



# AGENDA

# 6:00 PM

CITY OF SAFFORD, CITY COUNCIL MEETING

MONDAY, October 13, 2014

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

In accordance with Section 2.04.120 of the *Municipal 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 Regular City Council Meeting open to the public on the date and time specified above at the Safford Library Program Room, 808 South 7<sup>th</sup> Avenue, Safford, Arizona.

City Council Meeting Agendas are available on the city's website at: [www.cityofsafford.us](http://www.cityofsafford.us)

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.

Members of the City of Safford Council may attend either in person or by telephone conference call.

The City Council reserves the right to take action upon any item 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.

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:**
5. **CITIZEN COMMENTS ON AGENDA ITEMS:**
6. **NEW/OLD BUSINESS**
  1. Discussion of Four Day Work Week requested by Councilman Malloque.  
**DISCUSSION/INFORMATION**
7. **CONSENT ITEMS:** These items are considered to be routine by the City Council and will be enacted by one motion, without discussion. The consent agenda is a time saving device. Council Members have received documentation on these items for review prior to the open meeting. Any Council Member may remove any item from the consent agenda for discussion and a separate vote if deemed necessary. The Mayor and City Council may wish to consider approving Items 1 through 12 as Consent Agenda Items. **INFORMATION/ACTION**
  1. September 8, September 17, and September 22, Council Meeting Minutes
  2. Police Report
  3. Building Inspection Report
  4. Public Works Report
  5. Business License Report for August
  6. Library Report
  7. Utility Consumption/Water Production Reports
  8. Summary of Projects Planning and Grants Administration
  9. Prosecution Report
  10. Airport Report
  11. Expense Report over \$5,000
  12. Purchasing Card Report



# AGENDA

# 6:00 PM

CITY OF SAFFORD, CITY COUNCIL MEETING

MONDAY, October 13, 2014

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

## **GUIDELINES FOR CITIZEN COMMENTS ON AGENDA ITEMS**

### **PURPOSE:**

- Allow citizens to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question and answer session.

### **PROCEDURES:**

- Fill out a "Request to Address the Council Agenda Item" form and present it to the City Clerk prior to the beginning of the meeting.
- When recognized, use the lectern/microphone.
- State your:
  - Name
  - City of Residence
- Limit comments to 3 minutes.
- Submit written comments for the record to the City Clerk.

## **GUIDELINES FOR CITIZEN COMMENTS ON NON AGENDA ITEMS**

### **PURPOSE:**

- The Safford City Council values citizen comments and input.
- Because these items are not listed on the Council Agenda, Council may not act on the information during the meeting but may refer the matter to the City Manager for follow-up.

### **PROCEDURES:**

- Completely fill out a "Request to Address the Council Non-Agenda Item" form and present it to the City Clerk prior to the beginning of the meeting. Forms which are not completely filled out will be rejected.
- When recognized, during the "Citizen Comments on Non Agenda Items" section, use the lectern/microphone.
- State your:
  - Name
  - City of Residence
- Limit comments to 3 minutes.
- Submit written comments for the record to the City Clerk.

## **8. CONTRACTS, AGREEMENTS, BIDS:**

1. Randy Petty, City Engineer, will inform the City Council about the Main Street Improvement Project/Main Street Traffic Signal Project, the additional funding and the cost to the City. It is staff recommendation City Council authorize a transfer of additional funds (\$13,110) from the Public Works Capital Projects Budget. **INFORMATION/ACTION**
2. Randy Petty, City Engineer, will inform the City Council about the Pathway Project, Phase 6, the additional funding and the cost to the City. It is staff recommendation City Council authorize a transfer of additional funds (\$1,710) from the Public Works Capital Projects Budget. **INFORMATION/ACTION**
3. Consider a request from Donald and Barbara Steinman, doing business under the Arizona Trade name of Redington Land & Cattle, Co., to assign Commercial Lease to Josh and Misty Smart, dba Redington Ranch Supply. **INFORMATION/ACTION**
4. Request for the City Council to approve the proposed Equipment Lease Purchase Financing Agreement with Zions First National Bank for the purchase of a 2014 Caterpillar 816F2 Landfill Compactor from Empire Machinery. **INFORMATION/ACTION**
5. Request for the City Council to approve the proposed Land Purchase Financing Agreement with Zions First National Bank for the purchase of land located at 1424 West Thatcher Blvd., Safford, Arizona 85546. The City Council may adjourn to Executive Session pursuant to Arizona Revised Statutes § 38.431.03(A)(3)(4) and (7) to seek legal advice and to provide guidance for contract negotiation. **INFORMATION/ACTION**

## **9. MEETINGS/ACTIVITIES HELD OR TO BE HELD BY COUNCIL OR CITY STAFF:**

## **10. COUNCIL OR STAFF REQUESTS FOR AGENDA ITEMS:**

## **11. FUTURE MEETINGS/ANNOUNCEMENTS:**

- October 18, 2014 Annual Harvest Festival
- Monday, October 27, 2014 Council Work Session
- Tuesday, November 4, 2014 General Election
- Monday, November 10, 2014 Council Meeting
- Tuesday, November 11, 2014 Veteran's Day Holiday
- Monday, November 24, 2014 Council Work Session



# AGENDA

# 6:00 PM

CITY OF SAFFORD, CITY COUNCIL MEETING

MONDAY, October 13, 2014

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

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. Executive Session will not be open to the public.

*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.*

- Thursday, November 27, 2014 Thanksgiving Holiday
- Friday, November 28, 2014 Merry Main Street Event
- Saturday, December 6, 2014 Christmas Light Parade
- Monday, December 8, 2014 Council Meeting (only December meeting)
- Wednesday, December 24, 2014 Close at noon for Christmas Holiday
- Thursday, December 25, 2014 Christmas Day Holiday

**12. CITIZEN COMMENTS ON NON-AGENDA ITEMS:** *Members of the Council may not discuss items that are not specifically identified on the Agenda. Therefore, pursuant to A.R.S. §38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter responding to any criticism or scheduling the matter for further consideration and decision at a later date.*

**13. ADJOURN:**

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

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



---

---

**CITY COUNCIL COMMUNICATION**

---

---

**TO:** Mayor and Council  
**FROM:** Georgia Luster, City Clerk  
**REQUESTED BY:** Kenneth Malloque, Councilman  
**SUBJECT:** Four Day Ten Hour Work Week  
**DATE:** Monday, October 13, 2014 at 6:00 p.m.

---

**Purpose and Recommended Action:** This is a request by Councilman Malloque to discuss the merits of the four day work week.

**Background:**

The City of Safford began discussing going to a four day ten hour work week back in 2010. Customer and employee surveys were conducted in 2010 and again in 2011 to get the feel of how a 4X10 schedule would impact customer services, employee productivity and energy cost savings to the City. Both surveys supported the implementation of a four day ten hour work week. On May 23, 2011, the Council unanimously adopted Ordinance 11-004 authorizing the amendment of Title 13 of the Municipal Code to implement a four-day work week effective July 2, 2011.

After one full year on the 4 x 10 schedule Council was provided a summary of the effects on the City's budget. Electrical use was reduced by just over 58,000 kilowatts hours. A similar summary of overtime work showed an increase of 992 hours of which 300 hours was Police overtime. Following this request, a similar analysis was performed that shows last Fiscal Year, electrical usage savings continued to increase and additional approximate 47,000 was realized over Fiscal Year 11-12 (first full year of four tens). The overtime comparison between Fiscal Year 11-12 and last Fiscal Year shows no significant change. Fiscal Year 11-12 the City incurred 5,319 hours of overtime and in Fiscal Year 13-14 recorded 5,299 hours with no significant difference in Police overtime with the year over year comparison. As can be seen in the attachment measuring customer counts during the extended hours, the City served between 5,000 and 5,500 for the last two fiscal years during the hours before 8:00 a.m. and after 5:00 p.m.

**Attached Documents:**

Extended Hours – Customer Count  
Overtime Comparison

Electric Usage Consumption

<b><i>EXTENDED HOURS - CUSTOMER COUNT</i></b>		
<b>HOUR</b>	<b>FY12/13</b>	<b>FY13/14</b>
06:00am - 7:00am	16	23
07:00am - 8:00am	1,781	2,146
5:00pm - 6:00pm	3,114	3,088
6:00pm - 7:00pm	211	144
<b>TOTALS</b>	<b>5,122</b>	<b>5,401</b>

**ELECTRIC USAGE COMPARISON**

<b>FACILITIES</b>	<b>10-11</b>	<b>11-12</b>	<b>13-14</b>
ANNEX	56,700	52,530	40,400
ATTORNEY	10,140	6,806	52
CITY HALL	169,234	152,194	153,627
FLEET	29,600	28,000	27,240
LIBRARY	173,574	152,300	139,249
POLICE	74,020	72,570	74,750
PUBLIC WORKS	53,998	54,426	51,114
UTILITIES	136,240	126,080	111,000
WAREHOUSE	31,880	32,440	32,920
<b>Grand Total</b>	<b>735,386</b>	<b>677,346</b>	<b>630,352</b>

**OVERTIME COMPARISON**

<b>DEPARTMENT</b>	<b>FY 10/11</b>	<b>FY 11/12</b>	<b>FY 13/14</b>
ADMIN SERVICE	350	560	453
CITY CLERK	5		
COMMUNITY SERVICE		8	23
ENGINEER	17	66	10
FINANCIAL SERVICE		7	106
H-R		28	50
POLICE	1,645	1,945	1,960
PUBLIC WORKS	679	1,061	924
UTILITIES	1,632	1,644	1,775
<b>Grand Total</b>	<b>4,327</b>	<b>5,319</b>	<b>5,299</b>



---

---

**CITY COUNCIL COMMUNICATION**

---

---

**TO: Mayor and Council**  
**FROM: All Departments**  
**SUBJECT: Monthly Reports**  
**DATE: Monday, October 13, 2014 at 6:00 p.m.**

---

**Purpose and Recommended Action: Approve Consent Agenda Items**

7. **CONSENT ITEMS:** These items are considered to be routine by the City Council and will be enacted by one motion, without discussion. The consent agenda is a time saving device. Council Members have received documentation on these items for review prior to the open meeting. Any Council Member may remove any item from the consent agenda for discussion and a separate vote if deemed necessary. The Mayor and City Council may wish to consider approving Items 1 through 12 as Consent Agenda Items. **INFORMATION/ACTION**

1. September 8, September 17, and September 22, Council Meeting Minute
2. Police Report
3. Building Inspection Report
4. Public Works Report
5. Business License Report for August
6. Library Report
7. Utility Consumption/Water Production Reports
8. Summary of Projects Planning and Grants Administration
9. Prosecution Report
10. Airport Report
11. Expense Report over \$5,000
12. Purchasing Card Report

**Background:**

**Analysis:**



**“The mission of the City of Safford is to make Safford  
a great place to live, work, and visit”**

**CITY OF SAFFORD (ATTACH landfill Powerpoint)  
COUNCIL MEETING MINUTES  
Monday, September 8, 2014 @ 6:00 PM  
Safford Library Program Room, 808 S. 7<sup>th</sup> Avenue, Safford, Arizona**

**PRESENT:** Wyn “Chris” Gibbs, Mayor; Mary Bingham, Vice Mayor; Council Member’s Gene Seale, Arnold A. Lopez, Kenneth Malloque, Richard Ortega and James D. Howes.

**STAFF PRESENT:** Horatio Skeete, City Manager; Sandy Findley, Executive Assistant; Joe Brugman, Chief of Police; Randy Petty, City Engineer; Dustin Welker, Planning and Community Development Director; Christine Fisher, Human Resources Director; Eric Buckley, Utilities Director; LeAnne McElroy, Library Director; and Georgia Luster, City Clerk. Dale Clark assisted with the audio/video recording of the meeting.

**OTHERS PRESENT:** Steve McGaughey, Sam Napier, Michael Faunce, Chad Hogle, John Neal, and others who did not sign in. Kelly Van Shaar video recorded the meeting.

1. **WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:00:33 p.m.
2. **ROLL CALL:** A quorum of the Council was present (7).
3. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the Flag.
4. **OPENING PRAYER:** Pastor John Neal offered the opening prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS:** NONE
6. **NEW/OLD BUSINESS:**

1. **Power Point Presentation providing the City Council an update on the status of the Landfill Study and to receive direction on the various alternatives being considered by staff to address the issues identified in Phase 2 of the Study.** (Presentation attached)

Randy Petty, City Engineer, presented the status of and an update on the status of the Graham County Regional Landfill study. The City of Safford has operated the landfill since 2005. The last ADEQ permit was done in 2008 that included change to method of

daily cover. The new weigh scale was installed starting in 2010 and staff recognized projections and life expectancy of the landfill needed to be updated. Earlier this year, the City hired Kimley-Horn/Stantec to review the waste tonnage of the landfill from 2009 to 2013 and to determine available "airspace", acquire life expectancy projections, and closure costs at the landfill. The projected life of the Landfill is about eight (8) years and the landfill needs to be updated. He explained the Study Scope for the Landfill.

- Collect Data from City of Safford and ADEQ on disposal
- New aerial flight of Landfill to capture existing elevation
- Make new waste projections, assess capacity, estimate site life
- Closure and post closure monitoring financial outlook
- Generate alternatives for landfill expansion and present costs

Scott Altheer of Kimley Horn and Chuck Williams of Stantec were introduced at this time. Mr. Altheer, Project Manager, explained the projected annual disposal is projected out to thirty (30) years as predicted by the Arizona Department of Administration. He stated population growth for Safford is expected to grow 1.5% over the next 30 years. The current Landfill will run out of space in 2022 (eight years from today) according to projections they have. A new aerial was complete of the Landfill that provides existing elevation or the existing footprint. It also calculates air space remaining under the current ADEQ permit. He pointed out that the City of Safford has exceeded industry standards for compaction. Additionally, he provided information about the preferred alternatives, Lifespan, & cost impacts. He noted horizontal (laterally) expansion was not explored because of the cost to permit and construct a new landfill could exceed \$500,000 per acre. However, multiple alternatives were explored for vertical expansion. Alternative 3B is recommend which is a vertical expansion of Areas A, B-1, B-2, and C which expands the existing permitted landfill elevation by four (4) feet while also increasing front and side slopes to attain additional airspace. Alternative 3B optimizes the exact number of years to provide capacity for the next thirty (30) years. Alternative B basically raises the existing permitted landfill to an elevation of 3062. The current permit allows an elevation of 3058 in the center of the landfill mildly sloping to the edges. (20-24 feet on the exterior with the center raising approximately four feet). Alternative B will provide an additional 30 years of site life and actual cost is the permitting cost (Phased drainage improvements and potential for monitoring). Also, there may be the potential that ADEQ may require landfill gas or groundwater monitoring requirements. He turned the time over to Chuck Williams at this time.

Mr. Williams reviewed closure and post-closure of the Landfill. Under the current permit, he explained:

- “closure” includes installation of a 2 foot thick engineered “soil cap”, vegetation, final drainage system, groundwater monitoring and fencing. (closure costs).
- Post closure monitoring includes inspection and maintenance for 30-years of vegetation, gas & groundwater quality, drainage and fencing.
- Facility closure scenarios:
  - 8 years landfill life: Closure cost \$4.9 million, Post- Closure - \$1.8 million
  - 22 year landfill life: Closure cost \$6.2 million, Post-closure - \$2.4 million
  - 30 year landfill life: Closure cost \$7 million, Post-closure \$2.7 million

Secondly, Mr. Williams reviewed the current gate fee which is \$42/ton that covers the cost of operating the landfill and an additional 5% is collected and dedicated to a reserve fund for closure costs. He provided scenario’s implying impacts of charging a gate fee for closure of the Landfill. A collection of five percent (5%) may not be sufficient for closure of the Landfill.

- 8 years landfill life: Gate fee increase \$25/ton; Proposed Gate fee =\$67/ton
- 22 years landfill life: Gate fee increase of 9.00/ton; proposed gate fee \$51/ton
- 30 years landfill life: Gate fee increase of \$6.62/ton; proposed gate fee \$48.62/ton

He pointed out that the City’s gate rates are in line with other counties. He did note that some county’s offer a volume discount and provided a comparison of landfill gate fees of other counties:

Cochise County = \$53.50/ton  
Greenlee County = \$42/ton  
Pima County = \$40.95/ton  
Glendale County = \$32.25/ton

Gila County = \$39.41/ton  
Mohave County = \$34.50/ton  
Santa Cruz County = \$45/ton  
Flagstaff = \$41.92/ton

Mr. Altheer stated they met with ADEQ to review future steps. ADEQ agreed that expansion is probably necessary and agree with their recommended Alternative (vertical expansion) Type IV change. They noted that grandfathered landfills will be scrutinized because of the lack of a liner may require additional gas and groundwater monitoring requirements. ADEQ will charge \$15,000 to review the permit in-house. Submittal can take six to nine months (engineering time, analysis time). A public notice is required with Type IV permits.

At this time, Randy Petty, the City Engineer, explained the next steps require Council direction on approval of the recommended alternative (Alternative 3B); Council approval for staff to develop scope and fee for Type IV permit for recommended Alternative; Prepare Amended Solid Waste Facility Plan and Type IV permit application; Permitting cost can be paid out of Reserve/Closure fund; estimated \$150,000 + \$15,000

(ADEQ fee) + unknown additional monitoring costs. At this time, no increase in rate fee is being recommended.

Mayor Gibbs inquired about possibly going higher than Alternative IV proposal. He also would like to see an analysis beyond the thirty-year period.

Mr. Altheer stated expansion could go higher than the Type IV alternative; however, there will be more scrutiny because you have more waste on an unlined landfill, higher slopes needing protection for drainage.

City Manager Skeete commented that we cannot get caught up into planning too far ahead for what we think is the inevitable solution today. The industry has changed and will continue to change significantly over the years. For example, one of the things that the City of Glendale is exploring today is how to reduce 120,000 tons of garbage a year by 70% and convert into energy. What and how the City of Safford does with 35 tons of garbage annually becomes significant when considering the dynamics of building a new Landfill. He pointed out that staff is asking for direction to proceed with developing a scope for a Type IV Permit; authorization from Council will occur once a Scope is developed.

