at least the next two years, resulting in a severe reduction of 57% in Town services.

Un voto de "SÍ" por la Proposición 436 le permitirá a Chino Valley fijar su propio límite del presupuesto basado en ingresos proyectados y necesidad de servicios locales para los siguientes cuatro años.

Un voto de "NO" va a requerir que el Pueblo acepte el límite del presupuesto ordenado por el Estado por lo menos de los siguientes dos años, resultando en una grave reducción del 57% en los servicios del Pueblo.

Learn More:

- Visit <http://www.chinoaz.net/245/Elections>.
- Contact the Town at (928) 636-2646.
- Registered voters will receive a Voter Information Pamphlet in late July.

Infórmese Más:

- Visite <http://www.chinoaz.net/470/Elecciones>.
- Comuníquese con el Pueblo al (928) 636-2646.
- Votantes inscritos para votar recibirán un Folleto de Información para los Votantes a los fines de julio.



**To save taxpayer dollars, the Town elected to send this notice to all residents in the 86323 zip code. Those residing outside the Town limits may disregard this notice.*

**Para ahorrar dólares de los contribuyentes de impuestos, el Pueblo eligió enviar este aviso a todos los residentes en la zona postal 86323. Aquellos residiendo fuera de los límites del Pueblo pueden ignorar este aviso.*

IMPORTANT INFORMATION 424
 ELECTION INFORMATION 424
 PROPOSITION 424

CHINO VALLEY RESIDENT

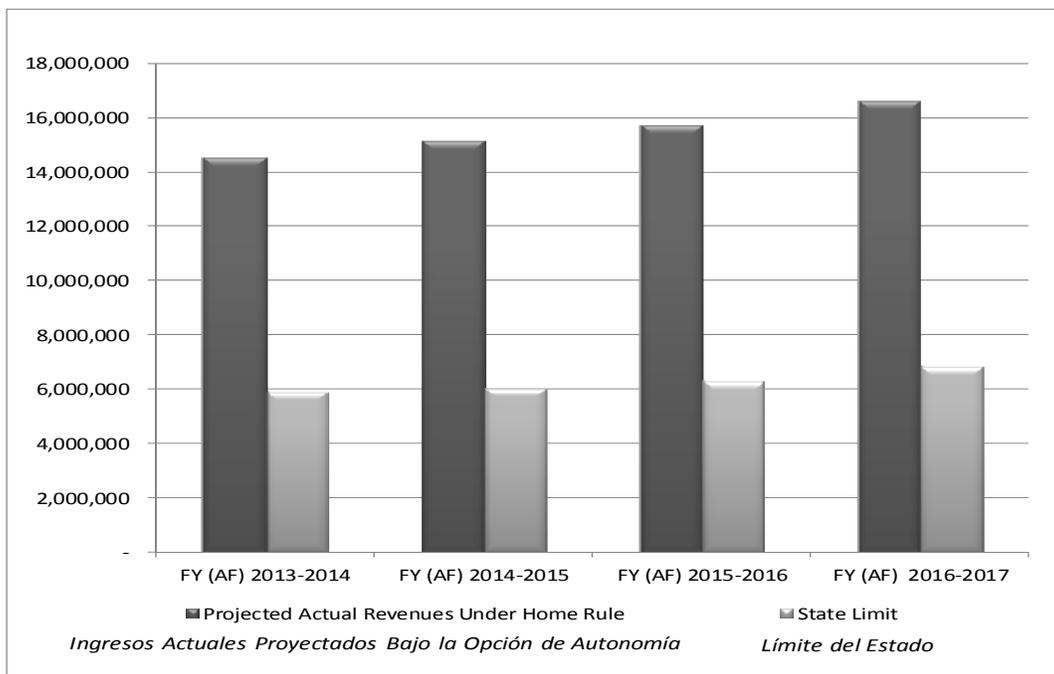
Town of Chino Valley
 202 N. State Route 89
 Chino Valley, AZ 86323



ECRWSS



Fiscal Year (FY) Funds Available: Home Rule vs. State Limit
Fondos Disponibles del Año Fiscal (AF):
Opción de Autonomía contra el Límite del Estado



This comparison is made using estimates based on projections of revenues from all sources (subject to change based on economic conditions).

Esta comparación se hace usando cálculos basados en proyecciones de ingresos de todas las Fuentes (sujeta a cambiar basada en condiciones económicas).

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EXHIBIT D

The attached text represents a ROUGH DRAFT of the English portion of the required Voter Information Pamphlet for Home Rule. The yellow highlighted portions are currently being updated.

