



# AGENDA

# 6:00 PM

## SPECIAL CITY COUNCIL MEETING

MONDAY, June 2, 2014

MEETING LOCATION: SAFFORD LIBRARY PROGRAM ROOM ♦ 808 S 7<sup>TH</sup> AVENUE, SAFFORD, ARIZONA

**Special Meetings:** Pursuant to Section 2.04.100(B) of the Municipal Code, Special Meetings of the Council shall not provide for a call to the public except when authorized by the mayor and noted on the agenda.

**DECLARATION ON CONFLICT OF INTEREST:** Council members and staff have a right to declare a conflict of interest. The declaration of a conflict of interest must be made prior to discussion of any agenda item in which Council members or staff member determine they have a conflict of interest.

**NOTES:** Pursuant to Title II of the Americans with Disabilities Act (ADA), persons with a disability may request reasonable accommodations by contacting City Hall at (928)432-4000, forty-eight (48) hours prior to the meeting.

- A copy of agenda background material provided to Council members, with the exception of material relating to possible executive sessions, is available for public inspection at the City Clerk's Office, 717 Main Street; Monday – Thursday 7:00 a.m. – 6:00 p.m.
- The City Council reserves the right to take action upon any item on the agenda.
- City Council Meeting Agendas are available on the city's website at: [www.cityofsafford.us](http://www.cityofsafford.us)

- 1. WELCOME AND CALL TO ORDER:** (Reminder: Please turn off cell phones)
- 2. ROLL CALL:**
- 3. PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs will lead the Pledge of Allegiance to the Flag.
- 4. OPENING PRAYER:**
- Request for the Council to consider approving and adopting Resolution Number 14-024, a Resolution of the City of Safford, re-appointing Matt N. Clifford, P.C. as the City Prosecutor for the City of Safford for a two year term, effective July 1, 2014 through June 30, 2017, and authorizing the Mayor to execute contract.  
**DISCUSSION/ACTION**

### RESOLUTION NUMBER 14-024

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA RE-APPOINTING MATT M. CLIFFORD, P.C. AS PROSECUTOR FOR THE CITY OF SAFFORD AND AUTHORIZING THE MAYOR TO EXECUTE CONTRACT.**

- Request for the Council to consider approving and adopting Resolution Number 14-025, a Resolution of the City of Safford approving Intergovernmental Agreements with Graham County for Animal Shelter, Dispatching, and Information Technologies.  
**DISCUSSION/ACTION**

### RESOLUTION NUMBER 14-025

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA APPROVING INTERGOVERNMENTAL AGREEMENTS WITH GRAHAM COUNTY FOR ANIMAL SHELTER, DISPATCHING, AND INFORMATION TECHNOLOGIES SERVICES.**

- Request for the Council to consider approving Roadway Striping and Fogging Agreement between the Town of Thatcher and City of Safford.  
**DISCUSSION/ACTION**
- Request for the Council to review, approve and adopt the Tentative Budget for Fiscal Year (FY) 2014-2015.  
**DISCUSSION/ACTION**

**NOTICE TO PARENTS:** Notice is hereby given that pursuant to A.R.S. §1-602(A)(9), subject to certain specified statutory exceptions, parents have a right to consent before the City or any of its political subdivisions make a video or audio recording of their minor child or children. City Council Meetings, and various meetings of the City's boards, committees and commissions, are all audio and/or video recorded and, as a result, proceedings in which children are present may be subject to such recording. Parents may file a written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child or children are present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602 has been waived.

9. Provide an update to the City Council on the Smartworksplus contract and receive guidance regarding renewal of the contract and/or any modification the Council may desire. **DISCUSSION/ACTION**
10. MEETINGS/ACTIVITIES HELD OR TO BE HELD BY COUNCIL OR CITY STAFF:
11. COUNCIL OR STAFF REQUESTS FOR AGENDA ITEMS:
12. FUTURE MEETINGS:
  - Monday June 9, 2014 Regular Council Meeting
  - Monday, June 23, 2014 Special Council Meeting: Public Hearing, Adoption of Final Budget
  - Monday, July 14, 2014 Regular Council Meeting: Adopt Tax Levy
13. ADJOURN: In accordance with Section 2.04.100 of the City Code of the City of Safford, and Arizona Revised Statutes §§38-431.01 et seq., and 38-431.02 et seq., notice is hereby given to the members of the general public that the City of Safford will hold the above stated Special City Council Meeting open to the public on the date and time specified above at the Phelps Dodge Meeting Room, 808 South 7th Avenue, Safford, Arizona. Members of the City of Safford Council may attend either in person or by telephone conference call. If authorized by a majority vote of the Common Council of the City of Safford, and pursuant to Arizona Revised Statutes, §38-431.03 et seq., the Council may adjourn the meeting at any time and move into Executive Session for consultation with the attorneys of the public body. The Executive Session will not be open to the public.

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Georgia Luster, MMC  
City Clerk

Posted: \_\_\_\_\_



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**CITY COUNCIL COMMUNICATION**

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**TO:** Mayor and Council  
**FROM:** Horatio Skeete, City Manager  
**SUBJECT:** City Prosecutor  
**DATE:** Monday, June 2, 2014 at 6:00 p.m.

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**Purpose and Recommended Action:**

Request for the Council to consider approving and adopting Resolution Number 14-024, a Resolution of the City of Safford, re-appointing Matt N. Clifford, P.C. as the City Prosecutor for the City of Safford for a three year term, effective July 1, 2014 through June 30, 2017, and authorize the Mayor to execute the Contract.

**Background:**

Back on November 24, 2010, the City of Safford requested proposals for Prosecution Services for the City of Safford due to the Prosecutor at that time being elected Justice of the Peace for Precinct II in the November 2010 Election. The Law Office of Matt N. Clifford submitted a Proposal and on December 13, 2010, the City Council awarded Prosecution Services to Mr. Matt Clifford. Matt Clifford has been a licensed attorney in Arizona since 1995. He has been the Prosecutor for the City of Safford since December 13, 2010.

**Analysis:**

The general terms of the Contract are the same except the term of this Contract will be for a three (3) year term.

**RESOLUTION NUMBER 14-024**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA, RE-APPOINTING MATT M. CLIFFORD, P.C., AS CITY PROSECUTOR FOR THE CITY OF SAFFORD AND AUTHORIZING THE MAYOR TO EXECUTE CONTRACT.**

**WHEREAS**, Matt N. Clifford, P.C. has previously served in such capacity and desires to continue his service as City Prosecutor; and,

**WHEREAS**, it is the desire to extend the contract for three (3) years, July 1, 2014 through June 30, 2017 pursuant to Item 9, Contract Term of City Prosecution Contract; and,

**WHEREAS**, Matt N. Clifford was hereby appointed the Safford City Prosecutor on the 3<sup>rd</sup> day of January 2011 and a prosecution contract was made and entered into by and between the Law Office of Matt N. Clifford, P.D.

**NOW THEREFORE BE IT RESOLVED**, by the Mayor and City Council of the City of Safford, that effective July 1, 2014 Matt N. Clifford is hereby re-appointed City Prosecutor for the City of Safford.

**PASSED, ADOPTED, AND APPROVED** by the Mayor and City Council of the City of Safford this 2<sup>nd</sup> day of June, 2014.

\_\_\_\_\_  
Wyn "Chris" Gibbs, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Georgia Luster, City Clerk  
MMC

\_\_\_\_\_  
William J. Sims  
Interim City Attorney

CERTIFICATION

State of Arizona        )  
                                  )ss  
County of Graham        )

I HEREBY CERTIFY, that the foregoing Resolution Number 14-024 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a special council meeting held June 2, 2014, and that a quorum was present at the meeting.

\_\_\_\_\_  
Georgia Luster, MMC, City Clerk

\_\_\_\_\_  
Date: June 2, 2014

## CITY PROSECUTOR CONTRACT

This CITY PROSECUTOR CONTRACT, "Contract" made and entered into on the 3rd day of January 2011, and extended on the 1<sup>st</sup> day of July, 2014, by and between the Law Office of Matt N. Clifford, P.C., hereinafter designated as "Contractor," and the City of Safford, an Arizona municipal corporation, hereinafter designated as "City."

The Contractor and the City, for the mutual promises and consideration hereinafter set forth, agree as follows:

### 1. Scope of Work

- a. Contractor shall provide the services as described in Exhibit A (Work), all as attached and incorporated herein.
- b. Contractor shall work under the policies, practices and procedures as established for prosecution by the City Attorney. Contractor shall be solely responsible for all means, methods, techniques and sequences for coordinating all portions of the Work. Contractor shall be responsible to the City for the acts and omissions of its employees, subcontractors, agents and employees, and other persons performing any of the Work.
- c. Contractor is not entitled to worker's compensation benefits from City.
- d. Contractor is free to establish and control its times of performance of the Work and City shall not dictate times of performance except as stated required by hearings and trials set by the court.
- e. Contractor is not required to perform work exclusively for the City during the term of this Contract.
- f. City and Contractor will retain separate business operations.

### 2. Independent Contractor

a. This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that Contractor will be an independent contractor and not the City's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, Arizona revenue and taxation laws, Arizona workers' compensation law, and Arizona unemployment insurance law. Contractor will retain sole and absolute discretion and judgment in the manner and means of carrying out Contractor's activities and responsibilities hereunder. Contractor agrees that it is a separate and independent enterprise from City, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the Work. This Contract shall not be construed as creating any joint employment relationship between Contractor and City, and City will not be liable for any

obligation incurred by Contractor, including but not limited to unpaid minimum wages and/or overtime premiums.

b. If applicable, Contractor shall execute the Sole Proprietor's Waiver of Workers' Compensation Benefits attached as Exhibit B hereto and incorporated by reference.

3. Labor and Materials. Contractor shall provide and pay and shall provide under the requisite laws and regulations for all labor, materials, equipment, and transportation, and other facilities and services necessary for the proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

4. Permits and Fees and Taxes. Contractor shall secure and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Work. Contractor shall pay all applicable taxes. Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Work.

5. Indemnification. Contractor and its Surety, their successors and assigns, shall appear, defend, indemnify and hold harmless City, members of City's governing body, its officers, agents, representatives, successors and assigns from and against all claims of any character or nature, demands, suits, actions, costs, including, but not limited to, wages or overtime compensation due employees in rendering services under this Contract, costs of defense, attorneys' fees, witness fees of any type, losses, damages, expenses and liabilities, whether direct or indirect, and whether to any person or property, including natural resources and any claim made under the Fair Labor Standards Act or any other federal or state laws, arising out of the Work performed under the terms of this Contract, or on account of any act or omission by Contractor or its agents, employees or representatives, or from any claims or amounts arising or recovered under Workers' Compensation laws or any other law, bylaw, or ordinance, order or decree or any failure on the part of Contractor, its agents, employees or representatives to fulfill Contractor's obligations under this Contract. The provisions of this paragraph shall survive termination of this Contract. Whereas criminals and defendants sometimes bring suits against the state due to their being prosecuted, and whereas this type of action is often simply a ploy to get the State to drop their charges, the City acknowledges that Contractor's indemnity obligations under this Section 6 do not include the obligation to indemnify the City for claims brought by defendants against the City arising out of prosecution by the Contractor provided (i) the Contractor otherwise complies with the terms of this Contract and its exhibits and (ii) the Contractor exercises the degree of care a reasonably prudent prosecutor would exercise under the circumstances.

6. Governing Law. This Contract shall be governed by the laws of the State of Arizona.

7. Insurance. Contractor shall purchase and maintain professional liability insurance in minimum amounts of \$300,000.00 per specific claim and \$100,000.00 per aggregate claim per occurrence. If required by City, Certificates of Insurance acceptable to City and designating City as an additional insured shall be filed with City prior to

commencement of the Work. The Certificates shall contain a provision that coverage is supported and that the policies will not expire, be canceled or changed until all Work has been completed and accepted by the City.

8. Contract Fee. Contractor shall perform as set forth in Exhibit A. Contractor shall present a statement for services provided as set forth in Exhibit A, including reimbursable expenses. City shall promptly pay said amounts to Contractor. City's payment shall be made only in the name of Contractor appearing on this written Contract. Contractor will be paid the sum of \$84,000 per annum, \$7,000 per month, to be reevaluated the next year based on case load.

9. Contract Term. The term of this Contract is for three (3) years, commencing on July 1, 2014 through June 30, 2017, and supersedes any previous contract between the parties.

10. Termination. Either party may terminate this Contract by providing sixty (60) days' prior written notice.

11. Successors and Assigns. City and Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto and to the partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in this Contract. Neither party to the Contract shall assign the Contract or sublet it as a whole without the written consent of the other, nor shall Contractor assign any monies due or to become due to it hereunder without the previous written consent of the City.

12. Rights and Remedies. The duties and obligations imposed by this Contract and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by City or Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any action or failure to act constitute an approval of or acquiescence of any briefs thereunder, except as may be specifically agreed in writing.

13. Litigation. Should litigation be necessary to enforce any term or provision of this Contract, or to collect any damages claimed or portion of the amount payable under this Contract, then all litigation and collection expenses, witness fees, court costs and attorney's fees shall be paid to the prevailing party. Nothing herein shall preclude non-binding arbitration if they so elect in the event of a dispute hereunder.