It was moved by Councilman Ortega, seconded by Councilman Howes, and carried unanimously to direct staff to proceed with requesting from Kimley-Horn a Scope and Fee to obtain, through ADEQ, a revised Solid Waste Facility Plan and to obtain a Type IV Permit for Alternative 3B for the Regional Landfill. **MOTION ADOPTED**

2. **The Engineering Department will update the City Council concerning the Pathway Project, Phase 6 as it relates to the bid and pending award. Staff is recommending the City Council approve this award subject to the City securing additional funds through SEAGO or the use of the City's contingency appropriation to cover the approximate \$30,130 fund in shortfall.** Randy Petty, City Engineer, provided an update concerning Phase 6 of the Pathway Project. He noted bids came in higher than expected. The bids for this project were opened on August 8<sup>th</sup>. There were five bidders who submitted bids. The bids ranged from \$367,968 to \$509,635. ADOT has reviewed the bids and finds the low bid is acceptable. However, along with the low bid price, additional costs of about \$78,009 with includes contract administration-14%; contingencies-5% and project closeout-2.2%, exceed the available amount. There is \$415,848 available for this project, making a shortfall of \$30,130. The City's match on this additional funding would be about \$1,700. Staff has informed ADOT that we concur that this project should be awarded by the Transportation Board on September 12<sup>th</sup>. In addition, the Engineering Department will seek additional STP funding through SEAGO to make up the discrepancy in funding on the 18<sup>th</sup> of September.

City Manager Skeete commented that the expansion of the Pathway is an important project to the City. He believes that if SEAGO does not provide the additional funding, the scope of another budgeted project may be reduced in order to fund the Pathway project.

It was moved by Councilman Seale, seconded by Vice Mayor Bingham, and carried unanimously to approve the award of the Pathway Project, Phase 6 Bid subject to the City securing additional funds through SEAGO or the use of the City's contingency appropriation to cover the approximate \$30,130 fund in shortfall. **MOTION ADOPTED**

3. **This is a request for the City Council to approve the Engineering Department's recommendation to seek additional funding in the amount of \$324,500 through SEAGO to cover the excess cost for the Main Street Improvement/Main Street Traffic Signal Projects.** Randy Petty, City Engineer, stated the request is for the Council to approve the Engineering Department's recommendation to seek additional funding through SEAGO to cover the excess cost for the Main Street Improvement Project/Main Street Traffic Signal Project. Two bids were received and opened on August 15<sup>th</sup> (\$1,484,159.03 and \$1,796,456.05). ADOT has reviewed the bids and finds that the low bid is acceptable. Along with the bid price, additional costs will be necessary to arrive at the total construction cost of \$1,798,801. These costs include Contract Administration (14%), Contingencies (5%), and Project close-out (2.2%). He noted that \$1,474,352 is available for the project, making a shortfall of about \$324,500. If the project is awarded, the City would be responsible for the additional cost. In addition, the Engineering Department will seek additional STP funding through SEAGO to make up the discrepancy in funding on the 18<sup>th</sup> of September. The City's additional match would be about \$18,500.

Mr. Petty reminded the Council that this project was originally bid in April of 2010 without the traffic signals. The bid at that time came in at \$400,000. The available grant funding was about \$200,000 and the City's additional match would have been approximately \$200,000 if awarded. Current funding for this project is \$1,400,000 which includes the traffic signals. The City has expended approximately \$80,000 for the construction match, landscape design, scoping, review fees, documents and design costs making the total cost to the City of approximately \$98,000. He noted that the additional funding may not be available in the future. He provided three options for the City concerning the award of this project. However, he is recommending Option #2.

- 1) Award the project on October 10, as is.
- 2) Making a request to SEAGO for additional funds to make up the difference between available and total construction cost. If successful, awarding on October 10 with an additional \$18,500 liability to the City.

- 3) Requesting that the project be pulled from consideration for award. Bring the plans back into our office for examination and reconsideration of the scope of the project based on the results of the bid and perhaps reducing the scope and rebidding the project at a later time.

It was moved by Councilman Seale, seconded by Councilman Lopez, and carried unanimously to seek additional funding through SEAGO to cover the excess cost between available and total construction cost for this project and, if successful, awarding on October 10 with an additional \$18,500 liability to the City.

**MOTION ADOPTED**

4. **This is a request for the City Council to approve the purchase cost of \$372,630.10 for the purchase of a 2014 Caterpillar 816F Landfill Compactor. Staff is exploring financing options that are in the best interest of the City and will make a recommendation for financing to the Council at the Regular Council Meeting on October 13, 2014.** Mr. Skeete explained the Council approved the budget to replace the Landfill compactor. He asked Eric Buckley, Utilities Director, to address the request. Mr. Buckley explained the request is to move forward with the purchase of a new compactor for the Landfill. The existing compactor (11,600 current mileage) is no longer operable and is continually in the shop for repairs. Staff is in the process of exploring financing options that are in the best interest of the City. Empire Machinery has submitted a quote for the purchase of a new compactor:

2015 Approved Capital Budget Amount	-	\$460,000.00
Sale price for 2014 816F Compactor	-	\$436,180.10
Trade-In Value of current 2009 816F Compactor	-	\$ (64,000.00)
Net Purchase	-	\$372,630.10

Mr. Skeete stated staff will explore all options including a lease purchase option. Empire Machinery has provided a quote for a new compactor with an interest rate of 3.20% for a term of sixty (60) months. Staff will provide a recommendation to the Council for a financing option to purchase the compactor at the October meeting.

It was moved by Councilman Howes, seconded by Councilman and carried unanimously to approve the purchase cost of \$372,630.10 for the purchase of a new compactor for the Landfill. **MOTION ADOPTED**

7. **CONSENT ITEMS: The Mayor and City Council may wish to consider approving Items 1 through 12 as Consent Agenda Items.** Chief Brugman explained the revised monthly Police Report now includes crime numbers and call type. Report information will be pulled from the Records Management System.

1. August 11, 2014 Council Meeting Minutes
2. Police Report
3. Building Inspection Report
4. Public Works Report
5. Business License Report for August
6. Library Report
7. Utility Consumption/Water Production Reports
8. Summary of Projects Planning and Grants Administration
9. Prosecution Report
10. Airport Report
11. Expense Report over \$5,000
12. Purchasing Card Report ending May 20, 2014

Councilman Ortega suggested removing the Purchasing Card Report from the Consent Agenda Items. Other Councilmembers disagreed. They like to review the report.

Councilman Lopez inquired about why low sodium lighting will no longer be produced. Eric Buckley explained the elimination of low sodium lighting is due to Federal Mandates. Utilities and Public works are in the process of exploring other options for lighting city streets complying with the Dark Sky Ordinance.

It was moved by Councilman Howes, seconded by Councilman Malloque and carried unanimously to approve Items #1 through #12 as Consent Agenda Items as published. **MOTION ADOPTED**

**8. CONSENT RESOLUTIONS:**

1. **It is recommended that the City Council approve and adopt Resolution Number 14-036 accepting the canvass of the Primary Election held August 26, 2014.** City Clerk, Georgia Luster, read the Title and Number of Resolution Number 14-036.

It was moved by Councilman Ortega, seconded by Councilman Howes, and carried unanimously to approve and adopt Resolution Number 14-036 accepting the canvass of the Primary Election held August 26, 2014. **MOTION ADOPTED**

**9. CONTRACTS, AGREEMENTS, BIDS:**

1. **Consider approving Terms of Engagement with the Law Firm of McCarter & English, LLP to provide legal and business services to the City of Safford involving its participation in the natural gas industry, including representation in regulatory and transactional matters.** Eric Buckley, Utilities Director, explained back in 1986 the City of Safford joined the El Paso Natural Gas Municipal Customer Group to maintain a

reasonable supply of natural gas at the lowest reasonable rate for the City of Safford. At that time, Miller, Balis and O-Neil was authorized to bill directly through the Group. John Gregg, will be the lawyer at the firm with McCarter and English, LLP, who will represent the Group.

It was moved by Councilman Malloque, seconded by Vice Mayor Bingham, and carried unanimously to approve the Terms of Engagement with the Law Firm of McCarter & English, LLP to provide legal and business services to the City of Safford involving its participation in the natural gas industry, including representation in regulatory and transactional matters. **MOTION ADOPTED**

2. **Consider approval of, and authorization of the Mayor to execute Second Amendment to the June 30, 2011 Power Purchase Agreement by and between Sempra Generation, LLC and Certain Members of the Southwest Public Power Resources Group.** Eric Buckley, Utilities Director, explained the amendment is to the original agreement and the next few items are house-keeping items. He stated the request is to approve and authorize the Mayor to execute Second Amendment to the June 30, 2011 Power Purchase Agreement by and between Sempra Generation, LLC and Certain Members of the Southwest Public Power Resources Group.

It was moved by Councilman Malloque, seconded by Councilman Ortega and carried unanimously to approve and authorize the Mayor to execute Second Amendment to the June 30, 2011 Power Purchase Agreement by and between Sempra Generation, LLC and Certain Members of the Southwest Public Power Resources Group. **MOTION ADOPTED**

3. **Consider approval of, and authorization of the Mayor to execute Amended and Restated Administration and Scheduling Agreement by and among Southwest Public Power Agency, Inc. and Southwest Public Power Resources Group Participants in the Sempra Power Purchase Agreement.** Mr. Buckley stated this is document referred to as the ASA where the seller (SEMPRA) requires the buyers to assign an agent to act on behalf of the buyers. The City is contracted for 15 megawatts of capacity. Amendment changes the agent, previously AEPCO, to Southwest Public Power Agency (SPPA).

It was moved by Councilman Ortega, seconded by Councilman Malloque, and carried unanimously to approve and authorize the Mayor to execute Amended and Restated Administration and Scheduling Agreement by and among Southwest Public Power Agency, Inc. and Southwest Public Power Resources Group Participants in the Sempra Power Purchase Agreement. **MOTION ADOPTED**

Councilman Howes commented that K.R. Saline and Associates have been the consultant for the City and has always represented the City well.

4. **Consider approval of, and authorization of the Mayor to execute Southwest Public Power Agency, Inc. Intergovernmental Agreement.** Eric Buckley explained that this document basically formed the joint action agency of the PPA buyers for the purpose of managing their power purchase agreement and other electric power supply contracts. He echoed what Councilman Howes said about K.R. Saline. K.R. Saline has managed the City's purchase power for many years including Hoover Power, Colorado River Storage Power, Glen Canyon Power Supply and CRSP. The Agreement was modeled after the existing CRSP Agreement. The IGA establishes the goals, organization structures, powers and voting and procedures for the organization.

It was moved by Councilman Howes, seconded by Vice Mayor Bingham, and carried unanimously to approve and authorize the Mayor to execute the Southwest Public Power Agency, Inc. Intergovernmental Agreement. **MOTION ADOPTED**

5. **Consider approval of, and authorization of the Mayor to execute Southwest Public Power Agency, Inc. Project Agreement for the SPPA Pool.** Eric Buckley explained the Pool Agreement describes how the parties manage and schedule the majority of the participant's resources. The initial term of the agreement is for five years. It expands Safford's resource management and rate stabilization opportunities. The pooling will provide Safford with monthly management options to dispose of surplus energy or to purchase additional energy as needed to meet Safford's seasonal driven load.

It was moved by Councilman Lopez, seconded by Councilman Malloque, and carried unanimously to approve and authorize the Mayor to execute Southwest Public Power Agency, Inc. Project Agreement for the SPPA Pool. **MOTION ADOPTED**

6. **Consider approval of, and authorization of the Mayor to execute Mutual Confidentiality Agreement with Sempra U.S. Gas & Power, LLC.** Eric Buckley explained the Confidentiality Agreement means future discussions regarding rates and contract information will be confidential.

It was moved by Councilman Malloque, seconded by Councilman Lopez, and carried unanimously to approve and authorize the Mayor to execute Mutual Confidentiality agreement with Sempra U.S. Gas & Power, LLC. **MOTION ADOPTED**

7. **Consider approval of Eric Buckley, Utilities Director, as the City Council's designee to serve as a Director on the Board of Directors of Southwest Public Power Agency, Inc., and Jay Moyes as the alternate designee.** Mr. Skeete explained the requested action

authorizes Eric Buckley to represent the City as the voting representative of the SPPA Board of Directors and to be involved in future discussions. It also authorizes Mr. Jay Moyes as the City's legal representative of the SPPA Board of Directions.

It was moved by Councilman Ortega, seconded by Councilman Lopez, and carried unanimously to appoint Eric Buckley, Utilities Director, as the City Council's designee to serve as a Director on the Board of Directors of Southwest Public Power Agency, Inc., and Jay Moyes as the alternate designee. **MOTION ADOPTED**

8. **This is a request for the City Council to review the proposed Intergovernmental Agreement (IGA) between the City of Safford and Graham County to furnish irrigation water to the County for use at the Graham County Regional Park Facility and provide guidance to staff.** Mr. Skeete reminded the Council that discussions with Graham County have been ongoing regarding the City of Safford providing irrigation water to the County Park according to a twenty-five year agreement that expired October, 2013. This Agreement allowed for the City to provide up to 100 acre feet at a contracted price of \$0.12 per thousand gallons. He stated Graham County is attempting to reduce their dependency on potable water, and has recently constructed two wells and a reverse osmosis system to filter out impurities in the water to allow it to be used as an alternative to the total dependency on the City Water system. This contract proposes to charge Graham County a fee of \$1.75 per thousand gallons up to the first 40 acre feet and then a 25% increase for every thousand gallons used after that allotment. Graham County is requesting the Council consider a longer commitment and consider a five-year MOU that may be terminated by 90 days written notice by either party.

Mr. Skeete stated negotiations included terms that required Graham County to upgrade the Park's water system, provide a master plan for the Park, and to provide a Plan for repairing/inspecting the irrigation system to include storage capacity. However, Graham County excluded those requirements from this MOU.

The Council stated it is their intention to work with Graham County and wish to achieve a beneficial agreement for both the City and the County. However, with the uncertainty of water situation, the Council prefers to establish a shorter term of the MOU.

It was moved by Councilman Seale, seconded by Councilman Malloque and carried unanimously to approve the Memorandum of Understanding (MOU) between the City of Safford and Graham County to furnish irrigation water to the County for use at the Graham County Regional Park Facility, modifying #1 of the MOU, *the duration of this MOU shall be (for one year) from July 1, 2014 until June 30, 2015.* **MOTION ADOPTED**

**10. MEETINGS/ACTIVITIES HELD OR TO BE HELD BY COUNCIL OR CITY STAFF:**

Richard Ortega: Attended SEAGO meeting last Friday. He encourages local entities to start discussions with neighboring counties to aggressively promote travel/tourism.

Mayor Gibbs: Mexican Consulate in Douglas will be celebrating Mexican Independence Friday, September 12<sup>th</sup> from 6-9 p.m.

Friday, September 12<sup>th</sup>, legislative committee meeting on the environment holding Public Forum. Representative Frank Pratt will be speaking on EPA standards/regulations setting limits on carbon dioxide emission at targeted industries and facilities. (Apache Generating Station, AEPCO)

City Manager Skeete introduced Mr. Terry Quest, the new Finance Director.

11. **COUNCIL OR STAFF REQUESTS FOR AGENDA ITEMS:** NONE

12. **FUTURE MEETINGS/ANNOUNCEMENTS:**

- September 22, 2014 Council Work Session
- October 13, 2014 Regular Council Meeting
- October 27, 2014 Council Work Session

13. **CITIZEN COMMENTS ON NON-AGENDA ITEMS:** NONE

14. **ADJOURN:** It was moved by Vice Mayor Mary Bingham, seconded by Councilman Howes, and carried unanimously to adjourn the meeting at 8:00:21 p.m. **MOTION ADOPTED**

APPROVED:

---

Wyn "Chris" Gibbs, Mayor  
City of Safford

ATTEST:

---

Georgia Luster, MMC  
City Clerk

STATE OF ARIZONA     )  
                                  )   ss  
County of Graham     )

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the Special Council Meeting Minutes of the Safford City Council, Graham County, Arizona held Monday, September 8, 2014, and approved at a Regular Council Meeting on Monday, October 13, 2014. I further certify the meeting was duly called, held and that a quorum was present.

October 13, 2014 \_\_\_\_\_  
Date:

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

DRAFT



**“The mission of the City of Safford is to make Safford  
a great place to live, work, and visit”**

**CITY OF SAFFORD  
SPECIAL COUNCIL MEETING MINUTES  
Wednesday, September 17, 2014 @ 3:00 PM  
City Annex Community Room, 808 8<sup>th</sup> Avenue, Safford, Arizona**

**PRESENT:** Wyn “Chris” Gibbs, Mayor; Mary Bingham, Vice Mayor; Council Member’s, Arnold A. Lopez, Kenneth Malloque, Richard Ortega and James D. Howes.

**ABSENT:** Councilman, Gene Seale

**STAFF PRESENT:** Horatio Skeete, City Manager; Sandy Findley, Executive Assistant; Joe Brugman, Chief of Police; Randy Petty, City Engineer; Dustin Welker, Planning and Community Development Director; Christine Fisher, Human Resources Director; Eric Buckley, Utilities Director; Jenny Howard, Utilities Director; Kelly Owens, Administrative Assistant for Public Works; Terry Quest, Finance Director; LeAnne McElroy, Library Director; Clark Bingham, Fire Chief; and Georgia Luster, City Clerk. Sam Napier and Dale Clark, I.T.

**OTHERS PRESENT:** John Howard

1. **WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 3:05:16 p.m.
2. **ROLL CALL:** A quorum of the Council was present (6-1 absent)
3. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the Flag.
4. **OPENING PRAYER:** Dustin Welker offered the opening prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS:** NONE
6. **Emergency Preparedness Discussion and Preparation.** Horatio Skeete, City Manager, commented about the possibility of the City of Safford facing a storm system as a result

of Hurricane Odile. If the storm doesn't hit the City, this has been a good exercise for staff. Key staff was called to meet Monday morning to discuss the situation and to begin making preparation for activating an Emergency Operations Center. Also, a Proclamation declaring an emergency is being presented to the Council this afternoon for approval, in the event the storm hits Safford. He asked the Incident Commander, Police Chief, Joe Brugman to provide an overview.