Most of the content of this pamphlet is required by statute; however the voting information on pages 3-4 of the pamphlet and the questions and answers (Q&A) on page 6 are not statutory. The Q&A on page 6 are included to give the public a more user-friendly overview than the legally required language.

Town of Chino Valley

VOTER INFORMATION PAMPHLET and BALLOT FORMAT

PRIMARY ELECTION AUGUST 30, 2016

(Spanish version begins on page #)



Pueblo de Chino Valley

FOLLETO DE INFORMACIÓN PARA LOS VOTANTES y FORMATO DE LA BOLETA

ELECCIÓN PRIMARIA 30 DE AGOSTO DE 2016

(La versión en Español empieza en la página #)

To the Voters of the Town of Chino Valley:

The Town of Chino Valley will conduct a Primary Election to be held on August 30, 2016.

The purpose of this voter information pamphlet is to provide you with information which will appear on the August 30, 2016 Primary Election Ballot. Arizona law requires preparation of this Pamphlet and, in compliance with the Federal Voting Rights Act, it has been prepared in both English and Spanish. In order to be prepared to fully exercise your right to vote at the Election, you are urged to thoroughly read all the material. This Informational Pamphlet may be taken into the voting booth on Election Day.

A person is entitled to vote in the Election who has resided in a precinct in the boundaries of the Town for 29 days preceding the Election, who is qualified to register to vote as provided in Arizona Revised Statutes Section 16-101, and whose registration has been received by Yavapai County Voter Registration prior to midnight of the 29th day preceding Election Day.

Voters will be asked to elect:

- a mayor—2 year term;
- three (3) council members with 2 year terms; and
- three (3) council members with 4 year terms.

Voters will also be asked to vote on Proposition 436, proposing an extension of the alternative expenditure limitation (Home Rule Option), on the Primary Election Ballot. This voter information pamphlet contains the complete text of Proposition No. 436, an analysis and overview of the proposed alternative expenditure limitation (Home Rule Option), the ballot formats, official titles and descriptive titles, and arguments for and/or against **IF APPLICABLE** for the Proposition.

I urge you to carefully read the information contained in this pamphlet and to consider the effect that a "yes" or "no" vote will have, so that you will be prepared to fully exercise your right to vote on the August 30, 2016 ballot.

Sincerely,

/s/ Jami C. Lewis, CMC
Town Clerk

IMPORTANT VOTING INFORMATION

The August 30, 2016 Primary Election will not be run as a "Vote-by-Mail" election. In place of voters being limited to one designated "polling place" location, voters may vote at any "Vote Center" in Yavapai County or request to receive their ballots by mail.

Who May Vote in Chino Valley: A person is entitled to vote in the Election who has resided in a precinct in the boundaries of the Town for 29 days preceding the Election, who is qualified to register to vote as provided in Arizona Revised Statutes Section 16-101.

It is important for Yavapai County Elections/Voter Registration Department to have your CURRENT information on file. If you change your name or your residential address, you must re-register to vote at least 29 days prior to the Election. The last day to register for the Election is August 1, 2016.

If you do not know if you are qualified to vote, you should contact the Yavapai County Elections/Voter Registration Department at the telephone number shown below.

Three Ways to Cast Your Vote:

(1) Vote Centers

Registered voters will need to cast their vote at a Vote Center, unless they are registered on Yavapai County's Permanent Early Voting List or request an Early/Absentee Ballot by mail.

- Vote Centers will be open from 6:00 a.m. to 7:00 p.m. on Election Day.
- Any qualified elector who is either physically or visually impaired or who is unable to read or understand the contents of the ballot, may be accompanied into the voting booth by a person of such elector's choice for the purpose of assisting such elector in casting a ballot.
- Sample ballots may be brought to the voting place and may be taken into the voting booth on the day of the Election.
- Any qualified elector, who at 7:00 p.m., is in the line of waiting voters, will be allowed to prepare and cast a ballot.

Vote Center Locations in Chino Valley:

Chino Valley United Methodist Church
735 E. Road 1 South

First Southern Baptist Church
1524 N. Highway 89

For other Vote Center locations in Yavapai County, contact the Yavapai County Elections/Voter Registration Department, or visit their website at <http://www.yavapai.us> and click on 2016 Vote Centers.

(2) Request an Early/Absentee Ballot By Mail

Any registered voter may vote an early/absentee ballot for the Election. Absentee/early voting with respect to the Election shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes. Absentee/early voting information with respect to the Election may be obtained by submitting a written, signed request to Yavapai County Elections/Voter Registration Department, or email web.voter.registration@yavapai.us or request a ballot online at <http://www.yavapai.us/> and click on Request Early Ballot link.