14. Conflict of Interest. Pursuant to *Arizona Revised Statutes* Section 38-511, as amended, City may cancel any Contract it is a party to within three years after its execution and without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of City is, at any time while the Contract or any extension thereof is in effect, an employee or agent of any other party to the Contract in any capacity or a consultant to any other party to the Contract with respect to the subject matter of the Contract. In the event City elects to exercise its rights under Section 38-511, City agrees to immediately give notice thereof to Contractor.

IN WITNESS WHEREOF the parties hereto have caused this Contract to be executed, the day and year first herein written.

CITY OF SAFFORD

By: \_\_\_\_\_  
Wyn "Chris" Gibbs, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Georgia Luster, MMC  
City Clerk

\_\_\_\_\_  
William J. Sims  
Interim City Attorney

CONTRACTOR

By: \_\_\_\_\_  
(Prosecutor)

## EXHIBIT A

### SCOPE OF WORK & CONTRACT RATE

1. Contractor shall serve as City of Safford City Prosecutor. Contractor shall prosecute violations of City Codes and state law over which the Safford Magistrate Court has jurisdiction.
2. Contractor shall render to the best of its abilities, in accordance with applicable professional standards, the services and legal representation and advice described herein during the continuance of this Contract.
3. Contractor agrees to faithfully represent the interests of the City of Safford in carrying out its duties as City Prosecutor and in accordance with established City prosecution standards and policies.
4. Contractor shall prepare for, and appear at, all required court proceedings pertaining to cases in the Safford Magistrate Court, including, but not limited to, night sessions, pretrial conferences, motions, jury and non-jury trials, evidentiary hearings, sentence reviews, revocation of probation hearings, special hearings, oral arguments, sentencing's, appeal proceedings and special actions, as well as appeals to higher courts. Contractor is not required to appear and/or attend any hearings where his presence is not required, such as but not limited to, - arraignments, sentencing, etc.
5. Contractor shall receive and review reports from all law enforcement agencies under the jurisdiction of the Safford Magistrate Court for appropriate charges and actions. Contractor shall prepare and have filed long form complaints as required. Contractor shall prepare and appear in civil animal destruction matters and on other civil matters in which the defendant is represented by counsel or as justified by law enforcement request. Contractor shall be responsible for all constitutionally and statutorily required actions, communications, and notifications. Contractor shall cooperate in providing prosecution information as requested by the City Attorney for the maintenance of City prosecution data base.

(a) In general, substitute counsel shall be used only when Contractor cannot serve as City Prosecutor because of illness, vacation or prior legal commitment in another Court. Contractor shall provide the Safford City Clerk and the City Attorney with the name(s), address (es) and telephone number(s) and professional resumes of substitute counsel who will be responsible for providing City Prosecutor services.

b) Notwithstanding Section 6(a) above, all services performed by substitute counsel shall be the sole responsibility of the Contractor, including matters of compensation due and payable to substitute counsel for work performed. Contractor may move for continuances when there is a conflict with

scheduling, whether for illness, vacation, prior legal commitment in other Courts, or other normal conditions, as such scheduling and double booking are common in the legal system when dealing with multiple courts. Only in extraordinary circumstances will a substitute counsel ever be required.

7. At no time shall Contractor's private practice caseload reach such a level, during Contractor's service as City Prosecutor so as to jeopardize Contractor's ability to adequately review and complete cases in Safford Magistrate Court.
8. Contractor shall provide, furnish, and pay for all of Contractor's overhead expense, including, but not limited to, office space, telephones, transportation, photocopies, photographs, office supplies, reports, secretarial services, publication of briefs, and out of court interpreters, and to make available equipment necessary to perform the services required by this Contract. Contractor will not be charged for photocopies of discoverable materials obtained from the Safford City Attorney's office.

With the prior written approval of the City Manager, Contractor may submit for prior payment for reimbursement for extra-ordinary expenses, including (but not limited to): Interpreters, either in court or out of court; Expert witnesses if needed; Professionally prepared research if needed; expenses of Service of process if out of town; transportation for witnesses if required; depositions, outside laboratory involvement if needed. When directly attributed to a specific need not otherwise available and to a specific case being prosecuted. These expenses are on a case-by-case basis with prior approval from the City Manager or designee, which approval may be approved or denied in the sole discretion of the City Manager.

9. Contractor shall be paid at rate negotiated between Contractor and the City. Contractor shall provide the City monthly billing statements showing the cases processed, charged and closed and in accordance with data processing standards established by the City Attorney's office. City shall pay Contractor on a monthly basis.

EXHIBIT B

CONTRACT FOR PERSONAL SERVICES – ATTACHMENT:  
SOLE PROPRIETOR’S WAIVER OF WORKERS’ COMPENSATION BENEFITS  
(Pursuant to A.R.S. § 23-961 (L))

I am a sole proprietor and I am doing business as \_\_\_\_\_. I am performing work as an independent contractor for the City of Safford, an Arizona municipal corporation. I am not the employee of the City of Safford for Workers’ Compensation purposes, and, therefore, I am not entitled to Workers’ Compensation benefits from the City of Safford. I understand that if I have any employees working for me, I must maintain Workers’ Compensation insurance on them.

\_\_\_\_\_  
Sole Proprietor

\_\_\_\_\_  
Date

## **PROSECUTION GUIDELINES AND PROCEDURES**

(As of May 2007)

### General

In general, the City Attorney (or as applicable to City Prosecutor) will review facts and circumstances of criminal acts on the basis of provability, not just probable cause. If the facts and circumstances surrounding a particular incident demonstrate a substantial likelihood of conviction, the City Attorney will be inclined to go forward with prosecution. If the facts and circumstances present less of likelihood, question the presence of probable cause, or would present a difficult issue of law or precedent, the probability of prosecution will be diminished.

The City Attorney works under the concept of progressively increasing consequences. First offenders generally receive treatment which focuses on rehabilitation, restitution and protection of persons and property, insofar as possible in connection with any mandatory statutory requirements. And offender who commits a subsequent offense while on probation in the city court is subject to increased consequences, including a presumption of jail time. Any offender who commits subsequent events within five years of the first, regardless of whether probation is in place or not, is subject to increased penalties, including jail time.

### Cost of Prosecution Fee

The City Council has established a Cost of Prosecution Account. This account is collected by the City Attorney and is intended to be a contribution towards the costs incurred by the City Attorney and the Magistrate Court in processing certain criminal matters prior to finding of guilt. The account is considered a general revenue source for the city. Current areas of collection and amounts are listed below:

Bad Checks	\$25.00
Deferred Prosecutions	\$50.00

Other fines or costs of prosecution may also be assessed by and paid to the court after a finding of guilt.

### Court Inter-Action

The City Attorney and the Safford Magistrate Court have agreed upon certain procedures and policies in the processing of cases. See STANDARD OPERATING PROCEDURES AGREEMENT BETWEEN THE SAFFORD CITY ATTORNEY AND THE SAFFORD MAGISTRATE COURT.

### Bad Checks

The City Attorney's bad check policy is contained in the SAFFORD CITY ATTORNEY BAD CHECK POLICY AND PROCEDURES.

## Library Thefts

Theft or failure to return \$100 worth of library materials is considered for criminal prosecution by the City Attorney. A defendant is eligible for dismissal of a charge upon return and /or payment for the materials and, if a complaint has actually been filed, upon payment of at least a \$25 prosecution fee.

## City Code Violations

### *Buildings/Zoning*

The emphasis of code enforcement is compliance. A code violation referral to the City Attorney indicates that significant efforts have already been made by other city officials to resolve the matter. First time offenders may be offered a deferred prosecution pending full compliance with code requirements. Subsequent offenses within five years may subject a violator to fines and jail time.

### *Animals*

Citations for animal violations, particularly dog violations, will generally result in a guilty plea with a lenient fine of \$50.00 for each charge or violation. There may be multiple charges or violations per incident. Subsequent offenses within five years may subject a violator to increased fines or jail time.

## Civil Violations

The City Attorney will generally not appear on civil traffic violations of either state law or city code, with two exceptions: 1) If a violator obtains counsel on the matter; or 2) If a law enforcement officer specifically requests representation and would reasonably need assistance in prosecuting a civil matter.

## Contracting Without a License

The emphasis under this type of prosecution is to facilitate the proper licensing of offenders unless the circumstances warrant treatment otherwise. If the manner of and time elements involved with obtaining proper licensing are reasonable, the City Attorney may afford opportunities for dismissal, a deferred prosecution, or any other remedy which may facilitate rehabilitation. Disposition for repeat offenders within five years of the last related offense may include all remedies provided by law, including increased fines and jail time.

## Deferred Prosecutions

A deferred prosecution is managed by the City Attorney. Prior to the entry of a plea, but after charging, the City Attorney may enter agreements, upon the consent of the Court, with defendants for the performance of certain actions designed to resolve a problem presented, facilitate rehabilitation or to emphasize accountability. This option is generally only available when an incident involves little or no injury or damage, is a first offense, if the facts

and circumstances of the incident call for leniency, and if any designated victim voices no objection. If the actions are completed satisfactorily in the discretion of the City Attorney, The City Attorney will dismiss the criminal charge at the end of the stated period. If the actions are not satisfactorily completed then prosecution may resume at the discretion of the City Attorney. The City Attorney may assess a Cost of Prosecution Fee in connection with a deferred prosecution.

### Domestic Violence

The City Attorney will generally offer first offenders a plea to charge and delete the domestic violence designation or a deferred prosecution. These options allow first time offenders to work towards rehabilitation and restitution upon conditions imposed by the City Attorney and/or the Court. Standard conditions may include, but are not limited to: anger management or substance abuse counseling, community work service, a fine or cost of prosecution assessment, and no-contact provisions. Subsequent offenses within five years are subject to any increased penalty specifically provided by domestic violence statutes, as well as jail time and referral to the County Attorney for felony prosecution.

### Driving on Suspended License

The emphasis under this type of prosecution is to facilitate the proper licensing of offenders. If the manner of and time elements involved with obtaining or re-instating a driving privilege are reasonable, the City Attorney may afford opportunities for dismissal, a reduced fine, or any other remedy which may facilitate rehabilitation. Dismissal or reduced fines will generally not be available for offenders with revoked privileges, suspensions connected to a DUI or ignition interlock devices, or any repeat offenders within five years of the last related offense. Disposition for such offenders may include all remedies provided by law, including increased fines and jail time.

### DUI

All DUI crimes will be prosecuted in accordance with Title 28, *Arizona Revised Statutes*. The City Attorney will generally offer the minimum requirements of the law for resolution of any particular charge. Unless unique proof or evidentiary problems exist, standard DUI charges are generally not dropped to non-DUI offenses. So long as a strong factual and legal basis is present, offers to plead an Extreme DUI to a lesser DUI are generally not made. Subsequent offenses within seven years will be prosecuted as such unless there is a clear legal or factual basis to do otherwise. Agreement as to sua sponte actions authorized by the City Court concerning pleas and dismissals of charges when multiple DUI charges are present are addressed in the STANDARD OPERATING PROCEDURES AGREEMENT BETWEEN THE SAFFORD CITY ATTORNEY AND THE SAFFORD MAGISTRATE COURT.

### Probation Status

*Term of Probation*

All offenders convicted in the city court are presumptively placed on unsupervised probation. Offenders will generally receive one year of probation. However, based upon the nature of the offense and the frequency of the offender's charges within the city court, the City Attorney may require up to three years of unsupervised probation or request that the Court place an offender on supervised status with the Graham County Probation Department. Prior to requesting supervised status, the City Attorney coordinates the feasibility of supervision with the probation department. The increased length of probation terms available specifically for DUI offenses have not generally been invoked by the City Attorney.

### *Early Termination*

Applications by defendants for early termination of probation are evaluated by the City Attorney on an individual basis. In connection with a request for early termination the City Attorney may consider the following: the completion of the terms of probation, the original offense, the defendant's criminal history, and any input from the statutory victim.

### Probation Violations

The City Attorney may initiate probation violation proceedings upon notice of a violation of any term of probation by an offender under city court probation. The City Attorney may choose to defer action or increased penalties if the offender is already on supervised probation on separate county charges in the Superior Court.

### Underage Consumption of Alcohol

The City Attorney will generally dispose of a first offense with a fine. Subsequent offenses at any time before the offender turns 21 years of age may subject the offender to the full penalties available under the law, including increased fines and jail time.

### Violations of Court Orders

Violations of court orders are often connected with domestic matters and proceedings. If a complainant and offender have already initiated some type of proceeding concerning divorce, child custody, or a closely related matter in the Superior Court, and thereafter the offender is accused of violation a court order, the City Attorney may choose to defer to the jurisdiction of the Superior court to address such violations. If an order of protection is violated a police report should accompany a request by law enforcement to consider charges under *Arizona Revised Statutes* §13-2810. Law enforcement, pursuant to statute, are not authorized to cite 2810 offense under an order of protection but may do so in connection with injunctions against harassment. Subsequent offenses within five years are subject to any increased penalty specifically provided by domestic violence statutes, as well as fines, jail time and referral to the County Attorney for felony prosecution.