Incident Commander Brugman provided an overview:

- ✓ Safford Schools were contacted and lines of communication were open in the event of notification.
- ✓ Established alternative radio frequencies
- ✓ Monitoring reservoirs
- ✓ Emergency notification sirens; current/accurate information on City website
- ✓ Sandbags made available through the City, Safford Builders, and Home Depot
- ✓ City provided free sand
- ✓ City equipment ready to go
- ✓ City staff in place and ready to respond
- ✓ Communication with Graham County Emergency Services was established

Jenny Howard provided a brief synopsis of how the Public Works Department prepared for in the event the storm hits Safford.

- ✓ Checking dams and spillways
- ✓ Swept Streets
- ✓ Cleaned drainages within the City
- ✓ Cleaned boxes and grates down Main Street
- ✓ Worked with Utilities to address future needs
- ✓ Filled 1,600 sand bags on Tuesday for the public
- ✓ Filled 1,000 additional sand bags with the help of Public Works, Utilities, DOC, and Safford Fire Department
- ✓ Today began alternate shifts of staff
- ✓ Today, cleaning, checking, and sandbagging some areas.
- ✓ Stockpiled sand at Yard II, Public Works Yard
- ✓ Equipment ready to go if necessary (backhoe, loaders, trucks & trailers loaded with traffic control barricades)
- ✓ Phones manned at Public Works, City Hall
- ✓ Staff are ready to respond to an emergency

Eric Buckley provided a brief synopsis of how Utilities prepared for in the event the storm hits Safford.

- ✓ Vehicles/equipment fueled and ready
- ✓ Service equipment placed across the River in case of washouts at the approach of the bridge
- ✓ Contacted CKC and Tri-County Material to assist in case of emergency
- ✓ Alternate shifts of staff
- ✓ Contacted/interacted with Town of Thatcher
- ✓ Mitigate rumors regarding contaminated water/broken levies/shutting down utilities
- ✓ Staff are ready to respond

Clark Bingham, Fire Chief, added that the fire trucks and firemen are prepared to respond if necessary. He noted that the Safford Fire Department covers 105 square miles. Currently, having flood issues on Highway 191 and Artesia Road.

Dustin Welker stated that the Building Officials are working with the Public Works Department identifying problem areas. They are alert, on call and ready to assess any damages and to respond if necessary.

Mr. Skeete stated that if this storm because a true disaster, an Action Plan with Incident Command System are necessary strategies to apply for state and federal assistance. He reviewed the order of the Incident Command System. Leanne McElroy will coordinate and prepare Press Releases and provide public communication. Kim Lackner will act as the Staging Area Manager and Terry Quest, Finance Officer.

Chief Brugman stated that if this storm because a true disaster, Graham County Emergency Operations Center becomes the command center. At that time he and Dustin Welker would shift to Graham County Emergency Operations Center to provide communication between the County and the City. Dennis Whisman shifts to Incident Commander; Randy petty would shift to Planning Officer.

Mr. Skeete recommended the Council approve the Proclamation declaring an emergency just in case an emergency is called. He feels the City of Safford is ahead of the storm.

Mayor Gibbs noted that Graham County has called a meeting today at 4:00 p.m. to discuss opening up an emergency center. The Council expressed their appreciation to staff for being pro-active and doing a great job of preparing for the storm.

It was moved by Councilman Ortega, seconded by Councilman Malloque, and carried unanimously to approve and adopt Proclamation 14-001, a Proclamation of the Mayor of the City of Safford, Graham County, Arizona, proclaiming an emergency. **MOTION ADOPTED**

7. **ADJOURN:** It was moved by Councilman Ortega, seconded by Councilman Howes, and carried unanimously to adjourn the meeting at 3:44:11 p.m. **MOTION ADOPTED**

APPROVED:

---

Wyn "Chris" Gibbs, Mayor  
City of Safford

ATTEST:

---

Georgia Luster, MMC  
City Clerk

STATE OF ARIZONA    )  
                                  )    ss  
County of Graham    )

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the Special Council Meeting Minutes of the Safford City Council, Graham County, Arizona held Wednesday, September 17, 2014, and approved at a Regular Council Meeting on Monday, October 13, 2014. I further certify the meeting was duly called, held and that a quorum was present.

October 13, 2014

Date:

---

Georgia Luster, MMC, City Clerk



**“The mission of the City of Safford is to make Safford  
a great place to live, work, and visit”**

**CITY OF SAFFORD (attach PowerPoints (2))  
COUNCIL MEETING MINUTES  
Monday, September 22, 2014 @ 6:00 PM  
Safford Library Program Room, 808 S. 7<sup>th</sup> Avenue, Safford, Arizona**

**PRESENT:** Wyn “Chris” Gibbs, Mayor; Mary Bingham, Vice Mayor; Council Member’s Gene Seale, Arnold A. Lopez, Kenneth Malloque, Richard Ortega

**ABSENT:** James D. Howes, Councilman

**STAFF PRESENT:** Horatio Skeete, City Manager; Sandy Findley, Executive Assistant; Terry Quest, Finance Director; John Nelson, Interim Finance Director; Joe Brugman, Chief of Police; Randy Petty, City Engineer; Jenny Howard, Public Works Director; Dustin Welker, Planning and Community Development Director; Christine Fisher, Human Resources Director; Eric Buckley, Utilities Director; LeAnne McElroy, Library Director; and Georgia Luster, City Clerk. Dale Clark assisted with the audio/video recording of the meeting.

**PRESENT:** Kim Larkey, Steve McGaughey, Kenny McKinney, Lisa Suter, and Justin Burnett.

1. **WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:00 p.m.
2. **ROLL CALL:** A quorum of the Council was present (7).
3. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the flag.
4. **OPENING PRAYER:** Councilman, Gene Seale offered the opening prayer.
5. **It is recommended the City Council accept the single and highest bid of \$30,120 from JMP Holdings, L.L.C. for City-owned property on 8<sup>th</sup> Street, Safford, Arizona, Parcel #102-19-077.** Dustin Welker stated this piece of property was put out to bid on August 11<sup>th</sup> and closed September 11<sup>th</sup>. One bid was received for \$30,120 from JMP Holdings LLC. The property is zoned General Commercial and is 7,560 square feet. He noted that

the value of commercial property is difficult to estimate but commercial property is generally in the range of \$1 to \$4 a square foot depending on the location and availability of infrastructure. Staff's estimate for this property was in the \$2 to \$2.50 range. The bid received for the property is \$3.98 a square foot. He recommended the Council accept the bid from JMP Holdings. Palmer Dentistry has plans to expand their dental office.

It was moved by Councilman Malloque, seconded by Councilman Ortega, and carried unanimously to accept the bid for \$30,120 from JMP Holdings, L.L.C. for City owned property on 8<sup>th</sup> Street, Parcel Number 102-19-077. **MOTION ADOPTED**

6. **Financial Update for Fiscal Year Ending June 2014.** (PowerPoint Presentation attached) City Manager Skeete introduced Mr. John Nelson to present a quick financial summary of the City for Fiscal Year Ending June 2014. He explained this is Mr. Nelson's last week as Interim Finance Director for the City. Terry Quest will assume the Finance Director duties.

Mr. Nelson stated that he has basically closed out all financial records through Fiscal Year June 30<sup>th</sup> 2014 and the information will be provided to the auditors. He reviewed the operations of 2014, where we ended up, and where we need to be. Actual revenues of the General Fund is \$13,606,694 with expenditures and transfers at \$12,281,754. Net gain is \$1,324,940. As you start recovering from a recession, you expect to see a gain from operations. What did surprise him was the components and how we got that gain. Eight percent (8%) of that \$1.3 million gain was from revenues; 92% was from expenditures. It's a great testament to the City of Safford especially with the unsettled circumstances of the economy over the past five years; staff was able to cut their budgets and continued to hold down their expenses. He reviewed the following graphs:

- General Fund Revenues – Where It Came From FY 2013-2014: Taxes – 58%, State Shared- 17%, Graham county – 3%, Sanitation Fees -8%, Internal charges – 7% and other – 7%.
- General Fund Taxes- FY 2013-2014: 80% - City Sales & Use Tax, Bed Tax – 5%, Property Tax – 3% and Franchise (In Lieu) – 12%.
- General Fund – Where It Went FY 2013-2014: Public Safety – 33%, Community Services – 24%, Sanitation – 8%, Streets – 12%, Added to Fund Balance – 10%,

Elected/Appointed Officials – 8%, and Support Services – 5%. In other words, the City of Safford is providing two-thirds of every tax dollar in the General Fund on Public Safety, community safety or reserved for future use.

- Special Revenue/Enterprise Funds – Results of Operations for Fiscal Year 2013 -2014:  
Mr. Nelson reviewed the graph of operating expenditures which are capital projects, capital outlay and debt service payments. All but one of the Operating Funds gained except for water services had a deficit which was planned and budgeted due to large capital projects in this Fiscal Year. A fund balance is an important fund to build so that funds are available for capital projects. He reviewed the operations funds: Hurf/Streets gained \$233,074; Electric Services gained \$836,787; Water Services deficit of \$446,395; Wastewater Services gained \$289,168; Gas Services gained \$289,900, and Landfill gained \$296,170.
  
- Recommended Reserves  
General Fund – Recommendation is Six (6) months of expenditures.  
GFOA – Minimum two months + Risk Factors (Prefer minimum of three months)  
Revenue Stable – Positive  
Remote/Rural Community – Negative  
State of Arizona – Negative  
Other Factors (Landfill) - Negative
  
- Hurf/Streets – Recommendation is Nine (9) months of expenditures.  
State of Arizona – Negative  
Additional Cost of Deferred Maintenance – Negative  
The cost for repairing and maintaining streets for every mile is eight times higher.
  
- Enterprises (Utilities) – Recommendation is Nine (9) months of expenditures  
Critical Service – Negative  
Extensive Infrastructure – Negative  
High fixed Cost – Negative
  
- Landfill (operations only) – Recommendation is Six (6) months of expenditures  
Remote/Rural community - Negative

Mr. Nelson stated there are significant deficits in Utilities and recommended the Council consider a rate increase this fiscal year. Nobody likes rate increases; but the Council must be responsible for these reserves in order for the City to continue to provide services to its customers. Instituting a rate increase in a good economy is a lot more palatable than a larger

increase when the economy is fading again. He pointed out that as of April of this year the base rate for electric is no longer covering the cost to purchase electricity.

Recommended Reserves Compared to Current Reserves (Operations):

- General Fund: Recommended Reserve \$6,188,249; Current Reserve - \$3,146,438; Under Funded \$(3,041,811)
- HURF/Street: Recommended Reserve \$1,367,0069; Current Reserve - \$1,297,249; Under Funded \$(69,757)
- Electric Services: Recommended Reserve \$6,593,054; Current Reserve - \$5,621,325; Under Funded \$(971,729)
- Water Services: Recommended Reserve \$4,787,157; Current Reserve - \$1,037,842; Under Funded \$(3,749,315)
- Wastewater Services: Recommended Reserve \$2,094,518; Current Reserve - \$2,502,383; Over Funded \$407,866
- Gas services: Recommended Reserve \$2,366,966; Current Reserve - \$1,597,848; Under Funded \$(769,188)
- Landfill: Recommended Reserve \$584,383; Current Reserve - \$611,398; Under Funded \$27,016

Recommended Reserves Compared to Current Reserves (Non-Operating):

- Landfill Closure: Recommended Reserve - \$6,791,000; Current Reserve - \$204,653; Under Funded - (\$6,586,347)
- Wastewater Development: Current Reserve - \$340,000
- Water Development: Current Reserve - \$1,336,000

Mr. Nelson stated the Council and staff need to be complimented.

7. **Eric Buckley, Utilities Director, will provide a PowerPoint Presentation in regards to natural gas operations and safety conducted by the City of Safford Gas Division. (Attached PowerPoint).**

Eric Buckley, Utilities Director, provided a Power Point Presentation regarding the City of Safford's Natural Gas. He explained the presentation is mandated by the Federal Pipeline Safety Regulations by all local distributions companies to maintaining a liaison with the appropriate fire, police and other public officials. The purpose of the Liaison Meeting is to review Federal Pipeline Safety Regulations, and to acquaint the officials

with the operator's ability in responding to a gas pipeline emergency. He recognized key staff members who keep the Gas Division of the City in compliance.

Mayor Gibbs expressed his appreciation to staff for their actions preparing for possible flooding as a result of Hurricane Odile. He believes staff was prepared.

8. **ADJOURN:** It was moved by Vice Mayor Mary Bingham, seconded by Councilman Malloque, and carried unanimously to adjourn the meeting at 6:43.35 p.m. **MOTION ADOPTED**

APPROVED:

\_\_\_\_\_  
Wyn "Chris" Gibbs, Mayor  
City of Safford

ATTEST:

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

STATE OF ARIZONA    )  
                                  )   ss  
County of Graham    )

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the Special Council Meeting/Work Session Minutes of the Safford City Council, Graham County, Arizona held Monday, September 22, 2014, and approved at a Regular Council Meeting on Monday, October 13, 2014. I further certify the meeting was duly called, held and that a quorum was present.

October 13, 2014  
Date: \_\_\_\_\_

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

## SAFFORD POLICE DEPARTMENT

### CALLS FOR SERVICE:

July	951
August	936
September	779

1-1-13 to 12-31-13	YTD	01-01-14 to 8-30-14	YTD
SAFFORD PD	8594	SAFFORD PD	6889
GRAHAM COUNTY	5401	GRAHAM CO	4092
THATCHER PD	2742	THATCHER PD	1929

1-1-13 to 12-31-13	YTD	1-01-14 to 9-30-14	YTD
--------------------	-----	--------------------	-----

### Top Call Types:

Suspicious/Cirumstance	818	Suspicious/Circumstance	636
Welfare Check	602	Theft	545
Follow up	592	Welfare Check	471
Theft	552	Follow up	462
Domestic Violence	372	Alarm	305
Alarm	335	Domestic Violence	281
Citizen Assist	333	Animal Problem	267
Animal Problem	312	Citizen Assist	263
Civil	283	Civil	240
Unwanted Subject	253	Unwanted Person	226

**SAFFORD POLICE DEPARTMENT**

2014 UNIFORM CRIME REPORT & TRAFFIC DATA

**UCR NUMBERS**

	JULY	AUG	SEPT	OCT	NOV	DEC
Homicide	0	0	0			
Forcible Rape	1	0	0			
Robbery	0	0	0			
Agg Assault	1	0	2			
<b>Total Violent Crimes</b>	<b>2</b>	<b>0</b>	<b>2</b>			
Burglary	12	12	15			
Theft	37	27	57			
Motor Vehicle Theft	1	1	1			
Arson	0	0	0			
<b>Total Nonviolent Crime</b>	<b>50</b>	<b>40</b>	<b>73</b>			
<b>Total Offenses</b>	<b>52</b>	<b>40</b>	<b>75</b>			

**PART II**

Neg Manslaughter	0	0	0			
Kidnapping	0	1	0			
Arson	0	0	0			
Simple Assault	11	12	6			
Fraud	8	14	9			

# SAFFORD POLICE DEPARTMENT

## 2014 UNIFORM CRIME REPORT & TRAFFIC DATA

### TRAFFIC

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Tickets	57	67	80	73	65	71	95	82	77			
Warnings	16	16	26	35	20	8	46	23	29			

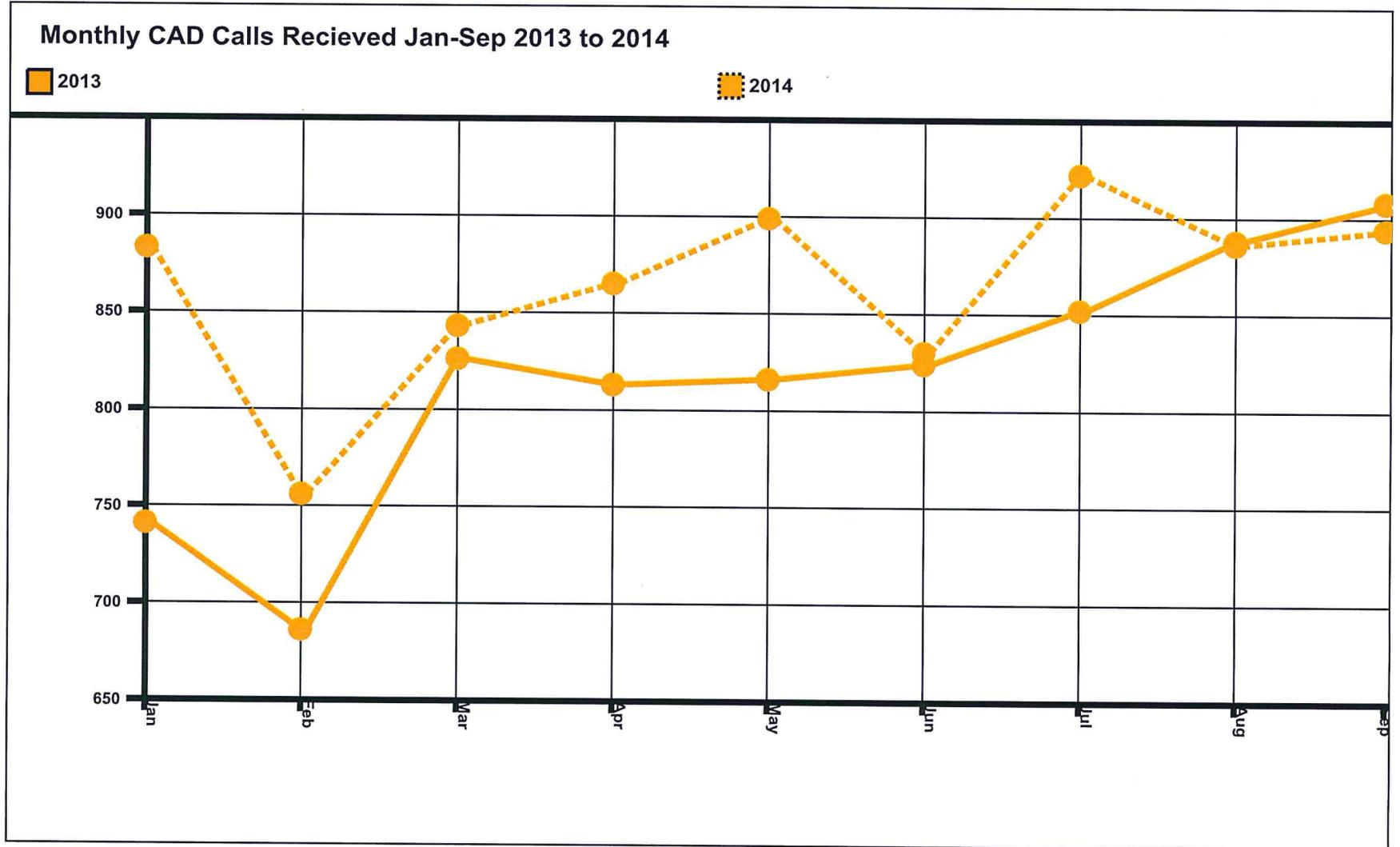
### ARREST

Adult	46	36	49	53	39	33	32	53	45			
Juvenile	12	15	12	6	11	6	5	7	5			



# Safford Police Department

Month-by-month Comparison for 2013 .. 2014



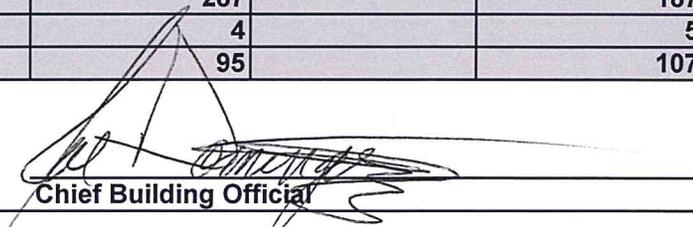
**Report Includes:**

All Dates between `00:00:00 01/01/13` and `23:59:59 09/30/14`, All Cities matching `SAF`, All Call Types, Report Title, Periods