- If confined because of physical disability or illness, indicate address of confinement and if assistance is needed.
- If you will be out of Town, indicate where to mail the early/absentee ballot.
- Written or verbal requests for an early/absentee ballot must be received by Yavapai County Elections/Voter Registration Department before 5:00 p.m. on **DATE**, 2016, in order for the ballot to be mailed.

(3) Permanent Early Voting List

Any registered voter may request to be included on the "Permanent Early Voting List" in order to automatically receive an early ballot by mail for all elections in which they are eligible to participate that are governed by state law. In order to be included on the "Permanent Early Voting List," voters must make a written request of the Yavapai County Elections/Voter Registration Department, specifically asking that their name be added to the permanent list. The request must include the voter's name, residence

address, mailing address within the State of Arizona, date of birth, and signature.

To Vote an Early/Absentee Ballot in Person: Appear in person at the Yavapai County Elections/Voter Registration Office, 1015 Fair Street, Prescott, or Yavapai County Recorder's Office, 10 S. 6th Street, Cottonwood, Arizona, no later than the close of business on **DATE**, 2016. Voting will be permitted Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m.

Three Ways to Return Your Early/Absentee Ballot: The returned early/absentee ballot must be received in the Yavapai County Elections/Voter Registration Department not later than 7:00 p.m. on Election Day, August 30, 2016, in order for the ballot to be counted. Voters that do not physically vote at a Vote Center may return ballots to Yavapai County Voter Registration no later than 7:00 p.m. on Election Day by:

- (1) Mailing them back in the postage prepaid envelope;
- (2) Dropping them off at any Yavapai County Vote Center or drop box; or
- (3) Dropping them off in the Voter Drop Box, located at the entrance to Chino Valley Town Hall, 202 N. State Route 89.

What to Do if You Misplace, Do Not Receive a Ballot, or Spoil Your Ballot: Voters may obtain a replacement ballot at the Town Clerk's Office or by contacting Yavapai County Voter Registration.

To Obtain Further Information, Contact:

For Election Process, Voting Information and Voter Registration:

Yavapai County Elections/Voter Registration Department
1015 Fair Street, Room 228
Prescott, Arizona 86305
Telephone: (928) 771-3250
www.yavapai.us/electionsvr

For Candidates and Proposition Questions:

Town of Chino Valley Town Clerk
202 North State Route 89
Chino Valley, Arizona 86323
Telephone: (928) 636-2646, ext. 1052
www.chinoaz.net/245/Elections

Contact Information:

Town Clerk
Town of Chino Valley (Town Hall)
202 N. State Route 89
Chino Valley, AZ 86323
(928) 636-2646
www.chinoaz.net

Yavapai County Voter Registration
1015 Fair Street
Prescott, AZ 86305
(928) 771-3248
www.yavapai.us

ALTERNATIVE EXPENDITURE LIMITATION
(HOME RULE OPTION)
PROPOSITION NO. 436

RESOLUTION NO. 16-10##

SUMMARY ANALYSIS

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, YAVAPAI COUNTY, ARIZONA, PROPOSING AN EXTENSION OF THE ALTERNATIVE EXPENDITURE LIMITATION.

WHEREAS, the Arizona State Constitution permits the submission to the voters of a City or Town of an Alternative Expenditure Limitation; and

WHEREAS, the voters of the Town of Chino Valley in 2013 adopted an Alternative Expenditure Limitation; and

WHEREAS, the Town Council of the Town of Chino Valley after two Public Hearings, has determined that an extension of the Alternative Expenditure Limitation is necessary for the Town of Chino Valley.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of Chino Valley, County of Yavapai, Arizona, that the following Alternative Expenditure Limitation be submitted to the Voters of the Town of Chino Valley.

Shall the following be adopted by the Town of Chino Valley as an Alternative Expenditure Limitation:

The Mayor and Common Council of the Town of Chino Valley shall annually, as part of the annual budget adoption process, adopt an Alternative Expenditure Limitation equal to the total amount of budgeted expenditures/expenses as it appears on the annual budget as adopted by the Council to apply to the Town of Chino Valley for each of the four fiscal years immediately following adoption of the Alternative Expenditure Limitation. The Alternative Expenditure Limitation shall be adopted each year after a public hearing at which the citizens of the Town of Chino Valley may comment on the proposed Alternative Expenditure Limitation. No expenditures may be made in violation of such Alternative Expenditure Limitation, nor may any proposed expenditures be in excess of estimated available revenues, except that the Mayor and the Common Council may, by three-fourths vote, declare an emergency and suspend the Alternative Expenditure Limitation. The suspension of the Alternative Expenditure Limitation shall be in effect for only one fiscal year at a time.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 12th day of April, 2016.

