



## Proposed Special Election

### Ballot Measures Overview

*Election Date: May 21, 2019*

#### **Question 1: Road Maintenance Program Funded by Property Tax**

Current funding available to maintain Chino Valley's existing road network is insufficient. During a series of meetings with various community members, Mayor Croft and Town Manager Grittmann heard consistent complaints about the condition of roads and streets within Town limits. After evaluating options to pay for road maintenance and repair, the Town Council is proposing to establish a primary property tax to be used to provide additional funding specifically for road maintenance.

##### **Q: How are roads maintained now?**

**A:** The main source of funding for road and street maintenance comes from Highway User Revenue Fund (HURF). HURF revenues are maintained in a separate fund and are required to be used exclusively for road and street maintenance, and associated costs. Out of these funds, approximately \$400,000 is available for road maintenance annually. The proposed Road Maintenance Program requires approximately \$1.625 million per year.

##### **Q: Why is a Property Tax being proposed?**

**A:** Over the past ten years, the State drastically reduced HURF funds distributed to cities and towns for roads maintenance. This decade-long deficit has resulted in the current deterioration of our roads. This property tax will provide the funding needed to keep the Town's roads maintained on a regular cycle to ensure they last longer and cost less to repair.

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

**A:** Per state law, voters must authorize any new property tax. The Town is asking residents to approve a primary property tax to pay for necessary road maintenance that current funding levels cannot cover.

##### **Q: If approved, how much will my property taxes increase?**

**A:** The Town is proposing a property tax not-to-exceed 2%. (The Town Council will determine the specific percentage after receiving feedback from the public.) The chart on page three shows the tax amount per \$100K of assessed value at 1%, 1.5%, and 2%.

##### **Q: What will a property tax be used for?**

**A:** If approved, these property tax funds can be used for road maintenance and construction services only. They cannot go toward employee pay, other services, supplies, and/or overhead costs.

##### **Q: What other funding was evaluated to pay for road maintenance?**

**A:** The Roads & Streets Committee also evaluated sales tax and bonding. Chino Valley's sales tax is already the highest in the area due to the fact that residents routinely shop outside the Town and there are not adequate retail stores within Town limits. There is not room for another increase.

Bonding also requires voter approval, and the Town Council believes it is more responsible to pay for repairs as we receive money, rather than borrowing and paying interest. It will save taxpayer money in the long run.

By limiting the tax to 20 years, voters can monitor progress and see that the money is invested as approved. If supplemental funding is needed later to maintain roads, another property tax can be presented to voters after 20 years.

**Q: How will residents be assured that these tax revenues will be used strictly as approved by the voters?**

**A:** Property tax funds will be accounted for in a separate fund and audited by independent auditors. Audit results are reported to the Town Council, and will be made available on the Town’s website detailing how the funds were used along with compliance with the ballot measure.

**Q: What will happen if the property tax is defeated by voters?**

**A:** The Town will continue to follow its current process of assessing the roads each year and performing maintenance based on available funding. The Town will continue to actively pursue other revenue streams, but unless new and/or increased adequate revenue is generated, many roads will continue to deteriorate.

Projected Total Road Maintenance Income & Expenses			
	1% Tax Rate	1.5% Tax Rate	2% Tax Rate
Road Materials HURF Funds	\$400,000	\$400,000	\$400,000
Property Tax Funds	\$762,000	\$1,143,000	\$1,524,000
<b>Total Funds Available</b>	\$1,162,000	\$1,543,000	\$1,924,000
<b>Funds Needed for Maintenance</b>	\$1,625,000	\$1,625,000	\$1,625,000
<b>Additional Funds Available for Improvements/New Roads</b>	<b>-\$463,000</b>	<b>-\$82,000</b>	<b>\$299,000</b>

Total Estimated Cost Over 20 Years To Properly Maintain Town Roads (No Improvements/New)	
Arterial/Collector	\$16,000,000
Residential/Rural	\$16,500,000
<b>Total</b>	<b>\$32,500,000</b>
<b>Average Annual</b>	<b>\$1,625,000</b>
<b>Current Annual Budget</b>	<b>+/- \$400,000</b>

Projected Tax Amount Based On \$100,000 Primary Assessed Valuation Of Home		
Tax Rate	Annual Property Tax	Monthly Property Tax
1%	\$100.00	\$8.33
1.5%	\$150.00	\$12.50
2%	\$200.00	\$16.67





## Question 2: Voter Permission to Purchase Water Utilities

### Q: What is this?

**A:** There is one public and several private water companies operating within or very close to the Town of Chino Valley in addition to Chino Valley Municipal Water. If the Town wants to acquire any of these in the future, State law requires voter approval.

### Q: Didn't the voters approve the Town establishing water and sewer services in 2000?

**A:** Yes. However subsequent to that approval, a legal ruling negated that approval and now requires very specific language to authorize the purchase of any water company. The language on this ballot will name the specific water companies that *could be* acquired.

### Q: How will the purchase of these water systems benefit the Town and its citizens?

**A:** Most municipalities own their water and sewer systems. One major challenge the Town faces is the fact that we cannot offer municipal water and sewer to many new homes and businesses because we do not own the system operating in that area. One system operating in Chino Valley is owned by the City of Prescott, which has fairly extensive infrastructure that could be extended; however, smaller private water companies serve specific neighborhoods and do not have the capital to improve and update infrastructure when needed.

A single Town-owned utility could save money for customers of smaller systems if the Town could purchase these systems and consolidate service.

New businesses and developments tying into a system is significantly less expensive than drilling and maintaining a well over time.

### Q: Where can I learn more about these two ballot measures?

**A:** As we develop more materials, we will place them on our website home page at [www.chinoaz.net](http://www.chinoaz.net) or elections page at [www.chinoaz.net/245/Elections](http://www.chinoaz.net/245/Elections).

### Q: Where can I get general voter information?

**A:** In addition to the above, registered voters will receive a voter information pamphlet about a month before the election. You can also obtain voter information from Yavapai County Elections & Voter Registration at (928) 771-3248 or [www.yavapai.us/electionsvr](http://www.yavapai.us/electionsvr).