**CITY OF SAFFORD BUILDING PERMITS FOR SEPTEMBER 2014**

<b>RESIDENTIAL</b>	<b>AUG</b>	<b>AUG</b>	<b>SEP</b>	<b>SEP</b>	<b>YTD</b>	<b>YTD</b>
New Single Family	4	\$585,000.00	2	370,000.00	13	\$2,093,000.00
Multi-Units (Mountain Vista Court/10 Units)			1	320,000.00	1	\$320,000.00
<b>Total New Residential</b>	<b>4</b>	<b>\$585,000.00</b>	<b>3</b>	<b>690,000.00</b>	<b>14</b>	<b>\$2,413,000.00</b>
<b>OTHER RESIDENTIAL</b>						
Manufactured Home					0	\$0.00
Additions & Alterations			2	5,800.00	23	\$195,300.00
Carport or Garage	1	\$8,000.00			3	\$19,850.00
Swimming Pools					0	\$0.00
Storage & Shops			1	4,840.00	11	\$55,040.00
Patio	1	\$3,000.00	1	2,200.00		
<b>Total Other Residential</b>	<b>2</b>	<b>\$11,000.00</b>	<b>4</b>	<b>12,840.00</b>	<b>41</b>	<b>\$282,390.00</b>
<b>COMMERCIAL</b>						
Assembly					1	\$65,888.00
Business					0	\$0.00
Educational					0	\$0.00
High Hazard					0	\$0.00
Addition	2	\$97,000.00	1	10,000.00	1	\$9,500.00
Commercial Remodel					1	\$2,588,800.00
Industrial					2	
Commercial Storage					0	\$0.00
Signs					1	\$10,000.00
Antennas						
Hospitals / Institutional / Modular					0	\$0.00
Demolition	2				4	\$0.00
<b>Total Other Than Residential</b>	<b>4</b>	<b>\$97,000.00</b>	<b>1</b>	<b>10,000.00</b>	<b>18</b>	<b>\$599,008.00</b>
<b>TOTAL ALL BUILDING PERMITS</b>	<b>10</b>	<b>\$693,000.00</b>	<b>8</b>	<b>712,840.00</b>	<b>73</b>	<b>\$3,294,398.00</b>
<b>UTILITY PERMITS</b>						
ELECTRICAL	9		5		65	
MECHANICAL	8		3		35	
PLUMBING	5		4		31	
SEWER	4		1		12	
<b>Total UTILITY PERMITS</b>	<b>26</b>		<b>13</b>		<b>143</b>	
<b>TOTAL # BUILDING INSPECTIONS</b>	<b>287</b>		<b>187</b>		<b>1866</b>	
<b>TOTAL # FIRE INSPECTIONS</b>	<b>4</b>		<b>5</b>		<b>92</b>	
<b>TOTAL # ZONING INSPECTIONS</b>	<b>95</b>		<b>107</b>		<b>288</b>	

Respectfully Submitted

  
Chief Building Official

# **Public Works Department Monthly Report September 2014**

**Jenny Howard, Public Works Director**

## **Public Works Administration**

Employees: 2

### **MONITORING OF ALL PUBLIC WORKS CAPITAL PROJECTS FY15**

Developing schedules and monitoring Capital and Operation and Maintenance Projects as well as progress on daily work orders.

### **ADMINISTRATION**

Maintain communications with the Arizona Blue Stake Center and respond to excavation notification requests and carry out as per statutory requirements, completion of daily objectives maintaining work orders and document retention, administering the cemetery database.

### **ADOPT-A-ROAD / TRAIL PROGRAM**

Provide public with safety vests, bags and tools to clean up city streets and trails.

### **CEMETERY BUSINESS**

Administration of cemetery property, new deeds, burials, etc. Administrate current guidelines.

### **BUDGET GOALS AND OBJECTIVES FY15**

Creating and maintaining a comprehensive set of goals and a 5 year plan for Public Works administration and production departments.

### **NEW STAFF**

Hired a Building Maintenance employee whose main responsibility will be to complete maintenance work orders within all city facilities.

### **FLEET**

Monitoring Fleet Purchases for FY15, continued planning of Compactor Replacement for Landfill

### **RECYCLING**

Preliminary Stages of exploration of recycling program for Safford residents

### **SPECIAL EVENTS**

Organization and Implementation of set-up, traffic control and cleanup of Special Event's

### **EMERGENCY PREPARENESS**

Planning and Implementation of emergency processes during emergency weather situation

### **UTILITY PATCHING**

Planning and Implementation with Utilities; Utility Patching efforts within Safford, Thatcher and County rights-of way

### **SEPTEMBER WORK ORDERS**

Received 184

Active 33

Completed 151

## **Building Maintenance Division**

Employees: 5 Inmate(s): 1

### **WORK COMPLETED IN SEPTEMBER:**

#### **FIRE DEPARTMENT**

Fire Department painting exterior lighting replaced at Fire Department completed, Flooring in Fire Chief's office installed

LIBRARY

Twelve shelf end cap replacements completed and installed, two windows replaced and tinted (due to vandalism), continued construction of new circulation desk to be installed October 17<sup>th</sup> and 18<sup>th</sup>. All work to be completed at Library no later than October 20<sup>th</sup>.

CITY ANNEX

Replaced selected blinds, painted two upstairs offices, planning for carpet replacement

YARD 2

Installed new 200amp services, sealed block building facing 5<sup>th</sup> Avenue, installed new plumbing in restroom, will seal roof in October and paint exterior. Glass panes to be replaced in October.

CITY COURT

Relocation of utility services complete, installation of interior rough-in plumbing complete, footing, foundation and wall installation underway.

MISCELLANEOUS

Welding for Streets and Sanitation, Monthly Air filter replacements, fire extinguisher and building lighting inspections

**Fleet Division**

Employees: 4 Inmates(s): 2

PREVENTIVE MAINTENANCE & REPAIRS

PM'S s Completed in September: 47

Repairs Completed in September: 71

<b>Repair Type</b>	<b>Number</b>
▪ ACCESSORIES	44
▪ SERVICE CALL	13
▪ AIR COND-HEATING	4
▪ BELTS	2
▪ BODY & GLASS	2
▪ BRAKES	5
▪ BROOMS	2
▪ CHARGING	1
▪ COOLING	1
▪ CRANKING	5
▪ FUEL SYSTEM	3
▪ HYDRAULIC SYSTEMS	2
▪ TUNE UP	1
▪ LIGHTS	9
▪ FIRE TRUCK REPAIR	9
▪ STEERING & SUSPENSION	2
▪ TIRE REPAIR	6
▪ NEW TIRES	6
▪ TRANSMISSION	<u>1</u>
▪ <b>TOTAL REPAIRS:</b>	<b>118</b>

**Parks and Cemetery Division**  
 Employees: 5 Inmate(s): 6  
**PARKS, GROUNDS MAINTENANCE AND CEMETERY**

**CEMETERY CURBING**

Parks continually repairs cemetery curbing either damaged by vehicles cutting the corners too sharp or by degradation due to age. Continued cleanup of trash and weeds in ROW and plots, continued removal of dead trees and bushes from grave sites.

**ARCHERY RANGE**

Parks is continuing upgrades at the Dry Lake Archery Range, they are currently completing trimming of trees to promote safer and cleaner shooting paths. Construction of a new awning is also underway.

**SPRAYING WEEDS CITY WIDE**

Areas of Maintenance and the Maintenance Level Determined by Facilities and Vegetation. Maintenance levels are subject to change at any time.  
 Maintenance Levels: H (High)-3 times/week. M (Med) 2 times/week, L (Low) 1 time/week.

**PARKS**

New Playground equipment complete at Firth Park, Inspecting all park lighting for replacement FY16.

**RIFLE RANGE**

Ongoing repairs are identified and made at the rifle range monthly. Concentration has been on repairs of the targets at the Long Range area and these repairs are complete.

**SPRAYING WEEDS CITY WIDE**

Areas of Maintenance and the Maintenance Level Determined by Facilities and Vegetation. Maintenance levels are subject to change at any time.  
 Maintenance Levels: H (High)-3 times/week. M (Med) 2 times/week, L (Low) 1 time/week.

<b>PARKS – MAINTENANCE AREAS</b>	<b>LEVEL</b>
FIRTH PARK	H
GLENN MEADOWS PARK	H
CITY HALL	H
MONTANA VISTA PARK	M
LIBRARY	M
CITY HALL ANNEX	H
LA TIERRA SUBDIVISION	M
PALMS SUBDIVISION	M
CENTRAL AVE BASKETBALL COURT	L
MOTOR VEHICLE DIVISION	M
POLICE STATION	M
14TH AVE SOCCER FIELD	H
RAMADA WATER CATCHMENT	M
<b>PARKS – MAINTENANCE AREAS</b>	<b>LEVEL</b>
CRIMSON CANYON SUBDIVISION	M
MULTI-USE-TRAIL	M

**WORK PLANNED FOR OCTOBER:**

Start fall clean-up and fertilizing, Continue spraying weeds city wide, Prepare for the Harvest Festival, Continue Archery Range improvements, Begin completion of fencing next side of 14<sup>th</sup> Avenue soccer field.

**Sanitation Division**

Employees: 6 Inmate(s): 2

**SERVICES PROVIDED IN SEPTEMBER:**

- Residential Solid Waste Customers; 3,324
- Commercial Solid Waste Customers; 371
- Sanitation Containers Repaired or Replaced; 27
- Landfill Loads Delivered; 160
- Tonnage delivered to Landfill in September; 691.9 tons

**Street Division**

Employees: 10 Inmate(s): 3

**WORK COMPLETED IN SEPTEMBER:**

**DRAINAGE**

- Planning resolution of drainage issues on 20<sup>th</sup> Street
- Addressing culvert located at Relation Street and 17<sup>th</sup> Avenue
- Completed Seal coating of the block building at yard 2
- Spraying weeds citywide continues-in alleys, retention ponds and right-of-ways.

**SPECIAL EVENTS**

- Traffic control and set up for Salsa Fest
- Assist in Event Cleanup

**COURTROOM ADDITION**

- Demolish shed to accommodate construction of a new courtroom
- Phase II of the chip seal for the utility division as part of road improvements on Bonita Creek Road
- Assist utilities with removal of corner street lights and installation of irrigation lines in preparation of main street construction project
- Chip seal completed, layout and striping will be completed.

**DRY LAKE PARK**

- Completed sand seal on existing RC runway

**RETENTION POND MAINTENANCE**

DATE	LOCATION
09/02/2014	Wal-Mart (2), Walgreen's (2)
09/08/2014	Wal-Mart (2), Walgreen's (2)
09/10/2014	Wal-Mart (1), Walgreen's (2)
09/15/2014	Wal-Mart (2), Walgreen's (2)
09/23/2014	Wal-Mart (2), Walgreen's (2), Cota Ranch
09/30/2014	La Tierra, 4th Ave & 24th St.

ALLEY MAINTENANCE

DATE	LOCATION
09/01/2014	N. of Santa Fe St., N. of Tucson St.
09/02/2014	W. of 10th Ave., S. of 20th St.
09/04/2014	S. of El Paso Blvd.
09/08/2014	W. of 9th St.
09/09/2014	All alleys between Relation St. to 8th St and 8th Ave. to 1st Ave.
09/10/2014	All alleys between Relation St. to 20th St. and 8th Ave to 1st Ave.
09/10/2014	All alleys between 8th Ave to 14th Ave. and Hwy 70 to 8th St.
09/10/2014	All alleys between 10th St. to 8th St. and 10th Ave. to 8th Ave.
09/11/2014	All alleys between Relation St. to 20th St. and 8th Ave to 14th Ave.
09/23/2014	E. of 11th Ave.
09/29/2014	All alleys between 20th St. to Discovery Park Blvd. and 8th Ave. to 14th Ave.

WORK PLANNED FOR OCTOBER:

Paint Yard 2 building

Hot-mix utility patches at the intersection of 26<sup>th</sup> St. and 20<sup>th</sup> Ave

Hot-mix utility patches for the Utilities Division on County ROW

Continue weed control

Assist Utilities with water main replacement (where sidewalks will need to be removed) in the intersection of 20<sup>th</sup> Avenue and Relation Street



# Safford City-Graham County Library

## Statistical Report

### September-14

SUMMARY	Patron Visits	Circulation	Computer Usage			Open Hours	Reference Questions	Homework Help Students Served	Jobs Help Sessions	Website visits	Items in Collection	Facebook- New Likes	Total Reach
			Uses	Minutes	Wi-Fi Uses								
July	10008	10665	1298	68023	362	162	1467	9	35	6801	38593	30	4405
August	8001	8691	1148	66052	330	144	1582	32	31	6259	38804	27	4693
September	9000	9912	1068	66118	336	153	1186	54	46	6483	38709	10	1699
October													
November													
December													
January													
February													
March													
April													
May													
June													
<b>Year to Date</b>	<b>27009</b>	<b>29268</b>	<b>3514</b>	<b>200193</b>	<b>1028</b>	<b>459</b>	<b>4235</b>	<b>95</b>	<b>112</b>	<b>19543</b>	<b>38709</b>	<b>67</b>	<b>10797</b>

	Volunteers			Interlibrary Loans		Classes Taught		Outreach Events		Library Tours	
	Total #	New Volunteers	Hours	Incoming	Outgoing	# of classes	# of students	# of Outreach	# of Attendees	# of Tours	Participants
July	18	18	310	19	6	5	47	0	0	0	0
August	23	7	352.5	20	11	3	25	3	651	1	1
September	24	8	343	12	12	3	93	2	45	1	5
October											
November											
December											
January											
February											
March											
April											
May											
June											
<b>Year to Date</b>	<b>65</b>	<b>33</b>	<b>1005.5</b>	<b>51</b>	<b>29</b>	<b>11</b>	<b>165</b>	<b>5</b>	<b>696</b>	<b>2</b>	<b>6</b>

	New Registrations			Total Number of Patrons		
	Non-			Non-		
	Safford	Safford	Total	Safford	Safford	Total
July	45	62	107	5263	6157	11420
August	41	60	101	5255	6128	11383
September	34	37	71	5213	6083	11296
October						
November						
December						
January						
February						
March						
April						
May						
June						
<b>Total</b>	120	159	279	5213	6083	11296

PROGRAMS	Adults		Children 0-5		Children 6-11		Teens	
	# of Programs	Attendance	# of Programs	Attendance	# of Programs	Attendance	# of Programs	Attendance
	July	5	211	24	448	9	443	5
August	0	0	18	393	0	0	1	8
September	2	27	18	425	7	216	1	12
October								
November								
December								
January								
February								
March								
April								
May								
June								
<b>Year to Date</b>	<b>7</b>	<b>238</b>	<b>60</b>	<b>1266</b>	<b>16</b>	<b>659</b>	<b>7</b>	<b>42</b>

<b>Funds Collected</b>					
	Fines	Photo Copies	Computer Copies	Supplies	Total
July	\$ 53.00	\$ 36.10	\$ 130.60	\$ 15.00	\$ 234.70
August	\$ 126.98	\$ 10.20	\$ 135.95	\$ 15.00	\$ 288.13
September	\$ 164.00	\$ 25.20	\$ 158.25	\$ 3.00	\$ 350.45
October					
November					
December					
January					
February					
March					
April					
May					
June					
<b>Year to Date</b>	<b>\$ 343.98</b>	<b>\$ 71.50</b>	<b>\$ 424.80</b>	<b>\$ 33.00</b>	<b>\$ 873.28</b>