/s/ Chris Marley, Mayor

ATTEST:

/s/ Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

/s/ Phyllis L. N. Smiley, Town Attorney

The voters of the Town of Chino Valley in 2013 adopted an alternative expenditure limitation (Home Rule Option). The purpose of this election is for the continued use of the Home Rule Option.

Pursuant to the Arizona State Constitution, the Town of Chino Valley seeks voter approval to adopt a Home Rule Option to apply to the Town for the next four years beginning in 2017-2018. Under the Home Rule Option if approved by the voters, the Town estimates it will be allowed to expend approximately \$14,564,385 in 2017-2018, \$15,158,848 in 2018-2019, \$15,771,992 in 2019-2020, and \$16,629,000 in 2020-2021.

With approval of the Home Rule Option, the Town will utilize the expenditure authority for all local budgetary purposes including; General Government; Public Safety; Parks & Recreation; Aquatics; Library; Senior Center; Magistrate; Prosecutor; Planning & Building; Public Works & Engineering; Roads; Water & Sewer Utilities; Capital Improvements; Debt Service; and Impact Fee Projects.

Under the state-imposed limitation, after considering the constitutionally allowed exclusions, the Town estimates it will be allowed to expend approximately \$5,906,982 in 2017-2018, \$6,037,050 in 2018-2019, \$6,317,822 in 2019-2020, and \$6,841,751 in 2020-2021 for the operation of your local government.

The amount of revenue estimated to be available to fund the operation of your Town government is \$14,564,385 in 2017-2018, \$15,158,848 in 2018-2019, \$15,771,992 in 2019-2020, and \$16,629,000 in 2020-2021. These revenue estimates are the same under the Home Rule Option or the state-imposed expenditure limitation.

Any and all dollar figures presented in this summary are estimates only and are based upon information available at the time of preparation of this analysis. The budget and actual expenditures in any of the four years may be more or less than expenditures noted above depending on available revenue.

If no alternative expenditure limitation is approved, the state-imposed expenditure limitation will apply to the Town.

HOME RULE OPTION - OVERVIEW

On August 30, 2016, Chino Valley voters will be asked to vote on a resolution proposing an extension of the alternative expenditure limitation (Home Rule Option) for the Town of Chino Valley.

A "yes" vote will allow the Town to budget its revenues to provide basic government services for the next four years. A "no" vote will allow the Town to budget only a portion (approximately 43%) of its revenues to provide services for at least the next two years. This will require an approximate 57% reduction in basic government services.

How is the Town's spending limited?

In 1980, Arizona voters established a constitutional expenditure limitation for cities and towns, which is adjusted annually for inflation and population growth. Each year, when the Mayor and Council adopt the Town's annual budget, it also must approve an expenditure limitation which limits the Town from spending anything above that amount. The "default" limitation is calculated from a formula provided by the state and in the Town's case, it is substantially less than projected revenues. The state-imposed limitation uses expenditures of local revenues from Fiscal Year 1979-1980 as a baseline.

Why is the Town asking the voters to approve an alternative expenditure limitation?

Recognizing that the state expenditure limitation may not meet the needs of local governments, the Arizona State constitution was amended to allow the Town's voters to authorize the Mayor and Council to adopt an alternative method for calculating its expenditure limitation. There are four alternative expenditure limitations. The Town is currently operating under the Home Rule Option. The Home Rule Option allows the Town to adopt its own "alternative" expenditure limitation and sets the limit as its adopted budget. Stated another way, it allows the Town to establish its own expenditure limitation without being subject to the state-imposed limitation.

Under the Home Rule Option, how will the Town calculate its expenditure limitation?

As it has in the past, for each of the next four fiscal years, the Town's expenditure limitation will equal the total amount of budgeted expenditures in the annual Town budget, which is adopted by the Mayor and Council after input from citizens at a public hearing. Because the Town will still be required to have a balanced budget, the Town's expenditures will never exceed available revenues.

Why does the Town need an alternative expenditure limitation?

Since 1985, the Town's population growth and rising costs of municipal services, such as public safety, fuel, construction, water, and sewer have exceeded the growth factor used by the State's expenditure limitation formula. Town voters have approved the alternative expenditure limitation (Home Rule Option) every four years since 1985.

How does the alternative expenditure limitation (Home Rule Option) differ from the State limitation?

Projections indicate that, next fiscal year, the Town will have available \$8,657,403 more in revenues than the State's expenditure limitation would allow the Town to spend. In other words, the Town would not be able to spend its available revenue resources to provide services for its residents and approximately 57% of the Town's overall budget for the next two years would have to be eliminated.