1. Before submission of a bad check(s) for misdemeanor prosecution the Complainant is required to follow the procedures for preparing a Notice of Dishonor as outlined in *Arizona Revised Statutes* §13-1808 subsections (D) and (E).
2. Only checks with a face amount of \$25.00 or more, or any collection of checks with total \$25.00 or more per Issuer, may be prosecuted. Checks submitted later than six months after the Notice of Dishonor is sent to the Issuer may be declined by the City Attorney. The City Attorney may decline prosecution on any submission.
3. All checks submitted for prosecution must have some form of identification of the Issuer written on the face of the check by the individual taking the check on behalf of the Complainant. This requirement could typically be fulfilled by writing the driver's license or motor vehicle identification card number on the face of the check.
4. In order to facilitate the payment of bad checks, a submitting Complainant's fees may not exceed \$25.00 per check plus any other actual fees/losses incurred (See *Arizona Revised Statutes* §44-6852). Assessment of total fees in excess of \$50.00 per check may be grounds for declination of future submissions.
5. The City Attorney may impose a cost of prosecution fee of \$25.00 per check on the Issuer. This fee may be increased or decreased for good cause. The City Attorney will collect the cost of prosecution fee. This fee is retained by the City of Safford.
6. Prior to a finding of guilt by the court, the Complainant is responsible for the collection and accounting of the face amount of the check and any fees imposed by the Complainant. Upon payment in full by the Issuer the Complainant shall provide a written statement to the City Attorney listing the checks paid and any fees assessed.
7. First time offenders will generally be granted a dismissal of the criminal complaint upon full and prompt payment to the Complainant of the face amount of the check and any fees assessed by the Complainant and the City Attorney
8. If the complaint results in trial, the Complainant will be expected to produce a witness who can testify as to check acceptance procedures, identification of the Issuer, and the implementation of the Notice of Dishonor. The Complainant will generally receive 10-30 days notice prior to trial.
9. Upon a finding of guilt the Court will assess amount owed to the Complainant and make collection from the Issuer on a monthly basis. The Court will then forward to the Complainant any payments made to the Court.

**STANDARD OPERATING PROCEDURES AGREEMENT BETWEEN THE  
SAFFORD CITY ATTORNEY AND THE SAFFORD MAGISTRATE COURT**

(Revised May 2007)

I. DUI

- a. The Court may dismiss DUI Charges sua sponte pursuant to a defendant's plea, and if the City Attorney has not yet appeared on the case, as follows:
  1. If the defendant is charged under A.R.S. 28-1381 (A) (1) or (2), the Court may dismiss either charge in return for a plea to the other.
  2. If the defendant is charged under 28-1381(A) (1) or (2) and 28-1382, the Court may dismiss the charges under 1381 in return for a plea under 1382.
  3. If the defendant is charged under 28-1381(A) (3) and/or any other DUI combination, then the defendant must plead to the (A) (3) charge and the Court may dismiss the remainder.
  4. If the defendant is charged with Driving While Alcohol in Body While less than 21 Years of Age under A.R.S. 4-244(33), and other DUI charges accompany this charge, the Court may then dismiss the Title 4 violation and proceed as outlined above.
- b. The authorization above does not apply to cases that do or may involve statutory second offenses.
- c. If the court takes a plea on a DUI in which the prosecutor has not appeared the court shall send a copy of the sentencing document to the prosecutor.
- d. If the defendant does not complete alcohol screening or any jail sentence imposed in connection with a DUI screening, the City Attorney may file a Petition to Revoke Probation with the Court and the Court may proceed as outlined for probation violations. This paragraph is not intended to limit the Court's use of an OSC.
- e. The court will monitor and enforce by OSC compliance with mandatory counseling requirements other than those for stated in paragraph (d) above.

## II. Bad Checks

- a. The Court may dismiss Bad Check charges under A.R.S. 13-1807 sua sponte upon payment in full to the payee as follows:
  1. The defendant shall be informed at the initial appearance that the Court may postpone the arraignment on the matter if the defendant will pay the check in full to the payee and provide proof of payment to the Court at or before the date and time set for arraignment.

2. If the defendant appears before or at the date and time set for arraignment with proof of payment in full to the payee then the Court may dismiss the charge with prejudice.
- b. This policy does not apply if the City Attorney has filed a notice of exception to the dismissal policy, the Court has any reason to believe that the defendant has previously benefited from a dismissal for payment, or if the defendant is currently on probation with the Court.
- c. Any dismissal above is conditioned upon the defendant also providing proof to the Court of payment of any cost of persecution fee required by the City Attorney.

### III. Library Thefts

- a. The Court may dismiss a complaint for theft of property of services of Safford City-Graham County Library sua sponte upon payment in full or return of the items to the library as follows:
  1. The defendant shall be informed at the initial appearance that the Court may postpone the arraignment on the matter if the defendant makes full payment or returns all items and provides proof of such by receipt to the Court at or before the date and time set for arraignment.
  2. If the defendant appears before or at the date and time set for arraignment with proof of return or payment to the library then the Court may dismiss the charge with prejudice.
- b. This policy does not apply if the City Attorney has filed a notice of exception to the dismissal policy, the Court has any reason to believe that the defendant has previously benefited from a dismissal for return or payment, or if the defendant is currently on probation with the Court.
- c. Any dismissal above is conditioned upon the defendant also providing proof to the Court of payment of any cost of prosecution fee required by the City Attorney.

### IV. Civil Insurance Violations

If a defendant is cited under A.R.S. 28-4139, and if the defendant meets the factual requirements of obtaining and providing proof of insurance under 28-4135 or 28-4137, the Court may sua sponte, dismiss the 28-4139 violation and impose an appropriate penalty under 28-4135. If the defendant is cited with both 28-4135 and 28-4139 the Court may dismiss 28-4139. If the defendant is cited only with 28-4139 the court may dismiss the 28-4139 violation and add the violation of 28-4135 to the current charging document.

## V. Bond Forfeitures

The Court will issue all process on bond violations by OSC pursuant to the criminal rules of procedure. Upon request of the Court the prosecutor may initiate bond forfeiture proceedings.

## VI. Probation Violations

### a. DUI

1. If the defendant admits DUI screening or failure to appear for jail violations, the Court may reinstate the defendant on probation with the addition of time tolled and impose the minimum statutory days of jail required for noncompliance.
2. This policy does not apply if the Court has any reason to believe that the defendant has previously admitted a probation violation on the same case, if the City Attorney has filed a request for jail, or if the defendant is currently on probation with the Court.

- b. The Court may issue an OSC at its discretion for any other violation of probation.

## VII. Plea Agreements

If the Court is presented with a written plea agreement that was filed with the Court and is signed by both the defendant and the prosecutor, the Court may waive the State's presence and proceed to sentencing based upon the terms of the written agreement.

## VIII. Prosecutions Deferred/Diverted by the City Attorney

The City Attorney will monitor compliance with all terms of any deferment or diversion granted to defendants under A.R.Crim.P. Rule 38 or A.R.S. 9-500.22.

## IX. Long Form Complaints

If an offense involves Victim's Rights under A.R.S. Title 13, Chapter 40, the City Attorney shall provide a copy of the victim's rights invocation form to the Court concurrently with the filing of the complaint.

## X. City Code Violations and Public Nuisances

Upon receipt of a long form complaint or citation charging violations of the *City of Safford Municipal Code* Titles 8, 9 or 17 or *Arizona Revised Statutes* §13-2917, except Noise under city code §9.04.060, the court shall enter a not guilty plea and set the matter for a pretrial conference with the State's prosecutor.

**The procedures set forth above do not change or relieve the parties of any other responsibilities as imposed by law. These procedures will remain in effect unless changed by agreement between the parties. All other memos or agreements relating to operations or responsibilities between the parties are superseded by this agreement.**

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**CITY COUNCIL REQUEST FOR ACTION**

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**TO: MAYOR AND COUNCIL**  
**FROM: HORATIO SKEETE CITY MANAGER**  
**SUBJECT: INTERGOVERNMENTAL AGREEMENT (IGA) BETWEEN THE CITY OF SAFFORD AND GRAHAM COUNTY**  
**DATE: JUNE 2, 2014**

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**Purpose and Recommended Action:**

This is a request for the City Council to authorize the Mayor to execute the following IGA's with Graham County:

1. Information Technologies a Wide Area Network (WAN) Communication and services to the City of Safford for a period of one year ending June 30, 2015 for an amount of \$35,724.00
2. Dispatching and Centralized radio communication services to the City of Safford police department for a period of one year ending June 30, 2015, for and amount of \$313,393.00
3. Animal Control Shelter to the City of Safford for a period of one year ending June 30, 2015, for and amount of \$63,101.00

**Background:**

The City and the County staff have over the years sought to find ways to cooperate and jointly share similar services in an effort to avoid duplication and unnecessary expenses. The three contract listed above are examples of such joint efforts that reduces the overall cost to the residents to the City and County. These ongoing services are reviewed annually by both staff and then recommended to the managers for review and approval to be broth forward for approval by the City Council and County Board.

**Analysis:**

Staff has reviewed these agreements and agrees that the extensions of these joint service agreements are in the best interest of the City. The alternative cost to provide these services independently is prohibitive. Funds to pay for these services are included in the ongoing operations budget before you tonight for tentative approval.

**RESOLUTION NUMBER 14-025**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA APPROVING INTERGOVERNMENTAL AGREEMENTS WITH GRAHAM COUNTY FOR ANIMAL SHELTER, DISPATCHING, AND INFORMATION TECHNOLOGIES SERVICES.**

**WHEREAS**, the City of Safford previously entered intergovernmental agreements with Graham County for the provisions of animal shelter, dispatching, and information technologies services; and,

**WHEREAS**, the City and Graham County desire to continue the provision of such services by the County for the City; and,

**NOW THEREFORE BE IT RESOLVED**, by the Mayor and City Council of the City of Safford that the Intergovernmental Agreements for "ANIMAL SHELTER" AND "DISPATCHING," AND "INFORMATION TECHNOLOGIES SERVICES" all as attached and incorporated herein, are hereby adopted and approved, and further, the Mayor is authorized to execute the agreements on behalf of the City.

**PASSED, ADOPTED, AND APPROVED** by the Mayor and City Council of the City of Safford this 2<sup>nd</sup> day of June, 2014.

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Georgia Luster, MMC  
City Clerk

\_\_\_\_\_  
William J. Sims, III  
Interim City Attorney

CERTIFICATION

State of Arizona     )  
                                  ) ss  
County of Graham    )

I HEREBY CERTIFY, that the foregoing Resolution Number 14-025 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a special council meeting held June 2, 2013, and that a quorum was present at the meeting.

\_\_\_\_\_  
Georgia Luster, MMC  
City Clerk

\_\_\_\_\_  
DATE:

**INTERGOVERNMENTAL AGREEMENT  
ANIMAL SHELTER**

1. The governing body of the undersigned governmental entities have affirmed and by this agreement do agree that it would be in the best interest of the citizens of the City of Safford and the County of Graham for the County to furnish an Animal Control Shelter as provided for in this Agreement. The County shall provide these services on the following terms and conditions:

2. This Agreement shall be subject to and governed by the principles annunciated in A.R.S. Section 11-952 concerning the furnishing by the County of an Animal Control Shelter. The shelter provided shall be available on a full time basis although it is understood that the shelter will not require a full time attendant.

3. The duration of this agreement shall be until June 30, 2015, unless terminated by ninety days written notice by either party to the other.

4. The City of Safford shall pay the sum of \$63,101.00 to the County for its agreed upon share of the cost of maintaining and providing the services to be provided by the County hereunder. Such payment shall be made in four (4) equal amounts of \$15,775.25 due and payable within thirty (30) days upon receipt of the quarterly billing. It is understood and agreed that this sum has been arrived at by negotiation and does not reflect the actual cost of providing this service.

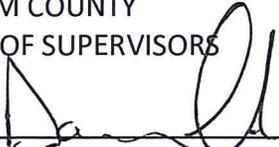
5. It is agreed that all property involved in this contract is presently owned and will continue to be owned by the County and shall be retained by the County upon partial or complete termination of this Agreement.

6. The City shall indemnify and save harmless the County for any loss incurred arising from acts of City officers or agents in connection with this Agreement and shall obtain appropriate liability insurance insuring against any such acts which may be performed as a result of their officers' or agents' actions pursuant to or in connection with this Agreement and for which liability may be asserted against the City or the County and shall furnish proof of such insurance to the Board of Supervisors upon execution of this Agreement. Such insurance shall be maintained during the duration of this Agreement.

7. The County shall provide adequate staff, equipment, typical animal shelter/control services and training of staff to provide services pursuant to this Agreement and shall maintain adequate records to reflect the costs of providing those services to assist the parties in agreeing upon the amount to be paid to the County for such services in future fiscal years.

Agreed to by both parties this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

GRAHAM COUNTY  
BOARD OF SUPERVISORS

  
\_\_\_\_\_  
Danny Smith, Chairman

CITY OF SAFFORD

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
County Attorney

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

## INTERGOVERNMENTAL AGREEMENT DISPATCHING

The governing body of the undersigned governmental entities have affirmed and by this agreement do agree that it would be in the best interest of the citizens of the City of Safford and the County of Graham for the County to furnish partial police protection to persons and property within the boundaries of the City as provided for in this Agreement. The County shall provide dispatching and centralized radio communication services of the nature heretofore provided to the Town on the following terms and conditions:

1. This Agreement shall be subject to and governed by the principles announced in A.R.S. Section 9-498 concerning the furnishing by the County of part-time or full time police protection. The police protection to be provided shall be limited to full time dispatching and centralized radio communication services of the nature heretofore provided under various written and unwritten agreements between the parties hereto.

2. The duration of this agreement shall be until June 30, 2015, unless terminated by ninety days written notice by either party to the other.