## Circulation Elements

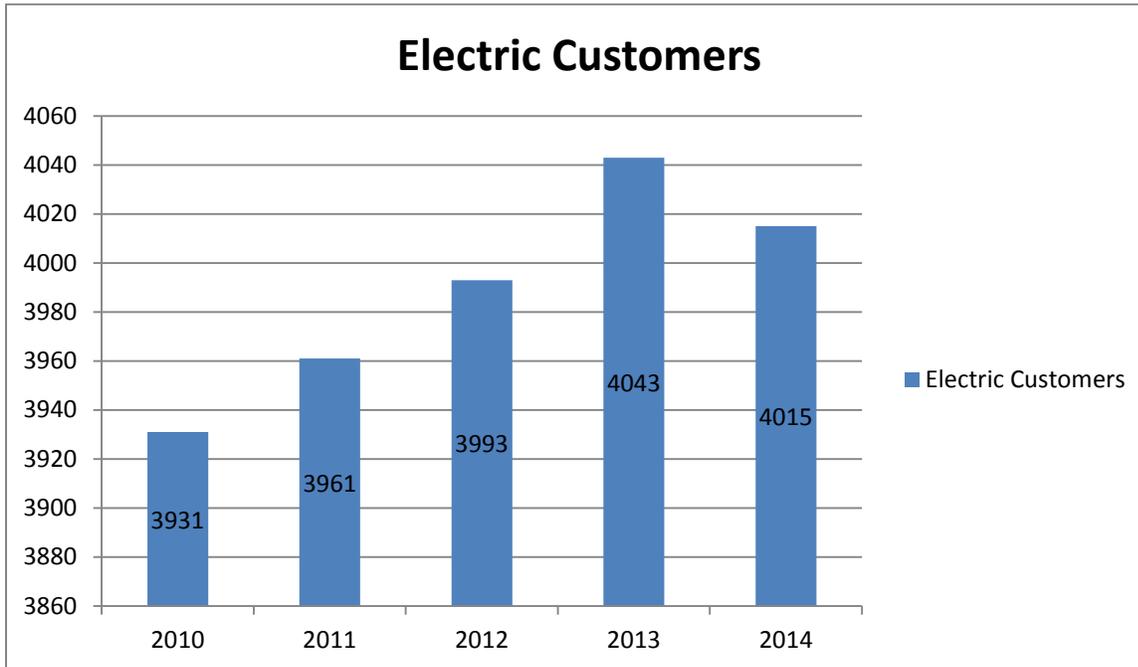
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Follett	9790	7680	9055								
Browse	250	230	146								
OneClick	108	143	95								
E-Books	192	145	131								
Tumblebooks	230	437	456								
Zinio	95	56	29								
<b>Total</b>	<b>10665</b>	<b>8691</b>	<b>9912</b>								
<b>FOLLETT</b>	Destiny Follett Software - The checkout system the library uses to check out materials available in the library.										
<b>BROWSE</b>	Donated paperback books which are in good condition and are not cataloged in our checkout system.										
	These are checked out by patrons giving us the number of paperback books they are borrowing.										
<b>ONE CLICK</b>	Digital Recorded Books - A collection of downloadable audiobooks available for checkout through our website.										
<b>E-BOOKS</b>	OverDrive - eBooks and audiobooks available for checkout through our library website.										
<b>TUMBLEBOOKS</b>	An online collection of animated, talking picture books for young children available through our website.										
<b>ZINIO</b>	An online collection of downloadable popular magazines available through our website.										



## ELECTRIC UTILITY REPORT SEPTEMBER 2014

The City's electric utility current customer count for the month of September is 4,015, compared to 4,043 in September of last year.

5 Year Customer Growth



YEAR	2010	2011	2012	2013	2014
MWH***	7,295	8,152	7,345	7,868	7,286
#CUSTOMERS	3,931	3,961	3,993	4,043	4,015

The City has 3,415 residential customers, and 600 business customers. The following is a breakdown of power consumed by class:

Business:           3,761 MWH                               Residential:   3,525 MWH

During the month of Sept:   peak load 18.13 MW on Sept 2nd at 3:30 pm.  
  low load 5.30 MW on Sept 30th at 4:30 am.

The average cost per KWH\*\* for power for the month of **Aug** was \$ .05296 compared to the average cost per KWH \$.04456 in Aug of 2013. Due to the cost-adjustment factor the City of Safford electric customer saw no increase in their bill.

\*MW = mega watts

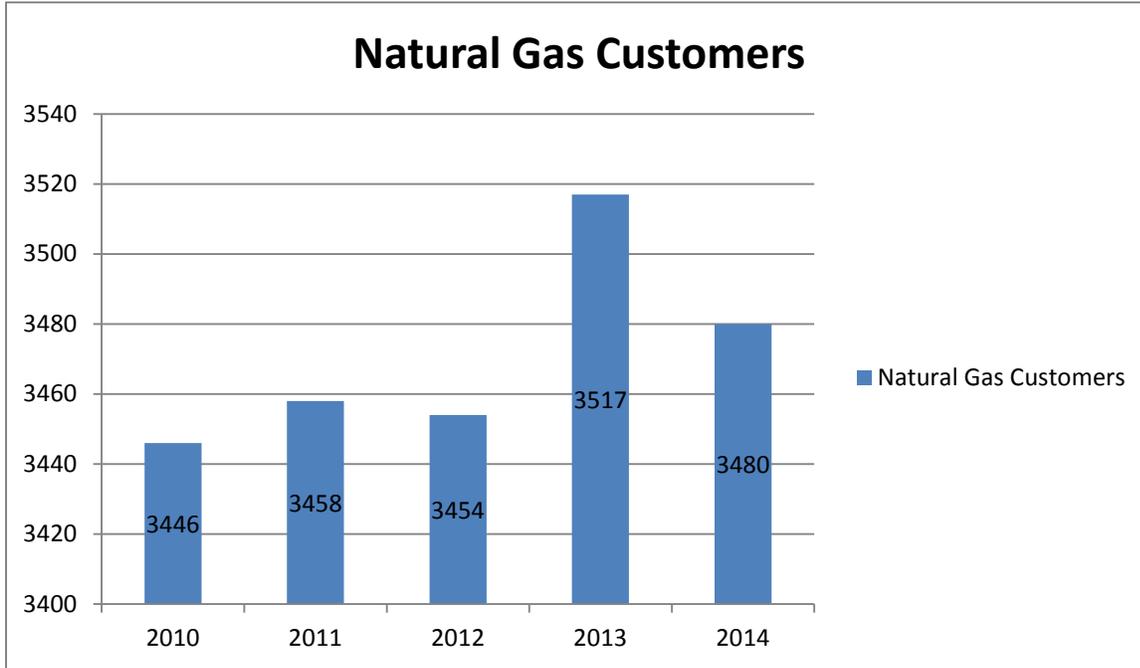
\*\*KWH = kilowatt hour

\*\*\*MWH = megawatt hour

**GAS UTILITY REPORT  
SEPTEMBER 2014**

The City’s gas utility current customer count for the month of September is 3,480, compared to 3,517 in September of last year.

5 Year Customer Growth



Year	2010	2011	2012	2013	2014
MCF*	6,960	6,796	6,614	6,413	5,677
#Customers	3,446	3,458	3,454	3,517	3,480

The City has 3,077 residential customers and 403 business customers. The following is a breakdown of natural gas consumed by class:

Business: 2,405 MCF

Residential: 3,272 MCF

During the month of **August**: peak load 310 MCF on August 2<sup>nd</sup>.  
low load 175 MCF on August 31<sup>st</sup>.

The average cost per MCF for purchased natural gas this month was \$4.68

\*MCF = thousand cubic feet

**LANDFILL UTILITY REPORT  
SEPTEMBER 2014**

**Revenues**

General Fees	\$ 100,826.90
Closure Fees	<u>\$ 5,003.61</u>
<b>Total Collection for Month</b>	<b>\$ 105,830.51</b>

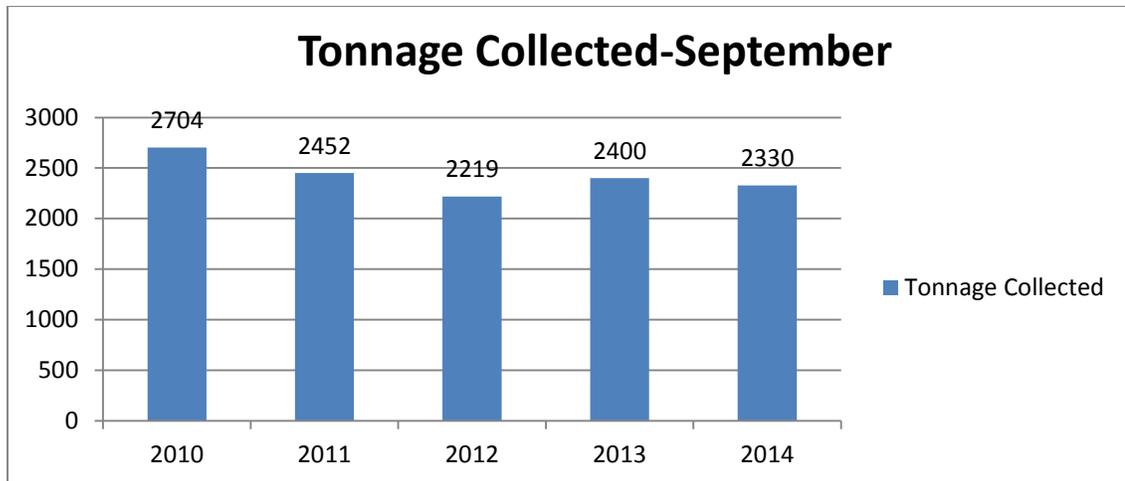
**Expenses**

Personnel	\$ 11,548.09
General Operations	<u>\$ 81206.22</u>
<b>Total Operation Cost</b>	<b>\$ 92,754.31</b>

**Source**

Private Refuge Carriers	1,916
Residential waste not picked up by refuge carrier	222
Commercial not picked up by refuge carrier	<u>192</u>
<b>TOTAL TONNAGE COLLECTED</b>	<b>2,330</b>

**Tons**



**Other Activity**

Tire count: 2289

Dead Animal count: 119

Gas Well Readings:

Of the five wells we monitor, two have methane readings over the 5% lower explosive limit. The remaining three wells have readings that do not exceed this threshold. These wells produce normal amounts of gas for a landfill of our size they pose no danger to either staff or the public.

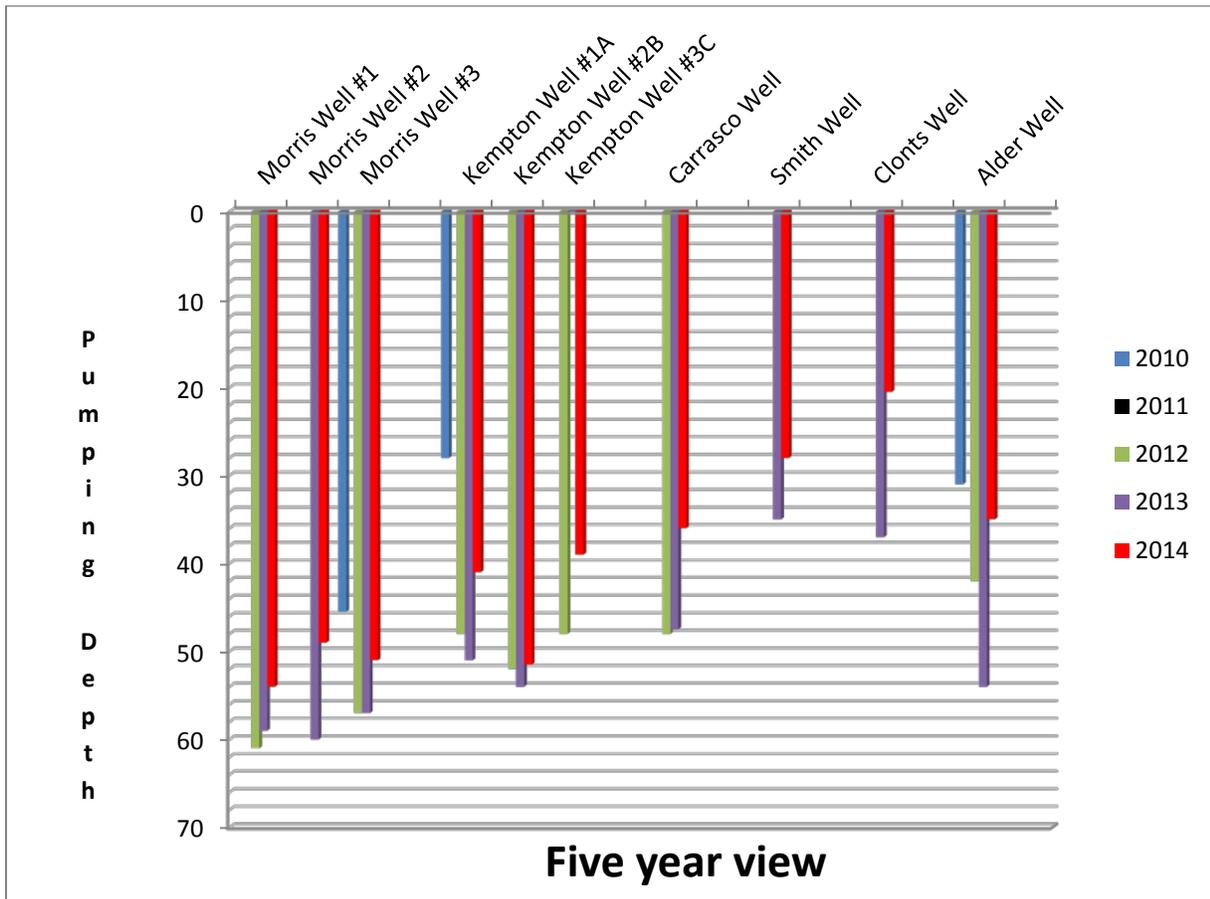


**WATER UTILITY REPORT  
FOR  
MONTH OF SEPTEMBER 2014**

This is a graphical view of the monthly well pumping depth report. This is the same information we normally provide in a slightly different format, for those of you more comfortable with the table it is also included.

**2014 WATER WELL DEPTHS JULY**

	Morris Well #1	Morris Well #2	Morris Well #3	Kempton Well A	Kempton Well B	Kempton Well C	Carrasco Well	Smith Well	Clonts Well	Alder Well
PUMP DEPTH	75'	74'	80'	63.5'	80'	65'	75'	65'	72.5'	65'
WATER TABLE	54'	49'	51'	41'	51.5'	39'	36'	28	20'.5	35'



I am also including some additional information for you to better understand the status of the water production and delivery system.

We have 11 wells on the system 3 are currently in production.

**WELLS OPERATING IN SEPTEMBER**

- Kempton Well B, (produces 300gpm).
- Clonts Well, (produces 350gpm).
- Morris Well #3, (produces 450gpm).

**WELLS NOT OPERATING IN SEPTEMBER**

- Kempton Well A,
- Kempton Well C,
- Carrasco Well
- Morris Well #1,
- Morris Well #3, In the auto position on Supervisory Control And Data Acquisition (SCADA), is set to come on when TMT reaches 6.5 million gallons.
- Alder Well, will start using when other wells in use cannot keep up.
- Well #15, emergency back up well for Bonita Creek.
- Smith Well, emergency back up well when other wells cannot keep up.

Three of our wells were in production during the month of September 2014 producing approximately 27.6 million gallons of water. We also collected/produced 70.3 million gallons from the Bonita Creek system for a total production of 98.02 million gallons this month. Total water system storage is 19.75 million gallons

**Month over Month Water Production Table**

	<b>September 2013</b>	<b>September 2014</b>
Well production *	24.1 Million gals	27.65 Million gals
Bonita Creek flows	67.2 Million gals	70.37 Million gals
Total Water Produces	91.3 Million gals	98.02 Million gals

\*In 2013 (5) wells were in production; in 2014 (3) wells were in production

**Consumption:** During September of this year the city had 7,900 water customers; 6,974 residential and 926 commercial. In the FY 14/15 the City of Safford water system had 7 new water installations. The table below shows the breakdown of the usage between the customer groups as well as the average consumption by grouping.

	# of customers	Gallons sold	Average Use per customer
Sept 2014 Residential	6,974	61,376,600	8,848 gal*
Sept 2014 Commercial	926	31,806,200	34,348 gal**
Sept 2013 Residential	6998	63,284,540	8,848 gal*
Sept 2013 Commercial	896	28,332,730	31,621 gal**

\* Residential usage ranges from 5/8" to 3/4 "meter size

\*\*commercial usage ranges from a 5/8" to 6" meter size.

Note: consumption and production numbers may not align in the short term. This is due to; read date, number of days in billing cycle, weather patterns, storage tank cycling, non-revenue water use such as flushing, leaks, theft.

## **SUMMARY OF PROJECT PLANNING AND GRANTS ADMINISTRATION**

October 13, 2014

### **A. Funded Public Work Projects**

- 1. Shared-Use Path, Phase 6:** Project was awarded to CKC Construction on the 12<sup>th</sup> of September. City obtained additional funding since the bid amount was about \$30,000 greater than available funds. ADOT will administer the project. This project will extend our current system of pathway from 5.5 miles to 6.3 miles. It will connect US 191 (1<sup>st</sup> Avenue) to our existing pathway on 8<sup>th</sup> Avenue, as well as construct a pathway north of the Highline Canal between 12<sup>th</sup> Avenue and 14<sup>th</sup> Avenue. It will then turn north up 14<sup>th</sup> Avenue and end at 20<sup>th</sup> Street..
- 2. Main Street Improvements/Traffic Signals:** Project was awarded on October 10 to Show Low Construction. City obtained additional funding since the bid amount was about \$330,000 greater than available funds. Construction should start in about a month.
- 3. 20<sup>th</sup> Avenue (Relation to Golf Course):** Consultant is awaiting the clearance on the Environmental documents. Doing some preliminary work on the drainage and the plans.
- 4. ADOT Route 191 Sidewalks.** The Arizona Department of Transportation (ADOT) continues to work on this project. The improvements at the railroad crossing are scheduled to be completed in fall (2014)/winter (2015) with construction of the sidewalk and other US 191 improvements slated for Fall 2015. City Council has supported ADOT no parking plan along US 191 from 11<sup>th</sup> Street to US 70 with the exception of the west side between 9<sup>th</sup> and 8<sup>th</sup> Street.
- 5. Signs Replacement Project –** ADOT is working on the procurement of these new signs. The Signs will be delivered to Safford and installed by Public Works.
- 6. City Hall Parking Lot Project –** The plans are complete. We will advertise this project in the fall. We also plan on reconstructing the parking lots at the Police Station and the American Legion.