CHINO VALLEY'S ESTIMATED REVENUES COMPARED TO THE STATE IMPOSED EXPENDITURE LIMITATION AND HOME RULE FOR THE NEXT FOUR YEARS

	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
Estimated revenues available from all sources	\$14,564,385	\$15,158,848	\$15,771,992	\$16,629,000
Expenditures allowed under the State imposed limitation plus exclusions*	\$5,906,982	\$6,037,050	\$6,317,822	\$6,841,751
Expenditures allowed under Home Rule	\$14,564,385	\$15,158,848	\$15,771,992	\$16,629,000

* Exclusions are certain expenditures not included in the calculation, such as revenues received from issuance of bonds, dividends or interest, certain grants and aid, and certain highway user (HURF) revenues.

Does the alternative expenditure limitation (Home Rule Option) authorize the Town to impose new taxes?

No. It only allows the Town to budget the revenues it collects. It does not change the sales tax rate or the property taxes imposed by Yavapai County, nor does it authorize the Town to impose a property tax. The Town does not currently levy a property tax.

What happens if the Town's voters do not approve this alternative expenditure limitation option?

The Mayor and Council will not be authorized to establish an alternative expenditure limitation and the Town's spending will be limited by the State's expenditure formula, thereby eliminating local control of the Town's spending by Chino Valley residents. This will also result in programs and services such as public safety, library, and Senior Center competing with needed capital projects such as street and other infrastructure improvements, with expenditures for some services needing to be reduced or eliminated. The Town will also be prohibited from submitting an alternative expenditure limitation to the voters again for at least two years.

DETAILED ANALYSIS

Pursuant to the Arizona State Constitution, the Town of Chino Valley as authorized by Resolution No. 16-10## passed on April 12, 2016 will seek voter approval to adopt an alternative expenditure limitation (Home Rule Option) to apply to the Town for the next four years beginning in 2017-2018.

Under a Home Rule Option if approved by the voters, the Town estimates it will be allowed to expend approximately \$14,564,385 in 2017-2018, \$15,158,848 in 2018-2019, \$15,771,992 in 2019-2020, and \$16,629,000 in 2020-2021.

With approval of the Home Rule Option, the Town will utilize the expenditure authority for all local budgetary purposes including: General Government; Public Safety; Parks & Recreation; Aquatics; Library; Senior Center; Magistrate; Prosecutor; Planning & Building; Public Works & Engineering; Roads; Water & Sewer Utilities; Capital Improvements; Debt Service; and Impact Fee Projects. We estimate that the expenditures for the next four years under the Home Rule Option will be as follows:

ESTIMATED AMOUNTS TO BE EXPENDED IN SPECIFIC AREAS

Purpose	2017-2018	2018-2019	2019-2020	2020-2021
General Government	\$ 3,450,806	\$ 3,892,928	\$ 4,207,715	\$ 4,918,805
Public Safety	2,496,276	2,546,202	2,597,126	2,649,068
Parks & Recreation	421,971	430,410	439,019	447,799
Aquatics	281,772	287,407	293,155	299,018
Library	266,507	271,837	277,273	282,819
Senior Center	199,489	203,478	207,548	211,699
Magistrate	273,925	279,403	284,991	290,691
Prosecutor	109,892	112,089	114,331	116,618
Planning & Building	285,081	290,783	296,598	302,530
Public Works & Engineering	63,859	65,136	66,439	67,768
Roads	820,418	836,826	853,563	870,634
Water & Sewer Utilities	2,943,827	2,984,864	3,026,626	3,069,068
Capital Improvements	2,000,000	2,000,000	2,000,000	2,000,000
Debt Service	576,643	583,527	733,610	728,445
Impact Fee Projects	373,919	373,958	373,998	374,038
Total Expenditures	\$14,564,385	\$15,158,848	\$15,771,992	\$16,629,000

If approved, the expenditures authorized will be funded from revenues obtained from federal, state and local sources. It is estimated that the amount of revenue from each source for the next four years will be as follows:

ESTIMATED AMOUNTS OF REVENUE FROM ALL SOURCES

Source	2017-2018	2018-2019	2019-2020	2020-2021
Federal	\$ 146,560	\$ 146,560	\$ 146,560	\$ 536,560
State	3,877,878	3,921,685	3,966,086	4,011,089
Local	10,539,947	11,090,603	11,659,346	12,081,351
Total Revenues	\$14,564,385	\$15,158,848	\$15,771,992	\$16,629,000

In determining the revenue sources to fund the authorized additional expenditures under the alternative expenditure limitation, it is assumed that the federal, state and local revenues received by the Town will continue to be available in 2017-2018 as they have for the past four (4) years. Their continued availability is also assumed for the next three (3) consecutive years following 2017-2018.