3. The City of Safford shall pay the sum of \$313,393.00 to the County for it's agreed upon share of the cost of maintaining and providing the services to be provided by the County hereunder. Such payment shall be made in four (4) equal amounts of \$78,348.25 due and payable within thirty (30) days upon receipt of the quarterly billing. It is understood and agreed that this sum has been arrived at by negotiation and does not reflect the actual cost of providing this service.

4. It is agreed that all property involved in this Agreement is presently owned and will continue to be owned by the County and shall be retained by the County upon partial or complete termination of this Agreement.

5. The City shall indemnify and save harmless the County for any loss incurred arising from acts of City officers or agents in connection with this Agreement and shall obtain appropriate liability insurance insuring against any such acts which may be performed as a result of their officers' or agents' actions pursuant to or in connection with this Agreement and for which liability may be asserted against the City or the County and shall furnish proof of such insurance to the Board of Supervisors upon execution of this Agreement. Such insurance shall be maintained during the duration of this Agreement.

6. The County shall provide adequate staff, equipment, Federal Communication Commission licensing and training of staff to provide appropriate dispatching and radio communication services pursuant to this Agreement and shall maintain adequate records to

reflect the costs of providing those services to assist the parties in agreeing upon the amount to be paid to the County for such services in future fiscal years.

Agreed to by both parties this \_\_\_\_ day of \_\_\_\_\_, 2014.

GRAHAM COUNTY  
BOARD OF SUPERVISORS

  
\_\_\_\_\_  
Danny Smith, Chairman

CITY OF SAFFORD

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
County Attorney

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**INTERGOVERNMENTAL AGREEMENT**  
**Information Technologies Contract**

Ver 1.6

The governing bodies of the undersigned governmental entities have affirmed and by this agreement do agree that it would be in the best interest of the citizens of the City of SAFFORD and Graham County, for the County to furnish Wide Area Network (WAN) Communications and Services listed in Appendix 'A'. The County shall provide Wide Area Network communication and services to the City on the following terms and conditions:

1. The duration of this agreement shall be from July 1, 2014 until June 30, 2015, unless terminated by ninety (90) days' written notice by either party to the other. Notice to be delivered via mail to Graham County Board of Supervisors, 921 Thatcher Blvd. Safford, AZ 85546 and City of Safford, 717 Main St., Safford, AZ 85546.

2. The City of SAFFORD shall pay the sum of \$35,724.00 to the County for it's agreed upon share of the cost of maintaining and providing the services to be provided by the County hereunder. Such payment shall be made in four (4) equal amounts of \$8,931.00 due and payable within thirty (30) days upon receipt of the quarterly billing. It is understood and agreed that this sum has been arrived at by negotiation and does not reflect the actual cost of providing this service.

3. It is agreed that fees paid through this agreement are for services only and do not entitle the City to any interest or title in equipment, Wide Area Network or its resources. The original purchaser maintains all equity.

4. To the extent permitted by law, the City shall indemnify and save harmless the County for any loss incurred arising from acts of City officers or agents in connection with this Agreement, use of the WAN, or any of the provided resources specified. The City shall obtain appropriate liability insurance insuring against any such acts of their officers' or agents' pursuant to or in connection with this Agreement and for which liability may be asserted against the City or the County and shall furnish proof of such insurance to the Board of Supervisors upon execution of this Agreement. Such insurance shall be maintained during the duration of this Agreement. The County shall be listed as an additional insured.

5. The City understands that Internet services, the Wide Area Network, e-mail, and other county resources are provided as a governmental service by the County and therefore are only to be used by authorized City personnel. The WAN and its resources are not for public use due to the nature of the information carried on it, therefore the City will insure the no public access is given at any of its facilities. As a result, the City agrees to only allow City employee's access to the WAN and Internet resources. The City agrees to monitor its employees in an effort to prevent misuse of the WAN resources for personal use.

6. The City agrees to provide one individual from their MIS Department to be trained on the WAN and to act as a backup resource if County personnel are not available to resolve WAN issues. This individual will spend at a minimum 4 hrs each month working with County personnel on WAN issues and service. (Note: Currently item 6 only applies to the City of Safford)

7. The Agreement is subject to termination pursuant to A.R.S. § 38-511.

Agreed to by both parties this \_\_\_\_ day of \_\_\_\_\_, 2014.

GRAHAM COUNTY BOARD OF SUPERVISORS

CITY OF SAFFORD



\_\_\_\_\_  
Danny Smith, Chairman

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
City Attorney

## **Appendix 'A'**

Services Provide by the County Wide Area Network (WAN):

1. Spillman Law Enforcement Software
2. Internet Access
3. Communication Link to Graham County Jail Video Initial Appearance System.  
(City must provide own computer equipment at court site.)
4. Direct Network Communication between all city entities and law enforcement agencies.
5. Access to County Wireless Network



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**CITY COUNCIL COMMUNICATION**

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**TO:** Mayor and Council  
**FROM:** Jenny Howard, Public Works  
**SUBJECT:** Striping/Fogging Agreement with Town of Thatcher  
**DATE:** Monday, June 2, 2014 at 6:00 p.m.

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**Purpose and Recommended Action:**

Approval of Agreement between City of Safford and Town of Thatcher for roadway striping and fogging.

**Background:**

The City of Safford and Town of Thatcher have in place, an agreement for Safford to provide roadway striping and fogging to the Town of Thatcher, within the town city limits. The agreement is renewed annually and can be terminated at any time via 30 days written notice by either party.

**Analysis:**

## **AGREEMENT**

This agreement is between Town of Thatcher, Arizona and the City of Safford, Arizona and is dated as of July 1, 2014.

**SCOPE OF WORK:** The City of Safford Street Department to perform roadway striping and fogging within Town of Thatcher limits at location(s) specified by Town of Thatcher. Town of Thatcher to reimburse the City of Safford for all time and material expended.

### **JOINT ACCOUNTABILITY AND FINANCIAL OBLIGATION:**

City of Safford responsibilities include:

- Provide oil for fogging
- Provide Street Maintenance Workers at \$24.75 per hour for straight time and \$33.53 per hour for overtime
- Provide Lead of Street Division at \$30.59 per hour (if needed)
- Provide Supervisor of Street Division at \$37.04 per hour (if needed)
- Provide one (1) Paint Striper (does not include operator) at \$70.00 per hour
- Provide Asphalt Distributor (does not include operator) at \$70.00 per hour
- Materials supplied will be reimbursed at purchase price including shipping, applicable taxes and demurrage charges
- Provide paint and beads for project
- Provide oil for project
- Provide time and material invoice at completion of project
- Field Pick-up Truck - \$19

Town of Thatcher responsibilities include:

- Provide traffic control including but not limited to hazing vehicles and operators. Town of Thatcher shall indemnify the City for any damages, injuries or other liabilities arising out of any acts or omissions concerning traffic control
- Coordinate striping and fogging with the Street Department Supervisor
- Remit payment within thirty (30) days of invoice receipt
- Preparation of roadway for fogging

**PERFORMANCE:** Both parties will review work performed and respond in writing regarding quality of workmanship.

**CONTACT INFORMATION:**

- City of Safford: Jenny Howard, Public Works Director  
220 West Discovery Park Boulevard  
Safford, AZ 85546
- Town of Thatcher: Heath H. Brown, Town Engineer  
3700 W. Main St.  
P.O. Box 670  
Thatcher, AZ 85552

Roadway Striping & Fogging Agreement  
Town of Thatcher/City of Safford  
July 1, 2014 – June 30, 2015  
Page 2

**DURATION & TERMINATION:** This agreement shall remain in effect from 1<sup>st</sup> day of July, 2014 through 30<sup>th</sup> day of June, 2015, unless terminated by 30 days written notice to parties within this agreement.

Dated and approved this \_\_\_ day of June, 2014.

**CITY OF SAFFORD**

\_\_\_\_\_  
Horatio Skeete  
City Manager

\_\_\_\_\_  
DATE:

**TOWN OF THATCHER**

\_\_\_\_\_  
*Terry Hinton*

Terry Hinton  
Town Manager

\_\_\_\_\_  
5/28/14  
DATE



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**CITY COUNCIL COMMUNICATION**

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**TO: Mayor and Council**  
**FROM: Horatio Skeete, City Manager**  
**SUBJECT: Tentative Budget Adoption**  
**DATE: Monday, June 2, 2014 at 6:00 p.m.**

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**Purpose and Recommended Action:**

This is a request for the City Council to review the Tentative Budget for Fiscal Year (FY) 2014-2015. Also included are the Official State Budget Forms, Supporting Statements of Expenditures/Expenses, Truth in Taxation Analysis, General Government Summary and Enterprise Funds Summary.

Once the Council approves the tentative budget, the tentative budget will be published in the Eastern Arizona Courier for two weeks along with a notice of public hearing to be held June 23, 2014 on the final budget and the property tax levy. Council's adoption of the property tax levy will occur at the July 14, 2014 meeting.

**Background:**

Council approval of the tentative budget will set the maximum level of expenditures for FY 2014-15.

Staff and the City Council have held several budget workshops to review departmental budgets.

**Analysis:**

**OFFICIAL BUDGET FORMS**

**CITY OF SAFFORD**

**Fiscal Year 2015**

**CITY OF SAFFORD**  
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Schedule B—Tax Levy and Tax Rate Information

Schedule C—Revenues Other Than Property Taxes

Schedule D—Other Financing Sources/<Uses> and Interfund Transfers

Schedule E—Expenditures/Expenses by Fund

Schedule F—Expenditures/Expenses by Department

Schedule G—Full-Time Employees and Personnel Compensation

**CITY OF SAFFORD**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2015**

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2014	ACTUAL EXPENDITURES/EXPENSES** 2014	FUND BALANCE/NET POSITION*** July 1, 2014**	PROPERTY TAX REVENUES 2015	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2015	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015		TOTAL FINANCIAL RESOURCES AVAILABLE 2015	BUDGETED EXPENDITURES/EXPENSES 2015
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 10,624,940	\$ 10,624,940	\$ 2,850,000	Primary: \$ 230,486	\$ 17,803,822	\$	\$	\$	\$ 1,626,630	\$ 19,257,678	\$ 16,376,498
2. Special Revenue Funds	1,949,844	1,949,844	938,000	Secondary: 3,769,511				1,783,630	772,200	5,718,941	4,942,499
3. Debt Service Funds Available	764,836	764,836						772,200		772,200	772,200
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	764,836	764,836						772,200		772,200	772,200
6. Capital Projects Funds	2,339,795	2,339,795			860,000			12,000		872,000	872,000
7. Permanent Funds	23,000	23,000			23,000					23,000	23,000
8. Enterprise Funds Available	22,462,000	22,462,000	12,200,000		25,002,689				169,000	37,033,689	25,291,026
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	22,462,000	22,462,000	12,200,000		25,002,689				169,000	37,033,689	25,291,026
11. Internal Service Funds											
12. TOTAL ALL FUNDS	\$ 38,164,415	\$ 38,164,415	\$ 15,988,000	\$ 230,486	\$ 47,459,022	\$	\$	\$ 2,567,830	\$ 2,567,830	\$ 63,677,508	\$ 48,277,223

**EXPENDITURE LIMITATION COMPARISON**

	2014	2015
1. Budgeted expenditures/expenses	\$ 38,164,415	\$ 48,277,223
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	38,164,415	48,277,223
4. Less: estimated exclusions	6,564,000	9,950,000
5. Amount subject to the expenditure limitation	\$ 31,600,415	\$ 38,327,223
6. EEC or voter-approved alternative expenditure limitation	\$ 90,980,808	\$ 91,521,433

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

\* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

\*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

\*\*\* Amounts in this column represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**CITY OF SAFFORD**  
**Tax Levy and Tax Rate Information**  
**Fiscal Year 2015**

	<b>2014</b>	<b>2015</b>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>279,397</u>	\$ <u>287,203</u>
2. Amount received from primary property taxation in the <b>current year</b> in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>230,464</u>	\$ <u>230,486</u>
B. Secondary property taxes		
C. Total property tax levy amounts	\$ <u>230,464</u>	\$ <u>230,486</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ <u>230,464</u>	
(2) Prior years' levies		
(3) Total primary property taxes	\$ <u>230,464</u>	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$ _____	
(2) Prior years' levies	\$ _____	
(3) Total secondary property taxes	\$ _____	
C. Total property taxes collected	\$ <u>230,464</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.5063</u>	<u>0.5023</u>
(2) Secondary property tax rate	<u>          </u>	<u>          </u>
(3) Total city/town tax rate	<u>0.5063</u>	<u>0.5023</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating _____ special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

\* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

**CITY OF SAFFORD**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
<b>GENERAL FUND</b>			
<b>Local taxes</b>			
	\$ 6,145,758	\$ 6,398,153	\$ 6,278,000
<b>Licenses and permits</b>			
	65,000	48,000	65,000
<b>Intergovernmental</b>			
Statement C-1	3,347,983	2,943,101	3,270,228
<b>Charges for services</b>			
Statement C-2	2,298,871	2,307,371	2,493,264
<b>Fines and forfeits</b>			
	68,000	66,000	68,000
<b>Interest on investments</b>			
	7,500	5,000	5,000
<b>In-lieu property taxes</b>			
<b>Contributions</b>			
Voluntary contributions			
<b>Miscellaneous</b>			
Statement C-3	1,786,000	1,555,478	1,624,330
Contingency	4,000,000		4,000,000
<b>Total General Fund</b>	\$ 17,719,112	\$ 13,323,103	\$ 17,803,822

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.