### **B. Utility Projects.**

- 1. CDBG 2014 –** This project will upgrade the water connections in the Jensen Addition, an area bounded by 8<sup>th</sup> Street and Main Street, between US 191 and US 70. We expect the contracts from the Arizona Department of Housing in October. Once signed we will prepare the plans and project specifications for bid.

2. **Automatic Meter Reading (Meter Reading Program (MRP))** – This project is proceeding.
3. **Phase 3 Distribution Power Line (East Side Power Line)** – Contractor is proceeding and is installing the conductors.
4. **20th Avenue Water Line Design:** This project will design a new water line from 26th Street to Golf Course Road. Project is in design.
5. **Sewer 20th Street and Central** – Need to examine and perhaps redesign a portion of this sewer line to remove a constriction.
6. **Water Relocation Line near Stratton Drive** – The Water Division may need a design for this line.
7. **14th Avenue/Meadow Lane Water Line Relocation:** Looking at the possibility to relocation the existing water line to the Relation Street right of way.
8. **Landfill Closure Study** – We are seeking a Scope and Fee from the Consultant on the development of a new Work Plan at the Landfill and application of a new permit. Once done, we predict that this will add about 30 years to the life of our landfill.

#### **C. Airport Projects**

1. **ADOT Project E3S1W (Design)** – The 100% plan for this project has been submitted to FAA, the State, and the City. This project will rehab the edge lighting system on Runway 8/26, construct an electrical vault, and revise airfield signage. We will seek funding for this project and anticipate construction in Fall of 2015.
2. **Old Barracks (Airport)** – Public Works has budgeted the funds for FY 2014-2015 to remove this building. We have requested bids be submitted to remove this building at the Airport. Bids are due on October 15<sup>th</sup>.
3. **ADOT Pavement Preservation Project – Runway 8/26:** ADOT is in design for this project. We are expecting construction in the Fall. This project will consist of cracking sealing and placement of a rubberized porous friction course.

#### **D. Public Works Projects in planning stage only.**

1. **Relation Street improvements from 14<sup>th</sup> Ave to 20<sup>th</sup> Ave.** This project is on hold. Appraisals have been completed. Need to budget funds to pay for the right of way acquisition.
2. **Frye Mesa Dam Safety Improvements.** Need to hold discussions to develop a plan for this project. Would need to budget about \$50K-\$100K for study. We have been in discussions with ADWR for funding to conduct this study.
3. **Graveyard Dam Improvements:** Based on the results of the Kimley-Horn & Associates (KHA) report, the minimum freeboard during the half Probable Maximum Flood (PMF) event is less than the Arizona Department of Water Resources (ADWR) requirements for existing dams. The second phase of these improvements will be to actually complete the design followed by

phase 3, construction. Construction was estimated at \$3.0 million of which the City would have to match 1/3 of the construction cost. We have contacted the Natural Resources Conservation Service (NRCS) about funds to assess the Dam's emergency spillway using Department of Water Resources (ADWR) net model. NRCS will provide \$20,000 for this study. There is no City match.

4. **14<sup>th</sup> Avenue from Relation Street to 8<sup>th</sup> Street:** Researching projected cost and funding sources.

**E. Grant Administration for all City Grants.**

1. This office continues to review grant requests and possible matching grants.

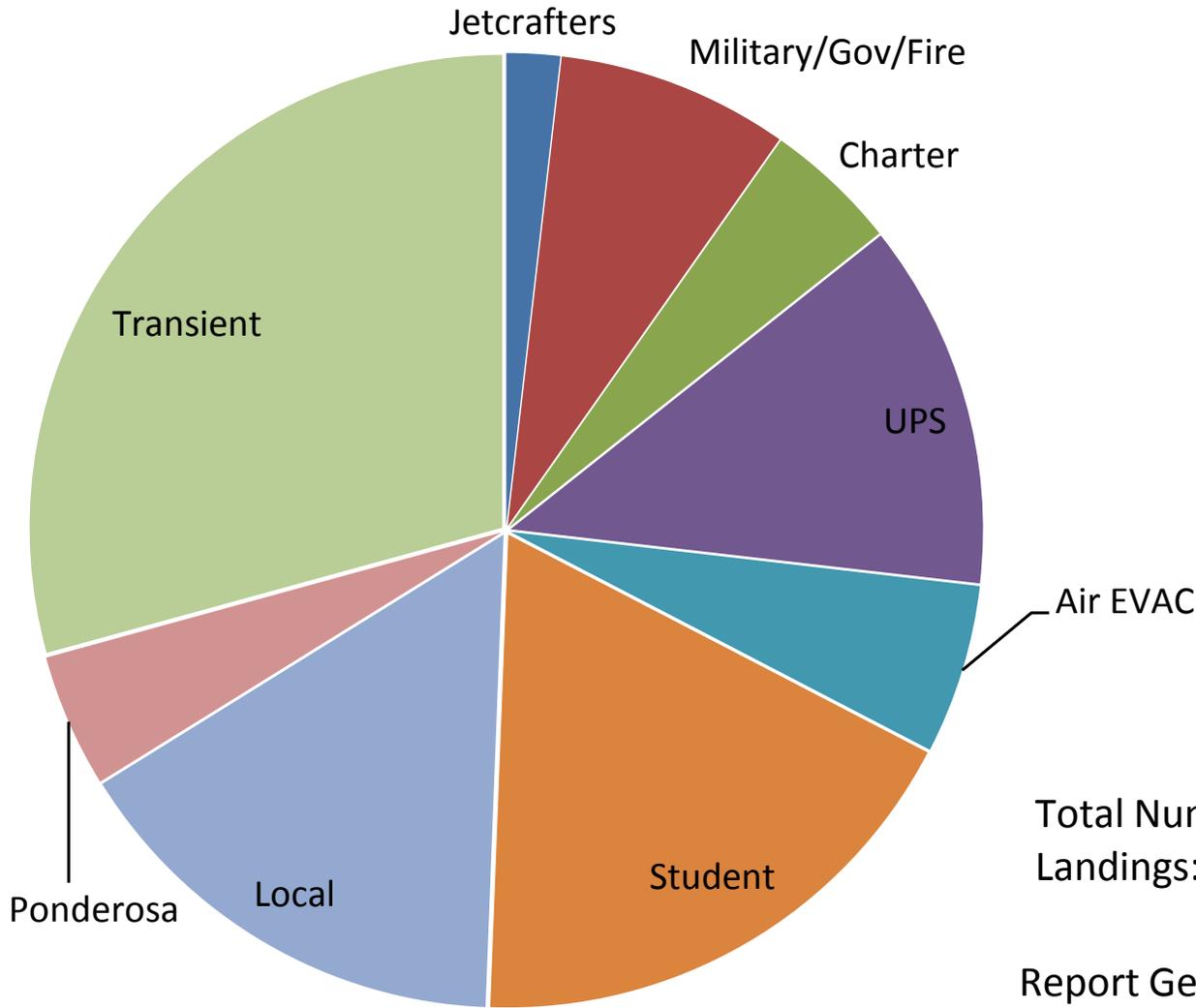
**F. Unfunded but needed projects**

1. East Side Drainage from 8<sup>th</sup> Street to Sunflower ditch
2. Airport Industrial Park
3. 26<sup>th</sup> Street Improvements.
4. Cleaning and repairs to Frye Mesa Dam.
5. Safety improvements to Graveyard Wash Dam.
6. Improvements to Sunflower Ditch.
7. 14<sup>th</sup> Avenue from Relation to 8<sup>th</sup> Street
8. Relation Street from 14<sup>th</sup> Avenue to 20<sup>th</sup> Avenue
9. E. 8<sup>th</sup> Street from US 191 to US 70
10. Hollywood Road from US 70 to City Limits
11. Discovery Park from 20<sup>th</sup> Avenue to US 191
12. 20<sup>th</sup> Avenue from Discovery Park to Golf Course Road

**Law Office of Matt N. Clifford, P.C.**  
**City of Safford Prosecutor Report**  
**SEPTEMBER, 2014**

Declined to Prosecute	None
Complaints Filed	19
Citations Issued	47
Pretrial Conferences	32
Trials	None
Restitution Hearings	2
Dismissed Cases	5
Shoplifting	19
Criminal Damage	5
Assault	5
Disorderly Conduct	9
Domestic Violence Allegations	9
Possession of Marijuana	3
Possession of Drug Paraphernalia	4
Noise Ordinance (Municipal code violation)	1
Alcohol in Body(under 21)	1
False Reporting to Police Officer	3
Interlock Ignition violation	1
Trespass	8
DUI	10
Threatening	1
Violation of Court Order(Order of Protection)	1
Driving on a Suspended License	7
<b>Plead Guilty</b>	<b>44</b>

# Safford Airport Activity September 2014



Local	16%
Transient	29%
UPS	13%
Student	18%
Charter	05%
Air Evac	06%
Ponderosa	05%
Jetcrafters	02%
Military/Gov/FI	08%

Total Number of Takeoffs and Landings: 328

Report Generated by Ponderosa

CHECK DATE	REF #	PAYEE	DESCRIPTION	AMOUNT
8/12/2014	136055	ADVANCED AIR SYSTEMS	WASTEWATER PLANT COOLER	\$6,329.79
8/12/2014	136057	ARIZONA COMMUNITY FOUNDATION	GILA VALLEY COMMUNITY FY14 CONTRIBUTION	\$24,500.00
8/26/2014	136234	ARIZONA EMERGENCY PRODUCTS	UNDERCOVER POLICE UPFITS	\$12,908.15
8/12/2014	136062	ARIZONA POWER AUTHORITY	MONTHLY APA PURCHASED ELECTRIC	\$22,635.57
8/12/2014	136063	ARIZONA STATE TREASURER	MONTHLY PASS THRU COLLECTIONS FROM MAGISTRATE	\$8,921.81
8/12/2014	136065	BORDER STATES INDUSTRIES, INC	INVENTORY-GAS AND ELEC	\$5,624.14
8/31/2014	57256	BOWMAN CONSULTING	SOLOMON WATER SYSTEM IMPROVEMENT	\$62,456.13
8/12/2014	eC24400004	BOWMAN CONSULTING	ENG SVCS 12" BONITA LINE REPLACEMENT	\$11,976.75
8/26/2014	eC24430005	BOWMAN CONSULTING	ENG SVCS U OF A WELL	\$11,852.75
8/12/2014	eC24400005	C & S ENGINEERS INC	DESIGN SVCS REHAB RUNWAY 8-26 AIRFIELD REIMBURSABLE	\$6,038.50
8/26/2014	eC24430006	CATERPILLAR FINANCIAL SERVICES	LEASE PAYMENTS - MONTHLY	\$8,667.21
8/12/2014	136067	CITY OF SAFFORD	COS UTIL BILLS JULY 2014	\$43,942.13
8/12/2014	136068	CITY OF SAFFORD-LANDFILL	LANDFILL CHARGES JULY 2014	\$34,404.09
8/12/2014	eC24400006	CKC CONSTRUCTION	DESIGN SVCS REHAB RUNWAY 8-26 AIRFIELD REIMBURSABLE	\$84,348.71
8/26/2014	136239	CUETO DRILLING COMPANY	BLUFF WELL DRILLING	\$8,857.82
8/12/2014	136071	DANA KEPNER COMPANY, INC.	INVENTORY WATER	\$78,036.79
8/12/2014	136072	DOCUNITED IMAGING LLC	LASERFICHE-AVANTE ANNUAL SUPPORT	\$11,157.07
8/26/2014	136240	FOUR STATES ELECTRIC	PHASE III DISTRIBUTION PROJECT	\$89,682.00
8/12/2014	136076	GILA WATERSHED PARTNERSHIP	ANNUAL COMMUNITY SUPPORT FUNDING	\$10,000.00
8/26/2014	eC24430016	GRAHAM COUNTY CHAMBER OF	2.5% BED TAX ADOR REPORT-MONTHLY	\$13,113.14
8/5/2014	136051	GRAHAM COUNTY ELECTRIC CO-OP	MNTHLY CITYWIDE ELECTRIC & GAS	\$9,602.74
8/12/2014	136077	GRAHAM COUNTY ELECTRIC CO-OP	MNTHLY CITYWIDE ELECTRIC & GAS	\$28,578.91
8/26/2014	136241	GRAHAM COUNTY ELECTRIC CO-OP	MNTHLY CITYWIDE ELECTRIC & GAS	\$10,798.97
8/12/2014	136080	HD SUPPLY WATERWORKS	INVENTORY WATER	\$14,010.52
8/12/2014	136082	INTERIM PUBLIC MANAGEMENT LLC	J NELSON INTERIM FINANCE DIRECTOR	\$8,750.00
8/26/2014	eC24430022	INTERIM PUBLIC MANAGEMENT LLC	J NELSON INTERIM FINANCE DIRECTOR	\$6,125.00
8/26/2014	136252	JAMES COOKE & HOBSON INC	WASTEWATER PLANT SLUDGE PUMP	\$9,154.60
8/12/2014	136085	K.R. SALINE & ASSOCIATES	MNTHLY PROF SVCS ELEC & GAS	\$6,432.69
8/12/2014	136086	KEMPTON CHEVROLET	2014 CHEVROLET EQUINOX PW ADMIN	\$23,703.37
8/26/2014	136244	KEMPTON CHEVROLET	2015 CHEVROLET EQUINOX ENGINEERING	\$22,397.82
8/26/2014	136246	KIMLEY HORN & ASSOCIATES, INC	LANDFILL FEASIBILITY STUDY	\$6,579.83
8/12/2014	136088	MANHOLE COATINGS	REHABILITATION OF 40 MANHOLE CHANNELS	\$24,589.80
8/26/2014	136238	MATT N. CLIFFORD	PROSECUTION SERVICES AUG 2014	\$7,000.00
8/26/2014	eC24430032	MERITAIN HEALTH INC	REIMB FLEX ACCOUNT	\$6,542.18

**CITY OF SAFFORD****ACCTS PAYABLE CHECKS \$5,000 OR LARGER****AUGUST 2014**

8/26/2014	136257	MOYES SELLERS & HENDRICKS	PROFESSIONAL SERVICES JULY 2014	\$6,090.30
8/26/2014	136258	NATIONAL BANK	HANGAR PAYMENTS-MONTHLY	\$13,482.16
8/12/2014	136197	SEVERN TRENT ENVIRONMENTAL	O&M BASE SVC FEE JULY 2014	\$45,092.25
8/26/2014	136259	SEVERN TRENT ENVIRONMENTAL	O & M BASE SVC FEE AUG 2014	\$45,092.25
8/26/2014	136260	SHI INTERNATIONAL CORP	MICROSOFT ENTERPRISE ANNUAL LICENSE	\$6,390.98
8/12/2014	136200	SMARTWORKS PLUS INC	MONTHLY CONTRACT PYMNT	\$62,884.80
8/12/2014	136201	SOUTHWEST TRANSMISSION	MONTHLY SW TRANS PURCHASED ELECTRIC	\$60,640.67
8/26/2014	136262	SPRINGBOK DEVELOPMENT LLC	MAINT PMT SEPT 2014	\$16,666.00
8/12/2014	136206	TRANSMISSION & DISTRIBUTION	PHASE III DISTRIBUTION PROJECT	\$6,403.89
8/12/2014	eC24400012	U.S. DEPT. OF ENERGY	MONTHLY PURCHASED ELEC	\$503,460.44
8/12/2014	136208	WESTERN REFINING WHOLESALE	7563 GALS DIESEL FUEL	\$50,567.83

DATE	REF #	DESCRIPTION	AMOUNT
8/20/2014	JE 8-02	MUNIGAS JULY DELIVERIES	\$28,935.07
8/30/2014	JE 8-04	SALES TAX PD IN AUG 2014	\$137,754.56
8/30/2014	JE 8-10	FRANCHISE TAX AUG 2014 WATER	\$23,417.82
8/30/2014	JE 8-10	FRANCHISE TAX AUG 2014 GAS	\$6,168.36
8/30/2014	JE 8-10	FRANCHISE TAX AUG 2014 ELECTRIC	\$51,314.03
8/30/2014	JE 8-12	MONTHLY CREDIT CARD COLLECT FEES	\$9,493.09

**P-Card Report**  
for the month of July 2014

Date	Amount of Purchase	Department Total Purchase	Vendor	Description of Purchase
<b>Admin Services</b>				
6/24/2014	159.98		MICR TONER INTERNATION	MICR TONER AP/PR CHECK PRINTER
7/8/2014	351.30		ONLINE INFORMATION SVC	ONLNE COLLCTNS DEP/CRDT CKS
7/8/2014	538.93		ONLINE INFORMATION SVC	ONLNE COLLCTNS TRANACTION RECVD
7/17/2014	12.93		WM SUPERCENTER #1149	PLASTIC CONTAINERS FOR CC
6/20/2014	6.48		WM SUPERCENTER #1149	FILE HOLDER NOT @ WH
6/26/2014	13.54		WM SUPERCENTER #1149	CLOREX WIPES NOT @ WH
6/26/2014	<u>1,307.77</u>		VALLEY IMAGING SOLUTIO	OFFICE CHAIRS
		\$ 2,390.93		
<b>Accounting Services</b>				
6/23/2014	88.27		CENTURYLINK	PHONE
7/5/2014	22.00		IN METCO WATER LLC	WTR - UPSTAIRS CITY HALL
7/11/2014	261.00		HIBU INC. - PACIFIC	ADVERTISING YELLOW PAGES
7/11/2014	21.55		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	19.70		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	5.63		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	19.30		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	3.61		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	7.84		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	4.91		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	10.92		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	7.50		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	33.75		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	9.46		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	0.68		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	11.93		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	0.78		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	16.99		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/11/2014	1.65		NTS COMMUNICATIONS INC	PHONE LONG DISTANCE
7/12/2014	1,502.39		CENTURYLINK	PHONE
7/12/2014	39.17		CENTURYLINK	PHONE
7/12/2014	193.45		CENTURYLINK	PHONE
7/12/2014	32.49		CENTURYLINK	PHONE
7/12/2014	97.47		CENTURYLINK	PHONE
7/12/2014	35.24		CENTURYLINK	PHONE
7/12/2014	69.61		CENTURYLINK	PHONE
7/12/2014	35.27		CENTURYLINK	PHONE