Any and all dollar figures shown in this analysis are estimated figures only and are based upon information available at the time of preparation of this report. The budgets and actual expenditures in any given year may be more or less than the figures noted above depending on available revenues. The actual expenditure limitation for each fiscal year shall be adopted as an integral part of the budget for that fiscal year.



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session

Item No. 3)

Meeting Date: 03/15/2016
Contact Person: Joe Duffy, Finance Director
 Phone: 928-636-2646 x-1211
Department: Finance
Estimated length 10 minutes
of Staff Presentation:
Physical location of item: N/A

Information

AGENDA ITEM TITLE:

Presentation and discussion regarding potential savings by refunding the GADA 2007A and 2010 Excise Tax Bonds. (Joe Duffy, Finance Director)

SITUATION & ANALYSIS:

The Town of Chino Valley has two outstanding debt obligations that can be refunded in the current interest rate environment that will generate substantial interest savings for the Town.

Stifel, Nicolaus and Co., Inc. has prepared a report detailing the proposed savings. Staff would like to present the information to Council and will ask Council for a decision on March 22, 2016.

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session

Item No. 4)

Meeting Date: 03/15/2016
Contact Person: Laura Kyriakakis, Human Resources Director
Phone: 928-636-2646 x-1204
Department: Human Resources
Estimated length 20 minutes
of Staff Presentation:
Physical location of item: N/A

Information

AGENDA ITEM TITLE:

Presentation and discussion regarding the Performance Management and Evaluation Process. (Laura Kyriakakis, Human Resources Director)

SITUATION & ANALYSIS:

See attached instructions, forms and overview.

Attachments

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session

Item No. 5)

Meeting Date: 03/15/2016
Contact Person: Phyllis Smiley, Town Attorney
Department: Town Attorney
Item Type: Action Item
Estimated length of staff presentation: 10 minutes
Physical location of item: n/a

Information

AGENDA ITEM TITLE:

Discussion regarding a reorganization to separate the positions of Director of Public Works and Town Engineer by adopting Ordinance No. 16-810 amending Town Code Title V Public Works, Chapter 50 General Provisions, Subchapter Utility Department, Section 50.15 Public Works Director; and approving a revision to the Town of Chino Valley Organizational Chart.

RECOMMENDED ACTION:

Discuss Ordinance No. 16-810 and the Organizational Chart as revised to separate the Director of Public Works and Town Engineer positions.

SITUATION AND ANALYSIS:

Issue Statement

The purpose of this item is to optimize Town staff resources and efficiency and ensure transparency and accountability in the Public Works Department.

Applicable “Policy”

Satisfaction of “Policy”

Summary of Issues and Staff Rationale

The Town Engineer and Public Works Director positions were merged during the recent recession, and additional duties were added to the Public Works Department during the Reduction in Force that generated the merged position.

Staff recommends the separation of the positions of the Public Works Director and Town Engineer, both of which are officers of the Town, as set forth in Sections 50.15 Public Works Director and Section 31.23 Town Engineer.

In order to effectuate the division of these two positions as proposed, it is necessary to amend Section

50.15 of the Town Code regarding the duties of the Public Works Director to include supervisory duties over public infrastructure, general maintenance and fleet maintenance. These revisions will give the Public Works Director the authority necessary to perform the anticipated duties related to supervising the Town Engineer for these matters.

The Organizational Chart is approved by Council as set forth in Section 31.27. The revision for approval by the Council is to separate the Public Works Director and Town Engineer. The revised chart is attached.

Findings of Fact

Fiscal Impact

Fiscal Impact?: None

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Memo from Town Manager

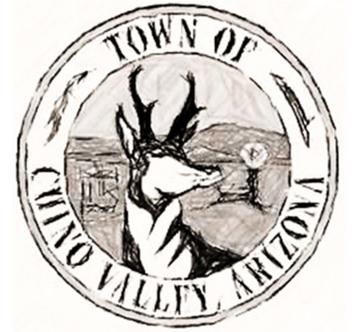
Ordinance 16-810

Town Manager's Office

202 N. Hwy. 89, Chino Valley, AZ 86323

928-636-2464 X 1201

rsmith@ChinoAZ.net



Date: 1/19/2016

To: Council

CC: Smiley, Kyriakakis

Re: Organizational changes

Council –

After four years of close work with our existing leadership I find that we need to make slight changes to the organizational structure of the Public Works department. Improvements have already been made within the Town Clerk's office, General Services, Public Works, Development Services, Code Enforcement and Customer Service. In order to maximize operational efficiency and provide appropriate oversight, collaboration, and transparency, this suggested revision to the organizational chart (to split the positions of Public Works Director and Town Engineer) is now proposed.