**CITY OF SAFFORD**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2014</b>	<b>ACTUAL REVENUES* 2014</b>	<b>ESTIMATED REVENUES 2015</b>
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\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.



**CITY OF SAFFORD**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

<u>SOURCE OF REVENUES</u>	<u>ESTIMATED REVENUES 2014</u>	<u>ACTUAL REVENUES* 2014</u>	<u>ESTIMATED REVENUES 2015</u>
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\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**CITY OF SAFFORD**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
<b>INTERNAL SERVICE FUNDS</b>			
_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	\$ _____	\$ _____	\$ _____
<b>Total Internal Service Funds</b>	\$ _____	\$ _____	\$ _____
<b>TOTAL ALL FUNDS</b>	\$ <u>53,608,153</u>	\$ <u>39,619,472</u>	\$ <u>47,459,022</u>

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**CITY OF SAFFORD**  
**Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2015**

FUND	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015	
	SOURCES	<USES>	IN	<OUT>
<b>GENERAL FUND</b>				
Match Capital Airport Grant	\$	\$	\$	\$ 12,000
Match Special Rev Path Grant				25,000
Auto Lieu tax dedicated to HURF				483,630
.05 Sales Tax to Special Rev Fund				1,106,000
<b>Total General Fund</b>	\$	\$	\$	\$ 1,626,630
<b>SPECIAL REVENUE FUNDS</b>				
General Fund Match Path Grant	\$	\$	\$ 25,000	\$
Utility Support for Street Patch (HURF)			169,000	
.05 Sales Tax to Special Rev Fund			1,106,000	
Street Reserve Debt Service				772,200
Auto Lieu tax dedicated to HURF			483,630	
<b>Total Special Revenue Funds</b>	\$	\$	\$ 1,783,630	\$ 772,200
<b>DEBT SERVICE FUNDS</b>				
Street (.05 Sales Tax)	\$	\$	\$ 772,200	\$
<b>Total Debt Service Funds</b>	\$	\$	\$ 772,200	\$
<b>CAPITAL PROJECTS FUNDS</b>				
General Fund Match Airport	\$	\$	\$ 12,000	\$
<b>Total Capital Projects Funds</b>	\$	\$	\$ 12,000	\$
<b>PERMANENT FUNDS</b>				
	\$	\$	\$	\$
<b>Total Permanent Funds</b>	\$	\$	\$	\$
<b>ENTERPRISE FUNDS</b>				
Street Patch Street Fund	\$	\$	\$	\$ 169,000
<b>Total Enterprise Funds</b>	\$	\$	\$	\$ 169,000
<b>INTERNAL SERVICE FUNDS</b>				
	\$	\$	\$	\$
<b>Total Internal Service Funds</b>	\$	\$	\$	\$
<b>TOTAL ALL FUNDS</b>	\$	\$	\$ 2,567,830	\$ 2,567,830





**CITY OF SAFFORD**  
**Full-Time Employees and Personnel Compensation**  
**Fiscal Year 2015**

FUND	Full-Time Equivalent (FTE) 2015	Employee Salaries and Hourly Costs 2015	Retirement Costs 2015	Healthcare Costs 2015	Other Benefit Costs 2015	Total Estimated Personnel Compensation 2015
<b>GENERAL FUND</b>	73	\$ 4,491,809	\$ 1,002,762	\$ 952,463	\$ 546,614	= \$ 6,993,647
<b>SPECIAL REVENUE FUNDS</b>						
HURF Fund	10	\$ 429,578	\$ 49,831	\$ 93,120	\$ 74,588	= \$ 647,117
<b>Total Special Revenue Funds</b>	10	\$ 429,578	\$ 49,831	\$ 93,120	\$ 74,588	= \$ 647,117
<b>DEBT SERVICE FUNDS</b>						
		\$	\$	\$	\$	= \$
<b>Total Debt Service Funds</b>		\$	\$	\$	\$	= \$
<b>CAPITAL PROJECTS FUNDS</b>						
		\$	\$	\$	\$	= \$
<b>Total Capital Projects Funds</b>		\$	\$	\$	\$	= \$
<b>PERMANENT FUNDS</b>						
		\$	\$	\$	\$	= \$
<b>Total Permanent Funds</b>		\$	\$	\$	\$	= \$
<b>ENTERPRISE FUNDS</b>						
	63	\$ 3,467,106	\$ 362,263	\$ 492,359	\$ 378,990	= \$ 4,700,717
<b>Total Enterprise Funds</b>	63	\$ 3,467,106	\$ 362,263	\$ 492,359	\$ 378,990	= \$ 4,700,717
<b>TOTAL ALL FUNDS</b>	146	\$ 8,388,493	\$ 1,414,856	\$ 1,537,942	\$ 1,000,191	= \$ 12,341,481

**CITY OF SAFFORD**  
**SUPPORTING STATEMENTS: NON-PROPERTY TAX REVENUES**  
**Fiscal Year 2014-2015**

<b>Source of Revenue</b>	<b>Budgeted Revenue 2013-14</b>	<b>Actual Revenue 2013-14</b>	<b>Budgeted Revenue 2014-15</b>
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**Statement C-1--Intergovernmental revenue:**

**Arizona State sources:**

State shared sales taxes	826,575	820,700	847,112
State shared income taxes	1,067,230	1,066,252	1,158,000
Auto Lieu tax	465,307	455,000	483,630
Police Grants	608,688	220,967	388,870
JCEF Court Revenue			2,000
	<b>2,967,800</b>	<b>2,562,919</b>	<b>2,879,612</b>

**Graham County sources:**

Fire District	347,783	347,782	358,216
Library support	32,400	32,400	32,400
	<b>380,183</b>	<b>380,182</b>	<b>390,616</b>
	<b>3,347,983</b>	<b>2,943,101</b>	<b>3,270,228</b>

**Statement C-2--Charges for services:**

Cemetery	24,000	30,000	30,000
Recreation programs	54,500	56,000	56,000
Airport operations	135,000	125,000	125,000
Sanitation Citizen Collection fees	1,053,000	1,064,000	1,096,056
General Fund Support Charges	1,032,371	1,032,371	1,186,208
	<b>2,298,871</b>	<b>2,307,371</b>	<b>2,493,264</b>

**Statement C-3--Miscellaneous revenue:**

Other revenues (misc.)	90,000	40,000	45,000
Utility in lieu	834,000	872,400	849,330
Franchise tax (general fund)	75,000	74,000	75,000
Rental of City property	125,000	124,000	125,000
FMI Façade Grant	40,000	26,000	14,000
Repayment Gen Fnd from HURF	230,000	230,000	0
FMI Economic Dev Grant (Reclaimed)			135,000
Library Special Projects	392,000	189,078	381,000
	<b>1,786,000</b>	<b>1,555,478</b>	<b>1,624,330</b>

**CITY OF SAFFORD**  
**SUPPORTING STATEMENTS: NON-PROPERTY TAX REVENUES**  
**Fiscal Year 2014-2015**

<b>Source of Revenue</b>	<b>Budgeted Revenue 2013-14</b>	<b>Actual Revenue 2013-14</b>	<b>Budgeted Revenue 2014-15</b>
<b>Statement C-4--Enterprise Funds:</b>			
<b>Landfill:</b>	<b>1,235,000</b>	<b>1,360,649</b>	<b>1,357,373</b>
<b>Water Fund</b>	<b>9,883,600</b>	<b>7,772,700</b>	<b>5,526,256</b>
<b>Wastewater Utility:</b>	<b>3,847,500</b>	<b>2,421,200</b>	<b>3,177,920</b>
<b>Gas Utility:</b>	<b>3,039,729</b>	<b>2,724,720</b>	<b>2,862,860</b>
<b>Electric Utility:</b>	<b>9,370,000</b>	<b>9,042,600</b>	<b>9,078,280</b>
<b>Subtotal Utility Funds:</b>	<b>27,375,829</b>	<b>23,321,869</b>	<b>22,002,689</b>
<b>Subtotal Enterprise Funds:</b>	<b>27,375,829</b>	<b>23,321,869</b>	<b>22,002,689</b>
<b>Contingency</b>	<b>3,000,000</b>	<b>0</b>	<b>3,000,000</b>
<b>Total Enterprise Funds:</b>	<b>30,375,829</b>	<b>23,321,869</b>	<b>25,002,689</b>

SUPPORTING STATEMENTS OF EXPENDITURES / EXPENSES

FOR FISCAL YEAR 2014 - 2015

Fund/Department	Budgeted Amounts for 2013-2014	Approved Adjustments 2013-14	Actual Expenditures/Expenses 2013-14	Budgeted Amounts for 2014-15
<b>Statement E-1--General Fund:</b>				
Mayor and Council	488,885	83,489	572,374	460,904
City Manager	294,735	(43,246)	251,489	289,978
Human Resources	228,369	(26,511)	201,858	259,868
Legal Services	171,510	(18,210)	153,300	167,910
Magistrate	254,008	(34,507)	219,501	243,631
City Clerk	260,163	4,476	264,639	281,887
Finance	591,758	(67,379)	524,379	588,886
Plnng & Cmmnty Srvcs	475,790	(61,657)	414,133	602,658
Building Safety	134,995	(7,325)	127,670	165,633
Recreation Program	133,971	(14,560)	119,411	139,090
Library	1,000,485	(240,531)	759,954	954,971
Police	4,326,958	(701,865)	3,625,093	4,241,817
Public Works	2,736,828	(329,106)	2,407,722	2,859,737
Golf Course	205,300	0	205,300	205,300
Airport	202,261	(3,594)	198,667	228,522
Fire Department	658,879	(79,429)	579,450	685,707
<b>Subtotal General Fund:</b>	<b>12,164,895</b>	<b>(1,539,955)</b>	<b>10,624,940</b>	<b>12,376,498</b>
Contingency	4,000,000	(4,000,000)	0	4,000,000
<b>Total General Fund:</b>	<b>16,164,895</b>	<b>(5,539,955)</b>	<b>10,624,940</b>	<b>16,376,498</b>

Statement E-2 Special Revenues

HURF	1,968,456	(153,212)	1,815,244	1,822,675
20th Ave Improv (Relation to Golf Course)	638,881	(638,881)	0	616,881
Trail System	391,000	(344,500)	46,500	380,000
Main Street Traffic Signals	720,000	(720,000)	0	720,000
Main Street Improvements	699,690	(611,590)	88,100	1,030,000
US 191 Sidewalks (Relation to US70)				312,543
HSIP Traffic Sign Replacement	60,400	(60,400)	0	60,400
<b>Total Special Revenues:</b>	<b>4,478,427</b>	<b>(2,528,583)</b>	<b>1,949,844</b>	<b>4,942,499</b>

Statement E-3--Enterprise Funds:

Landfill	1,225,033	(102,641)	1,122,392	1,168,765
Water	10,127,150	(1,572,529)	8,554,621	6,382,876
Wastewater	1,640,857	(422,143)	1,218,714	1,633,875
Water Reclamation Plant	1,166,846	(104,499)	1,062,347	1,158,815
Gas	3,035,270	(101,838)	2,933,432	3,155,955
Electric	8,781,442	(1,210,948)	7,570,494	8,790,739
<b>Subtotal Utility Funds</b>	<b>25,976,598</b>	<b>(3,514,598)</b>	<b>22,462,000</b>	<b>22,291,026</b>
Contingency	3,000,000	(3,000,000)		3,000,000
<b>Total Enterprise Funds</b>	<b>28,976,598</b>	<b>(6,514,598)</b>	<b>22,462,000</b>	<b>25,291,026</b>

**Enter data in yellow-shaded cells only.**

## Truth in Taxation Analysis

Calculation for Truth in Taxation Hearing Notice pursuant to A.R.S. § 42-17107

Actual current primary property tax levy: (line F.1. actual levy from prior year's final levy limit worksheet)	\$ 230,464
Net assessed valuation: (line C.4. from current year's worksheet)	\$ 46,240,984
Value of new construction:	\$ 358,451
Net assessed value minus new construction: (line B.4. from current year's levy limit worksheet)	\$ 45,882,533
MAXIMUM TAX RATE THAT CAN BE IMPOSED WITHOUT A TRUTH IN TAXATION HEARING:	\$ 0.5023
Growth in property tax levy capacity associated with new construction:	\$ 1,801
MAXIMUM PRIMARY PROPERTY TAX LEVY WITHOUT A TRUTH IN TAXATION HEARING:	\$ 232,269
Proposed primary property tax levy:	\$ 230,464
Proposed increase in primary property tax levy, exclusive of new construction	\$ (1,805)
Proposed percentage increase in primary property tax levy:	-0.78%
Proposed primary property tax rate:	\$ 0.4984
Proposed increase in primary property tax rate:	\$ (0.0039)
Proposed primary property tax levy on a home valued at \$100,000	\$ 49.84
Primary property tax levy on a home valued at \$100,000 if the tax rate was not raised:	\$ 50.23
Proposed primary property tax levy increase on a home valued at \$100,000:	\$ (0.39)