**P-Card Report**  
for the month of July 2014

<b>Date</b>	<b>Amount of Purchase</b>	<b>Department Total Purchase</b>	<b>Vendor</b>	<b>Description of Purchase</b>
7/12/2014	33.39		CENTURYLINK	PHONE
7/14/2014	276.49		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	104.13		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	36.81		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	40.01		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	18.24		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	54.12		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	54.64		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	72.36		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	40.01		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	207.04		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	195.49		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	760.25		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	18.24		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	73.06		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	200.53		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	162.96		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	142.49		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	40.01		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	184.73		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	54.12		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	72.36		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	657.64		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	162.96		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	170.55		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	335.85		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	127.69		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	90.60		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	63.25		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	54.12		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	255.32		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	53.38		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	100.60		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	181.78		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	64.12		VZWRLSS APOCC VISB	CELL PHONE CHARGES
7/14/2014	44.85		CENTURYLINK	PHONE
7/14/2014	261.00		HIBU INC. - PACIFIC	DUP CHG TO BE REFUNDED YELLOW PGS
7/14/2014	30.10		CENTURYLINK	PHONE
7/15/2014	(261.00)		HIBU INC. - PACIFIC	CREDIT DUP CHARGE YELLOW PGS
7/15/2014	2,653.46		DIGITAL IMAGING SYSTEM	CITYWIDE PRINTING COSTS

**P-Card Report**  
for the month of July 2014

<b>Date</b>	<b>Amount of Purchase</b>	<b>Department Total Purchase</b>	<b>Vendor</b>	<b>Description of Purchase</b>
6/25/2014	24.43		VERIZON WRLS W4615-01	PHONE CHARGERS FINANCE
6/25/2014	24.42		VERIZON WRLS W4615-01	PHONE CHARGERS ADMIN SVCS
6/25/2014	48.85		VERIZON WRLS W4615-01	PHONE CHARGERS IT
6/25/2014	28.50		VERIZON WRLS W4615-01	PHONE ACCESSORIES FINANCE
6/25/2014	<u>142.51</u>		VERIZON WRLS W4615-01	PHONE ACCESSORIES ADMIN SVCS
		\$ 10,709.02		
<b>City Clerk</b>				
6/24/2014	2,595.00		VILLAGEPROFILE.COM	Chamber of Commerce Bi-Annual Ad
6/25/2014	150.00		DAIRY QUEEN #15092	30 Employee Bday Treats
7/5/2014	27.50		IN METCO WATER LLC	WTR City Hall
7/15/2014	47.79		Amazon.com	Plastic Floor Mat
7/15/2014	<u>7.75</u>		AMAZON MKTPLACE PMTS	City Hall Vacuum bags
		\$2,828.04		
<b>City Manager</b>				
7/8/2014	21.46		MISSION LINEN	Office rugs, linens service
7/10/2014	<u>214.86</u>		TROPHIES N TEES	Pride of Safford statues
		\$236.32		
<b>City Court</b>				
7/10/2014	29.10		MISSION LINEN	rug service
7/13/2014	<u>10.85</u>		SAFFORD BLDG & ACE HDW	bank lock
		\$ 39.95		
<b>Engineering</b>				
7/9/2014	1,275.00		WESTERN TECHNOLOGIES	LIMITED ASBESTOS SURVEY
6/26/2014	20.00		A-PLUS STAMPS & SIGNS	ENGINEERING STAMPS
7/7/2014	75.00		Arizona Airports Assoc	AZAA Membership Dues
7/13/2014	5.02		TACO BELL #29861 QPS	Meal for one - ESRI User Conf - San Diego
7/13/2014	24.55		DBLETREE SAN DIEGO F&B	Meal for one - ESRI User Conf - San Diego
7/14/2014	18.77		THE CHEESECAKE FACTORY	Meal for one - ESRI User Conf - San Diego
7/14/2014	9.56		DBLETREE SAN DIEGO F&B	Meal for one - ESRI User Conf - San Diego
7/15/2014	41.78		THE FISH MARKET SD	Meal for one - ESRI User Conf - San Diego
7/16/2014	23.30		SAN DIEGO PIER CAFE	Meal for one - ESRI User Conf - San Diego
7/16/2014	9.66		GREAT KHAN'S MONGOLIAN	Meal for one - ESRI User Conf - San Diego
6/30/2014	<u>115.39</u>		STEVEN ENTERPRISES, IN	PAPER FOR MAP PRINTER NOT @ WH
		\$1,618.03		
<b>Fire Department</b>				

**P-Card Report**  
for the month of July 2014

Date	Amount of Purchase	Department Total Purchase	Vendor	Description of Purchase
6/19/2014	1,887.98		INT CMI QUICK COPY	Sign for building
6/20/2014	291.33		L N CURTIS & SONS	Hoods & Class A foam
6/24/2014	121.39		MACKS AUTO SUPPLY	Road Flares & Truck Dusters
6/27/2014	249.71		WAL-MART #1149	Pop up canopys
6/27/2014	46.54		DOMINO'S 7534	Pizza for tanker roll over
7/1/2014	65.12		TROPHIES N TEES	Uniforms
7/3/2014	13.91		AIRGAS WEST	Saftey glasses
		\$2,675.98		
<b>IT Department</b>				
7/1/2014	5,874.26		ACCUVANT INC	Network Replacement Switch
7/8/2014	1,165.28		CDW GOVERNMENT	Surface Pro 3 for IT
7/17/2014	265.28		Amazon.com	Cloud Storage Testing for IT
6/21/2014	7.00		STACKSOCIAL	Wordpress Themes for Laserfiche Forms
6/24/2014	5,181.41		CDW GOVERNMENT	Server Memory for Cisco Servers, National Join Powers Contract
6/23/2014	20.18		SAFFORD BLDG & ACE HDW	Drill Bits for IT Construction
6/24/2014	1,284.32		CDW GOVERNMENT	Veeam backup and Replication Enterprise Cloud for Vmware Subscription License
6/27/2014	32.55		SQ CJC TECHNOLOGIES L	USB to ethernet Adapater For IT
6/26/2014	540.00		SMARTDEPLOY	SmartDeploy Yearly Renewel, Software for imaging PC's
7/13/2014	20.76		DOC'S	Gas for Approved Esri Conference trip Rental Car
7/13/2014	4.79		TACO BELL #29861 QPS	Esri Conference trip 1 person
7/13/2014	17.91		DBLEETREE SAN DIEGO F&B	Esri Conference trip 1 person
7/14/2014	18.77		THE CHEESECAKE FACTORY	Esri Conference trip 1 person
7/16/2014	16.71		STEAK ESCAPE	Esri Conference trip 1 person
7/15/2014	31.41		THE FISH MARKET SD	Esri Conference trip 1 person
7/16/2014	10.00		ESRI INC	Flash Drive for Data Transfer and inspection
7/17/2014	35.13		HORTON PANDA INN	Esri Conference trip 1 person
6/21/2014	232.69		AMAZON MKTPLACE PMTS	LCD Projector mount
6/23/2014	541.91		WAL-MART #1149	iPad for Library Director
7/3/2014	154.00		NEUSTAR/NEULEVEL, INC.	DNS hosting for ci.safford.az.us
7/8/2014	99.99		ARVATO WINDOWS ESD	Windows 8.1 Pro Pack upgrade from win 8
7/10/2014	39.95		LNR LUNARPAGES WEBHOST	Cityofsafford.us web hosting
7/14/2014	21.95		HSW HOSTWAY.COM	web hosting for saffordcitycode.net
7/14/2014	719.98		GODADDY.COM	Wildcard Certificate for Office 365 Project
7/15/2014	-45.01		GODADDY.COM	Remaining refund from switching Wildcard Cert to UCC Certificate
7/15/2014	38.97		GODADDY.COM	Premium DNS for Office 365 Project
7/15/2014	10.86		SQ MURPHY'S MUSIC INC	Repair end on cable for council chambers recording system
7/16/2014	189.69		Amazon.com	Battery pack for Library UPS
6/20/2014	45.99		AMAZON MKTPLACE PMTS	IT monitor mount
6/21/2014	204.98		AMAZON MKTPLACE PMTS	IT USB 3.0 port replicator

**P-Card Report**  
for the month of July 2014

Date	Amount of Purchase	Department Total Purchase	Vendor	Description of Purchase
6/20/2014	41.86		AMAZON MKTPLACE PMTS	IT screen protectors
		\$16,823.57		
<b>Library Department</b>				
6/23/2014	174.00		QUILL CORPORATION	Dry Erase Marker Board for Claridge Room and bubble mailers
6/26/2014	352.17		DEMCO INC	2 Write Way message board signage for promoting library programs
7/15/2014	13.97		WM SUPERCENTER #1149	Carpet&Uphols.cleaner-Not @ Warehse
6/25/2014	488.70		WALNECK'S SAFFORDSEWIN	Simplicity vacuum cleaner
7/16/2014	73.40		MISSION LINEN	Rug/Linen Service
6/21/2014	182.44		MARRIOTT HTL PHX MESA	Lodging 2nights, 1 per-Co. Lib.Meeting
6/20/2014	15.50		MARRIOTT PHOENIX MESA	1 meal,1 per - Co. Librarians Mtg.
6/19/2014	15.59		DIAMOND SPORTS BAR	1 meal,1 per - Co. Librarians Mtg.
6/19/2014	174.64		APPLE BOOKS ELDORADO I	6 Non-Fiction Adult Books
6/19/2014	7.98		MARRIOTT PHOENIX MESA	1 meal,1 per - Co. Librarians Mtg.
6/25/2014	585.00		ARIZONA SCIENCE CENTER	Science City Presenter for Brain Box
6/25/2014	665.00		ARIZONA SCIENCE CENTER	Science City Presenter for Mix it Up
6/25/2014	555.00		ARIZONA SCIENCE CENTER	Science City Presenter for Twisted and Mas Tortilla Por Favor on March 04
6/25/2014	555.00		ARIZONA SCIENCE CENTER	Science City Presenter for Twisted and Mas Tortilla Por Favor on March 11
7/1/2014	132.69		CABLE ONE INC 1	Internet for Public Computers
7/12/2014	12.21		VERIZON WRLS W4615-01	Screen Protector
7/11/2014	199.00		VEER CONSULTING /FTF S	Registratn fee for Early Childhood Summit
7/12/2014	(32.45)		WAL-MART #1149	Credit for Screen Protector/Was faulty-Returned
7/12/2014	65.15		VERIZON WRLS W4615-01	IPad Case
7/12/2014	32.45		WAL-MART #1149	Screen Protector/Was faulty-Returned
7/15/2014	23.76		TARGET 00006395	1 book - SAT for Library Collection
6/20/2014	9.89		AMAZON MKTPLACE PMTS	Puppet for Early Literacy Programs
6/20/2014	50.45		AMAZON MKTPLACE PMTS	Learning Resources Material for Early Lit.
6/20/2014	71.51		Amazon.com	Puppets for Early Literacy Programs
6/20/2014	5.84		AMAZON MKTPLACE PMTS	Puppet for Early Literacy Programs
6/20/2014	14.87		AMAZON MKTPLACE PMTS	Learning Resources Material for Early Lit.
6/24/2014	111.14		AMAZON MKTPLACE PMTS	Learning Resources Material for Early Lit.
6/23/2014	217.30		Amazon.com	Learning Resources Material for Early Lit.
6/25/2014	3.23		WM SUPERCENTER #1149	Bells for Early Literacy Programs
7/7/2014	199.00		VEER CONSULTING /FTF S	Registratn fee for Early Childhood Summit
		\$ 4,974.43		
<b>Planning &amp; Zoning</b>				
7/10/2014	48.71		SXM SIRIUSXM.COM/ACCT	Pool Radio
7/1/2014	37.83		RIBBONS GALORE	Ribbons for Swimteam
7/1/2014	248.20		AWARDS USA	Ribbons for Swimteam

**P-Card Report**  
for the month of July 2014

<b>Date</b>	<b>Amount of Purchase</b>	<b>Department Total Purchase</b>	<b>Vendor</b>	<b>Description of Purchase</b>
		\$ 334.74		
<b>Police Department</b>				
7/10/2014	25.00		PAYPAL ARIZONAASSO	Reg feex1/Annual AACOP/Flagstaff
7/15/2014	15.74		COLLINS IRISH PUB	Mealx1/Annual AACOP/Flagstaff, Az
7/16/2014	11.60		SOMEBURROS VI	Mealx1/Annual AACOP/Flagstaff, Az
7/16/2014	75.00		76 MART, LLC	Fuel/Annual AACOP/Flagstaff, Az. VEH 11-007
6/25/2014	25.00		SHELL OIL 574415320QPS	To DPS to take Evidence to Tucson VEH 00-006
7/15/2014	15.98		WAL-MART #1149	Pens not in warehouse
6/23/2014	51.48		INT CMI QUICK COPY	TaserCam Postage & Ins. Return
6/23/2014	44.92		INT CMI QUICK COPY	SPD Letterhead
7/3/2014	16.24		TROPHIES N TEES	Chief Brugman's door name plate
7/8/2014	23.80		MISSION LINEN	Cleaning Maintenance Service
7/8/2014	73.50		ENTENMANN-ROVIN COMPAN	Chief's Flat Badge
7/3/2014	19.85		INT CMI QUICK COPY	AzGOHS Priority Mail
7/11/2014	19.85		INT CMI QUICK COPY	AzGOHS Priority Mail
7/2/2014	135.75		INT CMI QUICK COPY	SPD Letterhead Envelopes
7/12/2014	40.38		WAL-MART #1149	WO# 57293/Lights/Oil/Toolset afterhours
7/7/2014	8.45		THE BURGER HOUSE	Mealx1/AzGOHS Trg/Phx
7/9/2014	7.04		IN-N-OUT BURGER #232	Mealx1/AzGOHS Trg/Phx
7/9/2014	79.22		SHELL OIL 930041385QPS	Fuel/AzGOHS Trg/Phx VEH 11-006
7/8/2014	18.28		BUFFALO WILD WINGS 037	Mealx1/AzGOHS Trg/Phx
7/3/2014	20.00		QT 459 05004593	Fuel/Pick up Veh from AEP/Phx VEH 11-018
6/26/2014	30.39		VERIZON WRLS W4615-01	IPHONE 4 Screen & Display
6/24/2014	7.95		INO INTELIUS.COM/RT	One Back ground check
7/7/2014	23.29		JERRY S RESTAURANT #42	Mealx3/Orientaion Luncheon for 142
6/20/2014	73.65		GIANT #6634	Fuel/AzACA Conference/Laughlin, Nv. VEH 11-006
		\$ 862.36		
<b>Public Works</b>				
7/2/2014	93.40		FLEETMATICS USA, LLC	VEH TRACK SUBSCRIPTION
7/2/2014	46.70		FLEETMATICS USA, LLC	VEH TRACK SUBSCRIPTION
6/19/2014	38.28		SAFFORD BLDG & ACE HDW	SHOP DRILL BITS
6/19/2014	12.72		SAFFORD BLDG & ACE HDW	CITY ANNEX SIGN WOOD
6/22/2014	216.11		AIRGAS WEST	WELDING HOOD
6/19/2014	12.47		THE HOME DEPOT #0445	BONITA CREEK RR REPAIR
6/19/2014	49.53		SAFFORD BLDG & ACE HDW	ANNEX SIGN BOLTS AND GRATE STEEL
6/19/2014	28.72		SAFFORD BLDG & ACE HDW	CITY ANNEX SIGN WOOD
6/19/2014	67.90		PECKS WELDING	CITY ANNEX SIGN STEEL
6/23/2014	-215.45		TREK RV & OUTDOOR	R/O PUMP - PW