The Town's response to the recent recession included merging the Public Works Director and Town Engineer positions – and I'm finding this structure is not an effective approach. Experience across the last several years indicates that we need to decentralize some of the authority vested in the single merged role, and introduce additional management/review to ensure transparency and accountability.

During the last half of 2013 and most of 2014, projects were added to an already busy production schedule in Public Works. By 2014, we noticed problems with the current structure and began to consider succession planning and structural changes to address those problems. We advertised, interviewed and hired a replacement for Engineer Richard Straub, to fill the succession seat in early 2015 – that position will exit probationary status in March of 2016.

This amendment to the organizational chart will not result in the addition of headcount to the administration's personnel compliment.

I'd like to bring this to Council for consideration and possible action on 1/26/16 – it will involve two efforts:

1. Council's review and approval of an amendment to the organizational chart as required by Town Code Section 31.27, and
2. Council's review and approval of an amendment to the duties of the Public Works Director, by approving an amendment to Town Code Section 50.15.

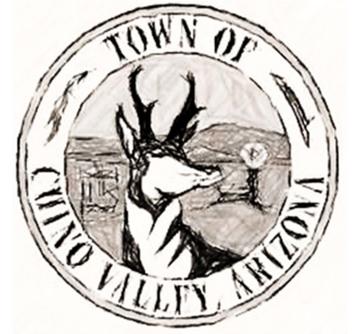
Both of these items are code related matters and need Council approval in order for me to move forward. The suggested organizational chart is below.