**CITY OF SAFFORD**  
**General Government Summary**

**FY 14-15**

**Tentative Adoption 06/02/2014**

<b>RESOURCES</b>	<b>FY 14-15 Budget</b>	<b>EXPENDITURES</b>	<b>FY 14-15 BUDGET</b>	<b>14-15 Resrc Over (Under) Expend</b>
City sales tax	4,879,000	111 CITY COUNCIL	460,904	
Bed tax	293,000	113 CITY MANAGER	289,978	
General property tax	230,486	114 HUMAN RESOURCE DIVISION	259,868	
Franchise tax	75,000	121 CITY CLERK & GENERAL	281,887	
Utility in lieu of Franchise tax	849,330	122 FINANCIAL SERVICES	588,886	
Licenses and permits	65,000	115 CITY ATTORNEY	167,910	
State shared sales taxes	847,112	124 PLNNG. & CMNTY. DVLPMNT.	394,579	
State shared income taxes	1,158,000	136 BUILDING SAFETY	165,633	
		133 LIBRARY/GENERAL	573,971	
Recreational fees	56,000	138 RECREATIONAL PROGRAM	139,090	
Rental income	125,000	158 AIRPORT OPERATIONS	109,595	
Interest on investments	5,000	141 POLICE CHIEF & ADMIN.	708,663	
Fines and penalties	68,000	142 CRIMINAL INVESTIGATION	591,151	
Cemetery	30,000	143 PATROL	2,414,122	
Other revenues	45,000	144 ANIMAL CONTROL	139,011	
Loan Repayment from Streets	0			
		151 PUBLIC WORKS ADMIN.	251,617	
Graham County Library support	32,400	152 BUILDING & MAINTENANCE	737,553	
Fire District	358,216	153 STREET LIGHTS	80,000	
		155 PARKS	579,035	
Airport Operations	125,000	156 SANITATION	1,211,532	
General Fund Support Charges	1,186,208	159 GOLF COURSE	205,300	
Sanitation collections	1,096,056			
JCEF Funds	2,000	160 CITY COURT	243,631	
FMI Façade Grant Carryover	14,000	170 FIRE DEPARTMENT	685,707	
		<b>DEBT SERVICE</b>		
		115 CITY ATTORNEY	0	
		124 PLNNG. & CMNTY. DVLPMNT.	73,079	
		158 AIRPORT DEBT SERVICE	118,927	
<b>SUBTOT GEN GOV RESOURCES</b>	<b>11,539,808</b>	<b>GENERAL GOV SUBTOTAL</b>	<b>11,471,629</b>	<b>68,179</b>
PARKS GRANTS	355,000	191 PATH PARKS GRANT	380,000	(25,000)
ECONOMIC DEV GRANTS	135,000	FMI RECLAIMED WATER DISTRIBUTION GRANT	135,000	0
071 LIBRARY TRUST:	23,000	071 LIBRARY TRUST:	23,000	0
132 LIBRARY SPECIAL GRANTS	381,000	132 LIBRARY SPECIAL GRANTS	381,000	0
POLICE GRANTS	388,870	146 POLICE GRANT DIVISION	388,870	0
AIRPORT GRANTS	860,000	045 AIRPORT IMPROVEMENTS	872,000	(12,000)
<b>TOTAL GOV GRANT RESOURCES:</b>	<b>2,142,870</b>	<b>TOTAL GOV GRANT EXPENDITURES:</b>	<b>2,179,870</b>	<b>(37,000)</b>
<b>TOTAL GENERAL GOV RESOURCES:</b>	<b>13,682,678</b>	<b>TOTAL GENERAL GOV EXPENSES:</b>	<b>13,651,498</b>	<b>31,179</b>
Street .05 Tax	1,106,000	031 HIGHWAY USER FUND (Streets):		
.05 STREET TAX RESERVES	200,000	- Operations	1,384,480	
Street Patch TRANS IN and OTHER	169,000	- Capital Street Preservation	75,000	
Auto Lieu of taxes	483,630	- Capital Other	363,195	
HURF revenues	706,792	- Repayment of Loan from Gen Fund	0	
Other (Thatcher, etc)	70,000	STREET GADA DEBT SERVICE	772,200	
<b>SUBTOT STREET RESOURCES</b>	<b>2,735,422</b>	<b>STREET DEPARTMENT EXPENSES:</b>	<b>2,594,875</b>	<b>140,546</b>
<b>STREET GRANTS</b>	<b>2,637,719</b>	<b>031 STREET GRANTS</b>	<b>2,739,824</b>	<b>(102,105)</b>
<b>TOTAL STREETS RESOURCES:</b>	<b>5,373,141</b>	<b>TOTAL STREET EXPENDITURES:</b>	<b>5,334,699</b>	<b>38,441</b>
<b>CONTINGENCY</b>	<b>4,000,000</b>		<b>4,000,000</b>	
<b>TOTAL GOVERNMENTAL RESOURCES:</b>	<b>23,055,818</b>	<b>TOTAL EXPENDITURES:</b>	<b>22,986,198</b>	<b>69,621</b>

**CITY OF SAFFORD FY 14-15**  
**ENTERPRISE FUNDS SUMMARY**

**Tentative Adoption 06/02/2014**

	RESOURCES	14-15 BUDGET	EXPENDITURES	14-15 BUDGET	14-15 OVER (UNDER)
<b>Landfill</b>	Rate Revenues	1,245,334	Operations	1,071,765	
	Closure Revenues	62,039	Capital	35,000	
	State Tire Haul	50,000	Closure Reserve	62,000	
<b>Landfill tot</b>		<b>1,357,373</b>		<b>1,168,765</b>	<b>188,608</b>
<b>Water</b>	Rate Revenues	5,188,101	Operations	3,861,667	
	Install fees	60,000	Debt Service	772,054	
	Other	30,000	Capital	1,451,000	
<b>FAA &amp; RD &amp; COLONIAS GF</b>	Grants		Capital Grants	298,155	
<b>Impact &amp; Capacity Fee Res</b>	New Water Sources	900,000			
<b>CDBG/BOR</b>		248,155		0	
<b>Water tot</b>		<b>6,426,256</b>		<b>6,382,876</b>	<b>43,379</b>
<b>WasteWater</b>	Rate Revenues	2,427,920	Operations	1,075,925	
	Install fees		Debt Service	137,950	
	Other	10,000	Capital	170,000	
			Capital Reserves	250,000	
			subtotal	1,633,875	
Treatment Plant Debt Relief		700,000	Treatment Plant Operations	1,030,315	
Fed Appropriation debt relief			Treatment Plant Debt Service	0	
<b>Impact Fee Reserves</b>	<b>BELT PRESS</b>		Treatment Plant Capital	128,500	
WIFA TECH GRANT		40,000	subtotal	1,158,815	
<b>WasteWater tot</b>		<b>3,177,920</b>		<b>2,792,691</b>	<b>385,230</b>
<b>Gas</b>	Cash Reserves	340,000	Purchased Gas	1,165,600	
	Rate Revenues	2,859,860	Operations	1,490,355	
	Install fees	1,500	Debt Service		
	Other	1,500	Capital	372,000	
			Capital Reserves	128,000	
<b>Gas tot</b>		<b>3,202,860</b>		<b>3,155,955</b>	<b>46,905</b>
<b>Electric</b>	Rate Revenues	9,058,280	Purchased Power	4,500,000	
	Install fees	10,000	Operations	2,634,870	
	Other(Pole attach, interes	10,000	Debt Service	243,369	
	<b>Reserves</b>		Capital	860,000	
	GADA		SPRR/COOP/Capital Reserves	552,500	
<b>Electric tot</b>		<b>9,078,280</b>		<b>8,790,739</b>	<b>287,541</b>
<b>Subtotal STANDARD UTILITY RESOURCES</b>		<b>23,242,689</b>	<b>Subtotal UTILITY DEPARTMENT</b>	<b>22,291,026</b>	<b>951,663</b>
<b>CONTINGENCY</b>		<b>3,000,000</b>		<b>3,000,000</b>	
<b>Total Utility Summary</b>		<b>26,242,689</b>		<b>25,291,026</b>	<b>951,663</b>
<b>Total From Governmental Summary</b>		<b>23,055,818</b>		<b>22,986,198</b>	<b>69,621</b>
<b>City of Safford Budget Total</b>		<b>49,298,507</b>		<b>48,277,223</b>	<b>1,021,284</b>



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**CITY COUNCIL COMMUNICATION**

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**TO:** Mayor and Council  
**FROM:** Horatio Skeete, City Manager  
**SUBJECT:** *Smartworksplus* Phased Retirement Program  
**DATE:** Monday, June 2, 2014 at 6 p.m.

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**Purpose and Recommended Action:**

Provide an update to the City Council on the *smartworksplus* contract and receive guidance regarding renewal of the contract and or any modification Council may desire.

**Background:**

In 2009 the City entered into a contract with *smartworksplus* to provide staffing services. This contract offered the City two primary benefits:

- 1) It allowed the City an opportunity to reduce its payroll through a process of rehiring long-term employees who were eligible for retirement but would otherwise not retire but for this re-employment option.
- 2) By agreeing to contract with these employees through *smartworksplus*, the City then had an opportunity to develop a succession plan for the appropriate departments. The idea being, with a known departure date the City would have enough time to hire (internally or externally) someone for this contract employee of *smartworksplus* to train.

As of today's date, thirteen employees have entered the program saving the City \$970,000. To accurately describe the program I will divide it into two phases. The first contract entered into in 2009 provided for an employee to join the program for up to 3-years or age 62 whichever is greater. These employees were hired back at 80% of current salary. The second contract signed in 2011 capped the length of time an employee could stay on the program to 5-years or until the age of 65 and these employees were hired back at 75% of current salary.

Since the beginning of the program the City has recruited and hired three employees into positions previously held by employees who joined the *smartworksplus* program; one in the

building department and two in the Customer Service division. There are a total of eight employees on the *smartworksplus* program with one scheduled to leave in November of this calendar year, three in 2016, one in 2017, two in 2018 and one in 2020.

The general terms of both contracts are about the same; an employee who is eligible to retire from the state retirement system and is in good standing with the City could retire and enter into a contract with *smartworksplus* to return to the City in the same position for a percentage of their salary. The City will pay *smartworksplus* certain payroll costs (including FICA, Workers Comp cost, etc.), a 4% management fee and any increase or bonus an employee would have received if they were a regular employee. The *smartworksplus* employee receives the same number of leave days as are made available to the City's employees in the same classification. The City will reimburse *smartworksplus* for any job related travel, or conference related expenses and other out-of-pocket expenses incurred by the employee if pre-approved by the City. These employees must continue to perform their job duties to the satisfaction of that employee's supervisor.

### **Analysis:**

The current contract with *smartworksplus* entered into in 2013 allows for four additional one year extensions if no action is taken by Council to change the terms of the agreement. The program as structured allows for anyone eligible to retire and in good standing with the City has the option to enroll. The benefit to the City at that time is that it provides a date certain for that employee's departure thus allowing time for management to plan for, how, and if that position will be filled. In some departments this option could lead to an opportunity to reorganize or to begin a process to mentor and train others. In other areas it is just an opportunity to allow the City to benefit from the annual savings generated by this contract.

### **Options:**

1. The City could renew the contract as is.
2. The City could modify the contract and set a maximum number of years an employee could be on the program. For example, the current contract says that an employee could be on the program for five years or until the age of 65, we could change it to a specific numbers of years regardless of age.
3. Stop the program and phase out the existing contracts.
4. Keep the program, change the eligibility criteria and develop an action plan for succession planning within each eligible department/division. For example:
  - a. Annual renewable contract up to five years pending satisfactory performance and supervisor recommendation to the City Manager.
  - b. Annual renewable contract pending city staffing needs and if the replacement position has been posted and interviews conducted without a successful candidate being placed.
  - c. Annual renewable contract pending a documented and approved plan to share knowledge as a part of a succession plan.

## Georgia Luster

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**From:** Georgia Luster  
**Sent:** Wednesday, May 14, 2014 3:35 PM  
**To:** 'Chris Gibbs '; 'Mary Bingham'; Mary Bingham; 'Kenneth Malloque'; 'Gene Seale'; Arnold Lopez; Jim Howes; 'Jim Howes'; 'Richard Ortega'; Richard Ortega  
**Cc:** Horatio Skeete  
**Subject:** Information request by Vice Mayor  
**Attachments:** Copy of COPY OF 14-15 SMARTWORKS FILE.xlsx; Amended and Restated 1955 Water Agrmt.pdf; Knight.Don Consulting Contract 2014.pdf

Good afternoon Mayor and Council.

Vice Mayor Bingham requested the following information.

### 1) Names of everyone on Smartworks and copy of Smartworks Contract.

Ann Waite provided the analysis on annual cost savings in FY14/15 associated with the SMARTWORKS program (see attached).

There are currently eight (8) active SMARTWORKS contracts with 2 pending contracts to begin July 1, 2014, making a total of ten (10) SMARTWORKS participants.

Participants include:

Ann Waite, Finance  
Joe Dominguez, Building Safety  
Kim Larkey, Business Services  
Sam Jones, Field Services  
Linda Maldonado, Police Admin  
Martha Hendrix, Police Admin  
Michael Faunce, Warehousing  
Christine Fisher, Human Resources  
Marion Gauna, Finance  
Eric Buckley, Utilities

Contracted individuals who were participants in the SMARTWORKS program prior to June 30, 2011 had their exit City wages reduced by 20% (at 80% of City exit wage while on SMARTWORKS program).

Contracted individuals who joined SMARTWORKS after June 30, 2011 had their "exit" City wages reduced by 25% (at 75% of City exit wage while on SMARTWORKS program).

Attached is a comparison between costs for the ten (10) SMARTWORKS contracts (Table I), and these same 10 individuals if they had remained City employees (Table II).

Savings on salary costs = \$152,876

Savings on FICA, Medicare and Workman's Comp expense = \$14,165 Saving on Retirement costs = \$28,163 Savings on Insurance costs = \$97,100 The above savings are offset by SMARTWORKS' 4% service charge of \$20,550

Total saving to the City is approximately \$271,800 for FY14/15

PHASED RETIREMENT SMARTWORKS PROGRAM

SMARTWORKS EMPLOYEES AS OF JULY 1, 2014:

Note 1: 80 % of City Base Salary if employees joined Smartworks prior to 6/30/11  
75% of City Base Salary if employees joined Smartworks after 6/30/11

Note 2: Includes Salary Base Adjustment of 5% per 14/15 proposed budget:

Table I: SMARTWORKS Contracted Employees:

Pay %	DIVISION	NAME	Starting City Base Salary:	Reduction of the base salary by 80% or 75% per SMARTWORKS Contract:	Contracted SMARTWORKS salary costs with 5% base adj:	Add Soc Security at 7.65%	Add Worker's Comp Costs:	Add SMARTWORKS service fee of 4%	Add Alternate Retirement Contribution Rate of 9.57% of contracted salaries:	FY14/15 BUDGET FOR SMARTWORKS CONTRACTS:
80%	Financial Services	PATRICIA ANN WAITE	97,569	78,055	81,958	6,270	664	3,278	7,843	100,013
80%	Building Safety	JOE DOMINGUEZ	30,011	24,009	25,210	1,929	204	1,008	2,413	30,763
80%	Business Services	KIMALEE LARKEY	79,160	63,328	66,495	5,087	539	2,660	6,364	81,143
80%	Field Services	SAMUEL A JONES	55,794	44,635	46,867	3,585	380	1,875	4,485	57,192
75%	Financial Services	MARION L GAUNA	57,993	43,495	45,669	3,494	370	1,827	4,371	55,730
75%	Police Administration	LINDA MALDONADO	37,014	27,761	29,149	2,230	236	1,166	2,790	35,570
75%	Police Administration	HENDRIX MARTHA J	39,037	29,278	30,741	2,352	249	1,230	2,942	37,514
75%	Warehousing	MICHAEL R. FAUNCE	58,997	44,248	46,460	3,554	376	1,858	4,446	56,695
75%	Human Resources	CHRISTINE FISHER	87,551	65,663	68,946	5,274	558	2,758	6,598	84,135
75%	Utilities	ERIC W BUCKLEY	91,764	68,823	72,264	5,528	585	2,891	6,916	88,184
			634,890	489,294	513,759	39,303	4,161	20,550	49,167	626,940

Table II: As City Employees used for Comparison:

Pay %	DIVISION	NAME	City Employee Salary used for comparison:	City Salary with 5% base adj:	Add Soc Security at 7.65%	Add Worker's Comp Costs:	Add Arizona State Retirement at 11.60% of Employee Salaries	Add City Employee insurance cost:	FY 14/15 Cost as City Employees:	Program's Annual Savings:
80%	Financial Services	PATRICIA ANN WAITE	97,569	102,447	7,837	277	11,884	9,710	132,155	32,142
80%	Building Safety	JOE DOMINGUEZ	30,011	31,512	2,411	457	3,655	9,710	47,745	16,982
80%	Business Services	KIMALEE LARKEY	79,160	83,118	6,359	224	9,642	9,710	109,053	27,910
80%	Field Services	SAMUEL A JONES	55,794	58,584	4,482	1,681	6,796	9,710	81,252	24,061
75%	Financial Services	MARION L GAUNA	57,993	60,893	4,658	164	7,064	9,710	82,489	26,758
75%	Police Administration	LINDA MALDONADO	37,014	38,865	2,973	105	4,508	9,710	56,162	20,591
75%	Police Administration	HENDRIX MARTHA J	39,037	40,989	3,136	111	4,755	9,710	58,700	21,186
75%	Warehousing	MICHAEL R. FAUNCE	58,997	61,947	4,739	3,104	7,186	9,710	86,685	29,990
75%	Human Resources	CHRISTINE FISHER	87,551	91,928	7,033	248	10,664	9,710	119,582	35,448
75%	Utilities	ERIC W BUCKLEY	91,764	96,352	7,371	260	11,177	9,710	124,870	36,686
			634,890	666,635	50,998	6,631	77,330	97,100	898,693	271,753

## SERVICE AGREEMENT

This SERVICE AGREEMENT (this "AGREEMENT") is entered into as of this 10th day of June, 2013 between smartschoolsplus, inc, an Arizona corporation, d/b/a smartworksplus ("Provider"), and City of Safford ("Entity").

### RECITALS

A. Provider is a corporation engaged in the business of providing professional services, including employee staffing services, to governmental entities;

B. Provider's employees include qualified staff, administrators, [insert other classifications of Provider employees];

C. Entity is a governmental entity within the State of Arizona that requires the services of qualified personnel, administrators, [insert other classifications of required Entity personnel].

D. Entity is authorized to enter into this Agreement pursuant to [insert authority for Entity to hire its own employees].

E. City desires to obtain services, as more fully described in Exhibit A, attached hereto ("Services") from Provider and Provider is willing to provide Services to City upon the terms and conditions contained in this Agreement, pursuant to RFP #14-06MP and the associated contract issued by the Strategic Alliance for Volume Expenditures (SAVE) available to District/State Entities.

### AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and intending to be legally bound, Provider and Entity agree as follows:

1. Services. Provider shall provide the Services set forth in this Agreement and in the Scope of Services attached as Exhibit A (collectively, "Services").

2. Provider Employees.

A. Employment Agreement. Provider shall enter, or has previously entered, into employment agreements ("Employment Agreements"), substantially in the form of Exhibit B, attached hereto, with staff, administrators, [insert other classifications of Provider Employees] (collectively, "Provider Employees") to perform work required by Entity. A roster of Provider Employees, and their daily pay rates, are set forth in Exhibit C. A copy of each Employment Agreement shall be provided to Entity as soon as available. Provider shall (i) take steps to assure that each Provider Employee performs in accordance with his or her Employment Agreement, and (ii) provide general direction, supervision and control of each Provider Employee in the performance of his or her duties as assigned by Entity, as more fully described in the Scope of Services.

B. Payroll. Provider, and not Entity, shall be solely responsible for administrative employment matters regarding Provider Employees including, but not limited to, all payroll and payroll income tax withholding matters, payment of workers' compensation premiums and funding of appropriate fringe benefit programs. Provider agrees to hold harmless Entity for failure to remit to the appropriate governmental authority any and all taxes, assessments or governmental charges in connection with its employment of Provider Employees. Entity shall immediately forward to Provider any garnishment orders, involuntary deduction orders, notices of IRS liens and other forms of legal process received by Entity affecting payment of wages to Provider Employees and shall cooperate with Provider in responding thereto.

C. Health and Safety. Provider shall, and shall require Provider's Employees to, comply with all health and safety laws, regulations, ordinances, directives and rules imposed by controlling federal, state or local governments, and shall immediately report all work-related accidents involving the Provider Employee within 24 hours to Entity. Provider shall provide where necessary, and shall require that all Provider Employees use, personal protective equipment as required by federal, state or local law, regulation, ordinance, directive or rule.

D. Compensation of Provider Employees. Provider shall pay Provider Employees in compliance with applicable wage and hour laws including, but not limited to, the Fair Labor Standards Act ("FLSA") and Arizona Labor Code. Provider shall maintain complete and accurate records of all wages paid to a Provider Employee assigned to perform work for Entity. Provider shall be exclusively responsible for, and shall comply with, applicable law governing the reporting and payment of wages, payroll-related and unemployment taxes attributable to wages paid to Provider Employees assigned to perform work for Entity.

E. Legal Arizona Worker's Act. Provider, and not Entity, shall be responsible for compliance with the Legal Arizona Worker's Act (2007), as amended from time to time. Compliance shall include, but not be limited to, verification of employment eligibility for all new employees through the E-Verify program, as defined in A.R.S. § 23-211.

F. Termination. Provider or Entity may terminate this Agreement, with respect to any or all of the Provider Employees, without cause or justification of any kind, by providing the other party with written notice of such termination at least 30 days prior to the effective date of termination. Entity shall have the right to terminate the service of, and therefore cease to have any obligation with respect to, any particular Provider Employee, upon written notice to Provider (or its successor in interest) upon the occurrence of any of the following:

(1) if the Provider Employee: (i) embezzles, steals or misappropriates funds or property of Entity or defrauds Entity; (ii) is convicted of a felony; (iii) has a necessary certification revoked or suspended; or (iv) commits an act or omission which constitutes unprofessional conduct or which adversely affects the reputation of Entity, in which case termination shall be effective as of the date of the first of any act giving rise to a termination event under this Subsection F(1), and Entity shall have the right to require the Provider Employee to cease all work pending a final determination regarding whether the Provider Employee acted or failed to act in a manner that constitutes a termination event under this Subsection F(1); Entity shall have no obligation to pay for any work performed by such Provider Employee following the date of the first act or failure to act by a Provider Employee that gives rise to a termination event under this Subsection F(1);

(2) the death of the Provider Employee occurring any time during the term of this Agreement, in which event this Agreement (as it relates to that employee) shall terminate as of his date of death;

(3) the permanent disability of the Provider Employee occurring at any time during the term of this Agreement. For purposes of the foregoing, a Provider Employee shall be deemed to be permanently disabled if, by reason of any physical or mental condition, the Provider Employee is unable to substantially perform his duties hereunder during either (i) any continuous period of 30 days, in which event this Agreement shall terminate as of the first day following the end of such 30-day period, or (ii) an aggregate of 45 days within a 12-month period, in which event this Agreement shall terminate as of the first day following the 45th such day;

(4) in the event that a Provider Employee is unwilling, unable or fails to satisfactorily comply with Entity rules, guidelines, policies, procedures and regulations promulgated by Entity during the term of the Provider Employee's Employment Agreement; provided, however, that termination for cause shall not occur unless written notice of the alleged non-compliance is first given to Provider and Provider fails to cure the non-compliance within 10 days following receipt of such written notice, in which case termination shall be as of the end of such ten (10) day period; or

(5) if it is later discovered that a Provider Employee has made any material misrepresentations or has failed to provide any material information in connection with the application for employment that was previously submitted to Provider.

3. Compensation. Entity agrees to compensate Provider for work performed, and reimbursable expenses incurred in the performance thereof, by Provider Employees in accordance with the compensation schedule attached hereto as Exhibit D. Provider shall invoice Entity monthly; invoices shall be due and payable within 7 days after receipt by Entity. The parties acknowledge and agree that Provider Employees shall receive wages solely from Provider. Entity shall not pay any Provider Employee in cash or by any other means for any work performed by such Provider Employee pursuant to his or her Employment Agreement. Any individual whom Entity pays directly for any work performed shall not be considered a Provider Employee as to any work for which Entity provides compensation.

4. Responsibilities of Entity. In addition to its payment, and other obligations set forth in this Agreement, Entity shall have the following responsibilities:

A. Supervision; Reporting. Entity shall provide daily monitoring of the Provider Employees and shall report to Provider on an ongoing regular basis regarding the Provider Employees' performance of their respective duties.

B. Safety Obligations. Entity shall provide a safe workplace for Provider Employees, shall supply documentation related to safety activities as prescribed by law (e.g., safety meeting, training, maintaining OSHA log), and shall inform Provider of any necessary protective equipment that Provider Employees must use in the performance of work for Entity. Provider or its workers' compensation carrier has the right to inspect Entity's premises and operation, but is not obligated to conduct any inspections. Provider reserves the right to audit safety activities. Provider or its insurer may, but neither is obligated to, give reports to Entity on the conditions found at Entity's worksites. Neither Provider's insurer nor Provider warrants the result of the inspections or the absence thereof, or that the operations or premises are in compliance with any laws, regulations, codes or standards.

5. Term. The term of this Agreement shall commence as of July 1, 2013 and shall end on June 30, 2014, unless earlier terminated pursuant to the provisions hereof, and shall automatically be renewed annually for up to four additional one (1) year terms unless terminated pursuant to the provisions hereof. Entity acknowledges and agrees that prior to any renewal, the Exhibits will be adjusted to account for changes in the duties, responsibilities and wages for Provider Employees. Provider shall provide revised copies of the Exhibits to Entity at least 30 days prior to the end of the then-current term.

6. Insurance.

A. Worker's Compensation.

(i) Except as otherwise provided in this Agreement, Provider shall be considered the "employer" of all Provider Employees for the purposes of providing workers' compensation insurance within the meaning of Arizona Revised Statute ("A.R.S.") § 23-901. Provider shall provide workers' compensation and employer's liability insurance in accordance with the statutory requirement of the State of Arizona, including Employer's Liability insurance with limits of liability of not less than \$500,000 for each accident and \$500,000 for bodily injury or disease. The workers' compensation policy shall be endorsed to include the Alternate Employer Endorsement and shall include a waiver of subrogation in favor of Entity from the workers' compensation insurer. Provider shall, upon Entity's request, upon termination of this Agreement, provide to Entity records regarding the loss experience for workers' compensation insurance provided to Provider Employees pursuant to this Agreement.