Town Manager's Office

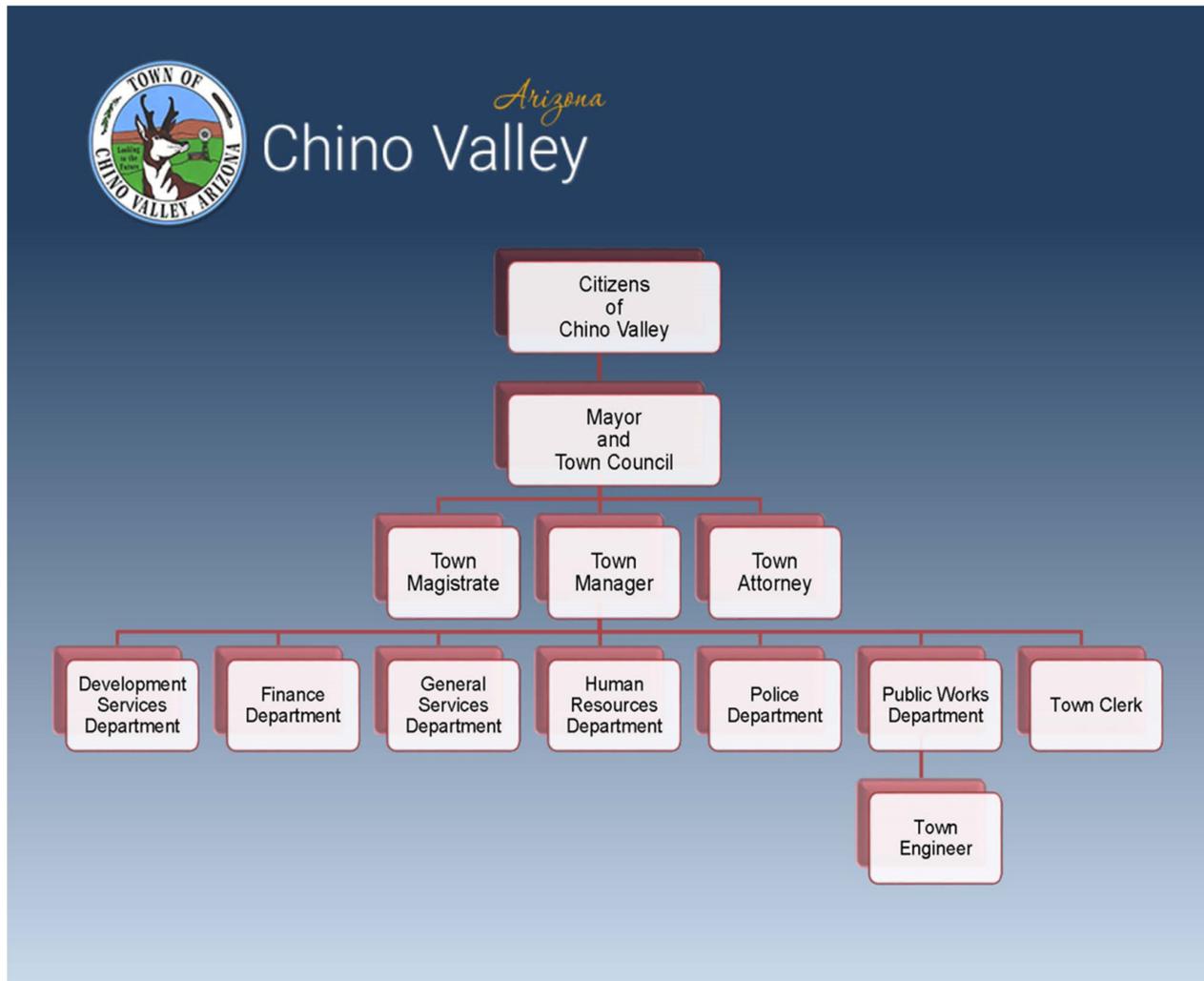
202 N. Hwy. 89, Chino Valley, AZ 86323

928-636-2464 X 1201

rsmith@ChinoAZ.net



Proposed Organizational Chart



Should Council have any concerns or questions about the above or the attached report, please contact me directly at your convenience.

ORDINANCE NO. 16-810

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, AMENDING THE TOWN CODE OF THE TOWN OF CHINO VALLEY, ARIZONA, TITLE V: PUBLIC WORKS, CHAPTER 50: GENERAL PROVISIONS; SUBCHAPTER: UTILITY DEPARTMENT, BY AMENDING SECTION 50.15: PUBLIC WORKS DIRECTOR, RELATED TO INCREASING THE RESPONSIBILITIES OF THE PUBLIC WORKS DIRECTOR; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR SEVERABILITY

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

Section 1. In General.

The Town Code of Chino Valley, Arizona, Title V Public Works, Chapter 50 General Provisions, Subchapter Utility Department, Section 50.51 Public Works Director is hereby amended to read as follows (additions shown in ALL CAPS; deletions shown in ~~strikeout~~):

§ 50.15 Public Works Director.

(A) (1) The Public Works Director, herein referred to as “the Director”, shall be the general executive officer in charge of all personnel, the entire operation, equipment and facilities of the Utility Department (water and wastewater), herein referred to as “the Department,” **PUBLIC INFRASTRUCTURE, GENERAL MAINTENANCE AND FLEET MAINTENANCE**

(2) ~~He or she~~**THE DIRECTOR** shall be responsible for ~~the~~ enforcement of the TOWN'S policies regarding water and wastewater contained in this ~~chapter~~**TITLE**. ~~He or she~~**THE DIRECTOR** shall ~~also~~ have general supervision over, subject to the approval of the Town Manager, all charges for water and sewer services, departmental policies, agreements, new connections, repairs and the like, and for all charges not expressly provided for in this chapter. ~~He or she~~**THE DIRECTOR** shall ~~also~~ control the water supply and at all times insure the sufficiency thereof and shall notify the public, unless an emergency requires otherwise, of the necessity of shutting off any pipeline for the purpose of making repairs, extensions or connections, should he have cause to expect to know beforehand of the necessity to so shut off water from any line.

(3) The Director shall have (AND MAY DELEGATE) the authority to waive the collection or imposition of risk deposits, delinquent MONTHLY fees, MISCELLANEOUS FEES or late charge fees imposed by the provisions of this chapter.

(B) The Director shall have the authority to decide any questions that may arise which ~~is~~**ARE** not fully covered by the provisions contained in this chapter

and ~~his or her~~ THE DIRECTOR'S decision in such cases shall be final subject only to the general direction of the Town Manager.

Section 2. Providing for Repeal of Conflicting Ordinances.

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

Section 3. Providing for Severability.

If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the Code 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.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 26th day of January, 2016 by the following vote:

AYES:	_____	ABSENT:	_____
NAYS:	_____	ABSTAINED:	_____

APPROVED this 26th day of January, 2016.

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

Phyllis L. N. Smiley, Town Attorney

I, JAMI LEWIS, TOWN CLERK, DO HEREBY CERTIFY THAT A TRUE AND CORRECT COPY OF THE ORDINANCE NO. 16-810 ADOPTED BY THE COMMON COUNCIL OF THE TOWN OF CHINO VALLEY ON THE 26TH DAY OF JANUARY, 2016, WAS POSTED IN THREE PLACES ON THE _____ DAY OF _____, 2016.

Jami C. Lewis, Town Clerk