(ii) Entity and Provider understand, agree and acknowledge that no individual shall be covered by Provider's workers' compensation insurance, or be issued a payroll check unless prior to commencing work for Entity that individual satisfies the following requirements: (a) is employed by

Provider in Arizona to work in Arizona; (b) is performing Services for Entity pursuant to this Agreement; (c) is listed on Provider's roster of Provider Employees in Exhibit C; (d) has completed Provider's required enrollment forms and, where applicable, is certified or licensed as required by law for the position in which employed by Provider; (e) has completed necessary criminal background checks, including fingerprinting; (f) has entered into an Employment Agreement with Provider; (g) has provided all data required by Provider for payroll processing and workers' compensation coverage; and (h) has been entered onto Provider's payroll system.

(iii) Entity understands, agrees and acknowledges that the workers' compensation insurance that Provider shall provide under this Agreement shall only cover individuals who are listed on Provider's roster of Provider Employees in Exhibit C, and shall not cover other individuals who might perform services for Entity, whether as employees, independent contractors or otherwise. The parties agree that a percentage of the service fee paid by Entity shall be for payment of workers' compensation insurance premiums. Entity agrees to provide workers' compensation insurance or maintain a program of approved self-insurance or risk retention pool coverage covering Entity's own employees.

#### **B. Entity Liability Insurance.**

Entity shall provide liability indemnity protection to the Provider Employees who provide services to Entity but only if those Provider Employees are acting within the course and scope of the authorization granted. The coverage provided shall be made available to the Provider Employee as an additional covered party under the terms of Entity's participation agreement with [insert name of Entity Risk Retention Pool, if any (the "Pool")]. Coverage shall be made available by the Pool to each Provider Employee on the same terms and conditions as coverage is made available to employees of Entity. Provider shall be added as an additional covered party to the Pool coverage agreement, but only to the extent that Provider is vicariously liable for the acts of the Provider Employee while the Provider Employee is performing services on behalf of Entity, but not for any actual or alleged wrongful act, error or omission of Provider in its own right (e.g., claims of negligent hiring, supervision or retention, employment discrimination, etc.). In no event, however, shall the provision of liability indemnity protection be construed as evidence that the relationship between the parties and the Provider Employees is other than as specifically provided for and agreed to in this Agreement.

#### **C. Other Insurance.**

Provider shall maintain in full force and effect at all times during the term of this Agreement the Commercial General Liability ("CGL") Insurance and unemployment insurance.

(i) The CGL policy shall provide for limits of not less than \$1,000,000 per occurrence and if such CGL policy contains a general aggregate limit of liability, the limit shall be no less than \$2,000,000. The CGL policy shall be written on an occurrence form and shall cover liability arising from the independent negligence or other wrongful act, error or omission of Provider or its employees that is not the direct consequence of the work performed by the Provider Employees under the terms of this Agreement. Entity shall be added as an additional insured to the CGL policy, but only to the extent that the covered liability-causing event is not related to the work performed under the terms of this Agreement.

(ii) Provider shall provide unemployment insurance coverage to the extent required by law.

7. **Independent Contractor.** The relationship created by this Agreement shall be deemed and construed to be, and shall be, that of principal and independent contractor. Provider has no authority to enter into any contract or incur any liability on behalf of Entity. Provider's employees are not intended to be and shall not be considered employees of Entity. Except as otherwise provided in this Agreement, Provider retains full control over the employment, direction, supervision, compensation, discipline and discharge of all persons performing Services and work under this Agreement.

8. Non-Exclusive Use. Provider acknowledges and agrees that Entity may enter into agreements with other provider organizations to perform work for Entity and that Provider is not the exclusive organization with which Entity may contract to provide services.

9. Notice. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received when hand delivered to the party addressed or upon the date noted upon the receipt for registered or certified mail, first class postage prepaid, return receipt requested, addressed as set forth below:

If to Provider: smartworksplus  
P.O. Box 11618  
Tempe, AZ 85284-0027

With a copy to: Perkins Coie Brown & Bain P.A.  
2901 N. Central Ave., Suite 2000  
Phoenix, AZ 85012  
Attention: Judith K. Weiss, Esq.

If to Entity:

With a copy to:

Either party may alter the address or addresses to which communications or copies are to be sent to such party by giving notice of such change of address in conformity with the provisions of this Section 10.

10. Binding Nature of Agreement; Assignment and Nominee. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

11. Entire Agreement. This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified or amended other than by a writing signed by both parties.

12. Waiver. The failure or delay on the part of any party to exercise any right, remedy, power or privilege under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such rights, remedies, powers or privileges with respect to any other occurrence.

13. Costs and Expenses. Each party hereto shall bear its own costs, including attorneys' fees and accounting fees, incurred in connection with the negotiation, drafting and consummation of this Agreement and the transactions contemplated hereby, and all matters incident thereto.

14. Headings. All sections and descriptive headings of sections and subsections in this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

15. Construction; Interpretation. This Agreement is intended to express the mutual intent of the parties hereto and thereto, and irrespective of the identity of the party preparing any such document,

no rule of strict construction shall be applied against any party. In this Agreement, the singular includes the plural, and the plural the singular; words imparting either gender include the other gender; references to "writing" include printing, typing, lithography and other means of reproducing words in a tangible visible form; the words "including," "includes" and "include" shall be deemed to be followed by the words "but not limited to." The term "person" shall include an individual, corporation, joint venture, partnership, trust, estate, association, governmental entity or any other entity.

16. **Exhibits and Recitals.** All Exhibits referred to herein and the Recitals made and stated hereinabove are hereby incorporated by reference into, and made a part of, this Agreement.

17. **Materiality.** All covenants, agreements, representations and warranties made herein shall be deemed to be material and to have been relied on by the parties in entering into this Agreement and shall survive the execution and delivery of this Agreement.

18. **Governing Law; Forum; Venue.** This Agreement is executed and delivered in the State of Arizona, and the substantive laws of the State of Arizona (without reference to choice of law principles) shall govern its interpretation and enforcement. Any action brought to interpret or enforce any provisions of this Agreement, or otherwise relating to or arising from this Agreement, shall be commenced and maintained in a federal, state or local court located within Graham County, Arizona.

19. **Knowing Covenants.** The parties hereby represent to each other that the covenants and agreements provided for in this Agreement have been knowingly and voluntarily granted after thorough consultation with counsel as to the binding and irrevocable effect thereof. Based upon consultation with counsel, the parties hereby represent and warrant to each other that this Agreement is binding and enforceable in accordance with its terms.

20. **Indemnification.** Provider agrees to indemnify, defend and hold harmless Entity, its Council members, officers, directors, employees, insurers, indemnitors and agents for, from and against all suits, claims, liabilities, costs, expenses and debt, including reasonable attorneys' fees, incurred by Entity arising from, attributable to or caused by acts or omissions of Provider (or its officers, directors, shareholders or agents) or any Provider Employee in the performance of or related to the performance of the duties of any Provider Employee as described in the Employment Agreement (including, but not limited to injuries to Provider Employees that may or may not be covered by workers compensation insurance); except, to the extent such suits, claims, liabilities, costs, expenses and debt result from acts or omissions of Entity or its Council members, officers, directors, employees, insurers, indemnitors or agents. This indemnification provision shall apply to suits, claims, liabilities, costs, expenses and debt that are not otherwise covered by Entity's Liability Insurance provided for by the Pool.

21. **Conflict of Interest.** The parties expressly acknowledge that Entity has the option of canceling this contract for three years from the date of execution without any further penalty or obligation pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of Entity is at any time during the term or any extension thereof, an employee or agent of Provider or a consultant to Provider. Provider acknowledges the potential for a current Entity employee to become a Provider Employee and recognizes the applicability of A.R.S. § 38-511.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and date first above written and effective as of the date hereinabove stated.

"Provider"

smartschoolsplus, inc.  
an Arizona corporation, d/b/a smartworksplus

Sandra McClelland  
By: Sandra McClelland  
Its: President

"Entity"

[Signature]

City of Safford  
By: David J. Kincaid  
Its: City Manager

## EXHIBIT A

### Scope of Services

The following Services shall be performed by smartschoolsplus, inc. [d/b/a smartworksplus] in fulfillment of its obligations under the terms of the Agreement.

1. Provider shall recruit, hire, train, evaluate and supervise Provider Employees who are professionally and technically qualified to perform the duties of staff, administrators, [insert other classifications of Provider Employees] and shall discipline and terminate Provider Employees, as appropriate, including the following:

a. maintaining a recruiting and hiring program that is in compliance with federal and state laws, rules and regulations, equal opportunity and anti-discrimination policies applicable to, and restricting, the hiring and selection process, including, but not limited to, Title VII of the Civil Rights Act of 1964 ("Title VII"), the Americans With Disabilities Act ("ADA"), the Age Discrimination in Employment Act ("ADEA"), the Fair Credit Reporting Act ("FCRA") and the Arizona Employment Protection Act ("AEPA");

b. maintaining a system of statewide personal background checks on all Provider Employees provided to Entity to include statewide criminal background check and fingerprinting. Provider shall ensure that all Provider Employees possess all certifications qualifications necessary to enable them to perform their assignments, and that Provider Employees have satisfied any legal prerequisites to the performance of their assignments;

c. maintaining a system of performance evaluation for each Provider Employee;

d. maintaining a program of supervision that enforces the policies and procedures of Entity. In order to maintain the program, Provider shall designate one or more on-site staff as the supervisor and/or Provider contact who shall be responsible for addressing and responding to Provider Employees. The designated on-site supervisor and/or Provider contact shall be trained by Provider in regard to: (i) applicable workers' compensation laws; (ii) applicable equal employment opportunity laws, regulations and policies, including reporting procedures; and (iii) workplace violence prevention, including the detection of early warning signs of violence and the proper reporting of threats and acts of violence. The supervisor and/or Provider contact shall promptly notify Entity of any human-resource-type issue raised by a Provider Employee that may affect Entity, such as threats of violence, harassment, discrimination or retaliation;

e. providing to each Provider Employee information regarding his or her obligation to comply with all of Entity's safety, drug/alcohol, work policies, anti-harassment, anti-discrimination and anti-retaliation policies. Provider shall establish a complaint and/or reporting procedure for violations of policies and instruct Provider Employees on the use of the procedure. Provider shall obtain written acknowledgement from the Provider Employee that he or she has read, understood and agrees to abide by those policies and procedures;

f. providing annual harassment, discrimination, retaliation, abuse and neglect training for all Provider Employees, or ensure Provider Employees participate in similar training provided by Entity. Provider shall maintain a record of all such training; and

g. preparing and distributing an Employee Handbook to Provider Employees that identifies and explains Provider's policies and procedures that are to be followed during the course of the Provider Employees' employment with Provider.

2. Provider shall inform the Provider Employee in writing that he or she is employed by Provider, not Entity.

3. Provider shall inform the Provider Employee in writing that job related illness/injury reports are to be made to the supervisor or Provider contact and provide information on where and how reports are to be made to Provider contact.

4. Provider shall notify Provider Employees in writing that other than the liability indemnity protection specifically delineated in this Agreement the only benefits they shall receive shall be from Provider, and that they are not entitled to any benefits from Entity.

5. Provider shall be responsible for the quality, adequacy and safety of the work performed by Provider Employees pursuant to this Agreement, and the acts, errors or omissions of Provider Employees at all times.

**EXHIBIT B**

**Form of Employment Agreement**

[see attached]

**EXHIBIT C**

**Roster of Provider Employees and Fee Schedule**

[see attached]

## EXHIBIT D

### Provider Compensation Schedule

**Compensation:** Provider compensation is computed based on the number of days Provider Employees work during designated month, multiplied by their Daily Rate of Pay set forth in Exhibit C. Provider shall invoice Entity monthly (i) at agreed-upon offered contractual salary equal to 75% of Provider Employee's exit salary for Provider Employees that previously worked at Entity, or (ii) at agreed-upon offered contractual salary for Provider Employees that did not previously work at Entity.

**Extra Compensation:** Entity shall pay Provider for Provider Employees that have qualified for bonus or similar extra compensation. Provider shall invoice Entity, for agreed-upon Extra Compensation at 75% for Provider Employees. The method and timing of payment of such "Added Service Pay" shall be in accordance with the performance of such service.

**Service Fee/Direct Payroll Costs:** In addition to the payments for work performed and extra factor/incentive pay, Entity shall pay Provider a service fee equal to four percent (4%) and all applicable direct payroll costs (e.g., Social Security, FICA & Medicare, AZ Unemployment, Federal Unemployment, Worker's Compensation (professional/classified)).

**Reimbursement:** Entity shall reimburse Provider for mileage, travel, conferences and other out-of-pocket expenses incurred by Provider Employees but only if such expenses are approved (prior to the expense being incurred), by the Provider Employee's Entity supervisor. To obtain such reimbursement, Provider Employees must submit a written claim for reimbursement, approved by the Provider Employee's Entity supervisor, to Entity. Entity shall forward the claim to Provider. Provider shall reimburse the Provider Employee and include the amount of the reimbursement on Provider's invoice to Entity.

**Discretionary Leave Days:** Entity shall provide Provider Employees with the same number of leave days as are made available to Entity's other personnel in the same classification.

**Electronic Access:** Entity shall provide each Provider Employee access to electronic and technological tools allowing for participation and function of normal Entity duties (e.g., Kronos, e-mail, internet, cell phones, etc.). Provider Employees shall reimburse Entity directly for all charges incurred as the result of personal use of Entity cell phones. Provider Employees agree to follow all Entity guidelines and policies regarding use of the same.