**P-Card Report**  
for the month of July 2014

<b>Date</b>	<b>Amount of Purchase</b>	<b>Department Total Purchase</b>	<b>Vendor</b>	<b>Description of Purchase</b>
6/23/2014	11.08		SAFFORD BLDG & ACE HDW	GLENN MEADOWS RR REPAIRS
6/23/2014	29.09		SAFFORD BLDG & ACE HDW	GLENN MEADOWS RR REPAIRS
7/1/2014	255.08		JOE'S PLUMBING	PW WATER PUMP
7/1/2014	24.92		SAFFORD BLDG & ACE HDW	LIB FENCE PARTS
7/1/2014	8.63		MACKS AUTO SUPPLY	BRICKYARD STEAM MUZZLE
7/2/2014	26.24		SAFFORD BLDG & ACE HDW	LIBRARY LIGHT PANELS
7/14/2014	53.72		SAFFORD BLDG & ACE HDW	CAULK,CUT OFF WHLS-PW ROOF
7/14/2014	13.12		SAFFORD BLDG & ACE HDW	LIBRARY BOOK DROP PADLOCK
7/15/2014	145.01		SAFFORD BLDG & ACE HDW	URINAL VALVE YARD 2
7/16/2014	43.99		JOE'S PLUMBING	URINAL VALVE YARD 2
6/19/2014	49.45		SAFFORD BLDG & ACE HDW	CITY ANNEX SIGN MORTAR
6/30/2014	72.37		SAFFORD BLDG & ACE HDW	CITY WIDE FILTER REPLACEMENT
7/1/2014	22.47		SAFFORD BLDG & ACE HDW	SMALL TOOLS - TRUCK
7/7/2014	52.48		SAFFORD BLDG & ACE HDW	LIBRARY LIGHT PROJECT
7/7/2014	6.56		SAFFORD BLDG & ACE HDW	LIBRARY LIGHT PROJECT
7/10/2014	14.63		SAFFORD BLDG & ACE HDW	LIBRARY LIGHT PROJECT
7/9/2014	920.28		HIGHLAND PRDCTS GRP LL	PICNIC TABLE REP-BONITA CRK
7/2/2014	300.00		SQ SCARBOROUGH PUMPIN	JUNE PJ SVC @ YARD 2
7/7/2014	51.60		SAFFORD BLDG & ACE HDW	PLAY AREA REPAIR PARTS
7/9/2014	9.08		SAFFORD BLDG & ACE HDW	TOOLS TRUCK
7/10/2014	29.28		SAFFORD BLDG & ACE HDW	US FLAG ANNEX N/A @ WHSE
7/15/2014	2,040.00		VALLEY SECURITY INC	ANNUAL MONITOR FEE
7/14/2014	8.45		SAFFORD BLDG & ACE HDW	CONCRETE-FIRTH PK POSTS
7/15/2014	223.48		THE HOME DEPOT #0445	CABINET AND LIGHT MATERIALS
6/19/2014	34.80		SAFFORD BLDG & ACE HDW	OUTLET BOX, ELECT TAPE,WIRE
6/19/2014	40.27		SAFFORD BLDG & ACE HDW	BANNER HOOKS,CLIPS
7/8/2014	20.48		SAFFORD BLDG & ACE HDW	WIRE STRIPER & CLIPS-LIBRARY
7/9/2014	16.15		SAFFORD BLDG & ACE HDW	WIRE NUTS FOR V165
7/10/2014	19.16		SAFFORD BLDG & ACE HDW	AIR COMP FUSES-PW
7/10/2014	18.46		SAFFORD BLDG & ACE HDW	ANT KILLER V165
7/10/2014	55.76		THE HOME DEPOT #0445	BALLASTS V165
7/16/2014	8.37		SAFFORD BLDG & ACE HDW	SCREWS-LIB LIGHT PROJ
7/2/2014	7.57		THE HOME DEPOT #0445	FLEX COUPLING REP-LIBRARY
7/2/2014	40.36		SAFFORD BLDG & ACE HDW	CURB REPAIRS-CEMETERY
7/3/2014	1,845.48		LESLIES POOL SUPPLY	POOL CHEMICALS
7/7/2014	50.00		NCE	WEED EATER,CHAINSAW PARTS
7/8/2014	9.00		NCE	REPAIR PARTS-BLOWER
7/10/2014	2,090.07		LESLIES POOL SUPPLY	POOL CHEMICALS
7/16/2014	1.09		DOLRTREE 2892 00028928	STRAINER-GRINDER PUMP @ PK
7/9/2014	138.17		TRI COUNTY MATERIALS	FILL DIRT - CEMETERY

**P-Card Report**  
for the month of July 2014

Date	Amount of Purchase	Department Total Purchase	Vendor	Description of Purchase
7/2/2014	480.00		CRISLER PEST CONTROL L	PEST CONTROL CITY WIDE
6/19/2014	7.35		SAFFORD BLDG & ACE HDW	LIB DRIP SYS PARTS
6/19/2014	20.69		SAFFORD BLDG & ACE HDW	LIB DRIP SYS PARTS
6/19/2014	47.82		INT CURTIS LANDSCAPE	CITY HALL TIMER
7/1/2014	13.03		SAFFORD BLDG & ACE HDW	SCREWS,FASTENERS-PLAY AREA
7/2/2014	36.00		NCE	CHAIN-TREES @ RIFLE RANGE
7/15/2014	185.79		TRI COUNTY MATERIALS	SAND-FIRTH PK PLAY AREA
6/19/2014	54.51		SAFFORD BLDG & ACE HDW	FACING WIRE-5TH AVENUE
7/1/2014	43.32		SAFFORD BLDG & ACE HDW	WRENCHES-PIPE INSTALL 5TH AVE
7/8/2014	17.16		SAFFORD BLDG & ACE HDW	BITS-5TH AVE GRATES
7/8/2014	23.62		SAFFORD BLDG & ACE HDW	WELDERS SOAPSTONE, FASTENERS-5TH AVE GRATES
7/10/2014	15.54		SAFFORD BLDG & ACE HDW	FASTEN SUPP-5TH AVE GRATES
6/19/2014	2,838.33		ZUMAR IND INC - AZ	5TH AVE TRAFFIC STAND
7/1/2014	530.50		TRI COUNTY MATERIALS	CULVERT-5TH AVE-YD 2
7/1/2014	165.05		SAFFORD BLDG & ACE HDW	FENCE SUPP-5TH AVE-YD 2
7/8/2014	75.26		SAFFORD BLDG & ACE HDW	GRAFFITI SUPP-5TH AVE
7/10/2014	1,729.44		TRI COUNTY MATERIALS	GUTTER REPAIRS-5TH AVE
7/10/2014	37.67		MACKS AUTO SUPPLY	GREASE,CLEAN SUPP-SWEEPER
7/14/2014	150.00		POLLOCKS WESTERN	SAFETY BOOTS-MELENDREZ
7/16/2014	95.49		TRI COUNTY MATERIALS	NONSHRINK-5TH AVE CULVERTS
6/19/2014	13.12		SAFFORD BLDG & ACE HDW	FITTING FOR PAINT TOTE -7TH ST
6/19/2014	6.56		SAFFORD BLDG & ACE HDW	FITTING FOR PAINT TOTE -7TH ST
7/15/2014	140.29		MERLE'S AUTO SUPPLY	HITCH FOR V143-7TH ST
7/14/2014	69.05		STOTZ EQUIPMENT	WEED SPRAY TANK-5TH AVE
7/16/2014	389.92		TRI COUNTY MATERIALS	GUTTERS - 5TH AVE
7/16/2014	257.53		SAFFORD BLDG & ACE HDW	CONC CURE-5TH AVE
6/23/2014	368.96		RWC INTERNATIONAL TUSC	AIR CONDITIONER COMPRESSOR V17-405
6/23/2014	898.88		RWC INTERNATIONAL TUSC	AIR CONDITIONER FILTER AND BELT V17-405
6/24/2014	117.32		Arizona Refuse Sales	WIRING HARNESS V17-424
6/24/2014	855.20		KEMPTON CHEV BUICK LTD	FUEL PUMP V11-067
6/24/2014	-31.65		MACKS AUTO SUPPLY	CREDIT DRUM BRK WHEEL V14-382
6/24/2014	246.51		MACKS AUTO SUPPLY	AIR DRY, DUMP VALVE V16-395
6/24/2014	49.65		MACKS AUTO SUPPLY	A/C FLUSH KIT
6/26/2014	213.79		RDO EQUIPMENT CO	KIT V25-415
6/30/2014	39.09		MERLE'S AUTO SUPPLY	TAIL LIGHT V14-105
6/30/2014	163.57		RDO EQUIPMENT CO	SWITCH V25-415
7/2/2014	113.86		JOHNSON MOTORS	DOOR LOCK CONTROL V11-063
7/3/2014	125.79		EMPIRE SAFFORD #17	THROT PAD SENSOR V26-411
7/7/2014	9.75		INDUSTRIAL ELECTRIC SE	GREASE SEALS V23-076
7/9/2014	66.77		EMPIRE SAFFORD #17	HOSES V18-401

**P-Card Report**  
for the month of July 2014

<b>Date</b>	<b>Amount of Purchase</b>	<b>Department Total Purchase</b>	<b>Vendor</b>	<b>Description of Purchase</b>
7/9/2014	9.18		MERLE'S AUTO SUPPLY	CUT HOSES V18-401
7/8/2014	15.52		MACKS AUTO SUPPLY	CUT OFF WHEEL
7/10/2014	146.55		EMPIRE SAFFORD #17	DOOR ROLLER V25-380
7/9/2014	9.44		MACKS AUTO SUPPLY	STIK HOSE V18-401
7/9/2014	6.35		MACKS AUTO SUPPLY	RADIATOR CAP V18-401
7/9/2014	13.92		MACKS AUTO SUPPLY	HOSE CLAMP V18-401
7/10/2014	55.16		MACKS AUTO SUPPLY	FUEL PUMP KIT V21-346
7/10/2014	34.04		STOTZ EQUIPMENT	HYDRAULIC OIL V23-076
7/14/2014	35.83		JOHNSON MOTORS	RET,GSKT,SEAL V14-122
7/14/2014	3.79		MERLE'S AUTO SUPPLY	RADIATOR CAP V11-056
7/15/2014	754.68		FREEDOM FORD LINCOLN M	REP/REPROG PCM V14-159
7/16/2014	350.77		EMPIRE SAFFORD #17	SEAT PAN V26-411
7/16/2014	1,933.16		EMPIRE SAFFORD #17	TRACKS V25-380
7/16/2014	28.18		MACKS AUTO SUPPLY	HYD FILTER V23-076
6/19/2014	4.33		EASTERN AZ AG CENTER	O-RING V17-429
6/26/2014	33.05		MACKS AUTO SUPPLY	AIR CHECK VALVE V19-603
6/30/2014	21.82		MACKS AUTO SUPPLY	SC VALVE CHECK V19-609
7/2/2014	102.90		EMPIRE SAFFORD #17	REAR WIND LATCH V25-392
7/8/2014	58.54		MACKS AUTO SUPPLY	AIR CK VALV V19-603
7/14/2014	87.75		MACKS AUTO SUPPLY	SHOCK,SENSOR,TRACK V11-026
7/15/2014	224.79		MERLE'S AUTO SUPPLY	FUEL PUMP V14-031
7/16/2014	-22.81		MERLE'S AUTO SUPPLY	PUMP V13-069
7/16/2014	42.23		MACKS AUTO SUPPLY	FRT BRK PDS V13-069
6/23/2014	79.25		MERLE'S AUTO SUPPLY	BROKEN SPARK PLUG TOOL
6/23/2014	28.79		MERLE'S AUTO SUPPLY	AIR FILTER V00-421
6/23/2014	19.52		SAFFORD BLDG & ACE HDW	COOLERPAD-TIRE SHOP
6/23/2014	56.42		MACKS AUTO SUPPLY	AIR FILTER V00-421
6/25/2014	46.21		RWC INTERNATIONAL TUSC	RADIATOR CAP V16-190
6/26/2014	57.66		Arizona Refuse Sales	SEAL TAILGATE V17-429
6/26/2014	162.75		Arizona Refuse Sales	HOSE, SWEEP V17-429
6/26/2014	250.54		RWC INTERNATIONAL TUSC	AIR CLEANER HOSE V17-405
6/26/2014	26.58		Arizona Refuse Sales	LOCKING BOLT, HOSE V17-424
6/26/2014	887.76		Arizona Refuse Sales	RAIL, SEAL, TAILGATE V17-424
6/25/2014	38.45		INTERNATIONAL HYDRAULI	DUMP SWITCH V14-391
6/27/2014	275.98		LACAL EQUIPMENT INC	DOOR SEAL, MTR KIT V17-335
6/26/2014	16.01		MACKS AUTO SUPPLY	WIPER BLADES V14-171
7/1/2014	24.12		SAFFORD BLDG & ACE HDW	CAR GRDS V16-172
7/2/2014	69.50		HARALSON'S TIRE CO	DOLLY TIRES V99-STR
7/7/2014	313.13		MACKS AUTO SUPPLY	PACKER HOSES V17-424
7/7/2014	10.23		MACKS AUTO SUPPLY	HYD FILTER V17-335

**P-Card Report**  
for the month of July 2014

Date	Amount of Purchase	Department Total Purchase	Vendor	Description of Purchase
7/9/2014	414.40		HOLLOWAY TRIM SERVICE	SEAT REPAIR V16-190
7/8/2014	4.30		MACKS AUTO SUPPLY	FILTER V99-WTR
7/9/2014	7.27		MACKS AUTO SUPPLY	TAIL LAMP V20-292
7/9/2014	72.09		MACKS AUTO SUPPLY	FRT WHL SEALS V16-190
7/11/2014	757.43		Arizona Refuse Sales	JOYSTICK V17-424
7/10/2014	56.46		MACKS AUTO SUPPLY	TIRE REP SUPPLIES
7/14/2014	12.59		MERLE'S AUTO SUPPLY	SWITCH V16-172
7/14/2014	283.39		BOULEVARD CARQUEST	A/C COMP & DRIER V15-357
7/14/2014	80.35		MACKS AUTO SUPPLY	STOP LT ASSY V11-023
7/16/2014	372.42		MACKS AUTO SUPPLY	RADIATOR V15-357
7/17/2014	10.72		MERLE'S AUTO SUPPLY	TRANS FILTER V14-125
7/16/2014	-240.01		BOULEVARD CARQUEST	RADIATOR V15-357
7/17/2014	31.43		BALAR EQUIPMENT	VALVE TUNER V21-431
6/19/2014	33.73		VANGUARD TRUCK TUS PTS	MACK KEY BLANKS
6/20/2014	1,164.78		VANGUARD TRUCK TUS PTS	AIR COMPRESSOR
7/1/2014	1,726.57		RUSH TRK CTR TUCSON	RADIATOR V18-401
7/1/2014	594.44		VANGUARD TRUCK TUS PTS	RADIATOR HOSES
7/8/2014	203.30		LED LIGHTING	LED CORNER STROBES LIGHTS V13-288
7/8/2014	203.31		LED LIGHTING	LED CORNER STROBES LIGHTS V14-171
7/8/2014	203.31		LED LIGHTING	LED CORNER STROBES LIGHTS V13-164
7/7/2014	195.02		RUSH TRK CTR TUCSON	RADIATOR GSKT V18-401
7/15/2014	687.42		MSC CLASS C	FLT WSHRS,ELEC CONN, FUSES
7/8/2014	42.40		INT CURTIS LANDSCAPE	CLARIFIER,THERM-POOL
7/14/2014	109.56		SAFFORD BLDG & ACE HDW	KEY,PAPER TOWELS-POOL
		\$ 33,175.86		

**Utilities**

6/20/2014	42.12		TEXAS ROADHOUSE 2331	WATER MNGMT FORUM- 1 PERSON
6/22/2014	309.50		HAMPTON INN OF PRESCOT	WATER MNGMT FORUM - 1 PERSON 2 NIGHTS
6/20/2014	57.24		TEXACO 0306668	FUEL -WATER MNGMT FORUM - VEH 14-347
6/21/2014	7.55		DEL TACO #1038	WATER MNGMT FORUM- 1 PERSON
6/26/2014	32.05		NIC'S	WATER MNGMT FORUM- 1 PERSON
6/27/2014	11.08		CAFE RIO GILBERT Q02	WATER MNGMT FORUM- 1 PERSON
6/26/2014	63.61		SHELL OIL 57444664304	FUEL -WATER MNGMT FORUM - VEH 14-347
7/16/2014	420.96		INT CMI QUICK COPY	WATER OPERATION MAINTENCE WORK ORDERS
7/14/2014	90.11		FOUR POINTS BY SHERATO	TIME MNGMT SEMINAR - TEMPE - 1 PERSON 1 NIGHT
7/14/2014	4.86		FOUR POINTS F&B	TIME MNGMT SEMINAR - TEMPE - 1 PERSON
7/14/2014	6.58		WHATABURGER 221 Q26	TIME MNGMT SEMINAR - TEMPE - 1 PERSON
7/14/2014	5.42		CULVER'S OFCASA GR	TIME MNGMT SEMINAR - TEMPE - 1 PERSON
7/14/2014	3.68		CULVER'S OFCASA GR	TIME MNGMT SEMINAR - TEMPE - 1 PERSON

**P-Card Report**  
for the month of July 2014

Date	Amount of Purchase	Department Total Purchase	Vendor	Description of Purchase
7/8/2014	16.36		THRIFTEE FOOD & DRU	WATER FOR SCALE HOUSE AT LANDFILL
7/15/2014	153.92		MISSION LINEN	JUNE UNIFORM RENTAL - LANDFILL
6/23/2014	109.60		MISSION LINEN	MAY UNIFORM RENTAL - LANDFILL
7/1/2014	7,995.75		TEST AMERICA LABOR	ANALYTICAL WATER TESTING
7/15/2014	406.72		MISSION LINEN	JUNE UNIFORM RENTAL - WATER
7/15/2014	225.46		TRI COUNTY MATERIALS	ABSLURRY - STADIUM DR THATCHER
7/15/2014	190.98		TRI COUNTY MATERIALS	ABSLURRY -20TH AVE & PEPPERTREE
6/23/2014	417.18		MISSION LINEN	MAY UNIFORM RENTAL - WATER Dept.
7/15/2014	170.46		MISSION LINEN	JUNE UNIFORM RENTAL - GAS Dept.
6/23/2014	133.40		MISSION LINEN	MAY UNIFORM RENTAL - GAS Dept.
6/25/2014	536.21		AMERIPRIDE SERVICES	MAY UNIFORM RENTAL - ELECT Dept.
6/25/2014	53.79		AMAZON MKTPLACE PMTS	CASE WITH KEYBOARD FOR SURFACE
6/25/2014	6.97		AMAZON MKTPLACE PMTS	SCREEN PROTECTORS FOR SURFACE
7/3/2014	128.64		SHE SHEPLERS INC	SAFETY BOOTS-CHAD HOGLE-SENT BACK WRONG SIZE
7/7/2014	1,864.36		WSTRN REF WHOLESAL IN	FUEL FOR LANDFILL EQUIPMENT
7/10/2014	330.31		MATLOCKGAS&EQUIPCO,INC	PROPANE FOR LANDFILL
7/14/2014	1,621.95		WSTRN REF WHOLESAL IN	FUEL FOR LANDFILL EQUIPMENT
7/17/2014	137.82		SHE SHEPLERS INC	SAFETY BOOTS - CHAD HOGLE
6/24/2014	313.73		MATLOCKGAS&EQUIPCO,INC	PROPANE FOR LANDFILL
6/25/2014	2,019.22		WSTRN REF WHOLESAL IN	FUEL FOR LANDFILL EQUIPMENT
6/24/2014	1,290.33		SAFFORD BLDG & ACE HDW	FENCING FOR LANDFILL
6/30/2014	2,301.18		WSTRN REF WHOLESAL IN	FUEL FOR LANDFILL EQUIPMENT
7/17/2014	12.92		CITY ELECTRIC SUPPLY#3	FITTINGS - ROBINSON RANCH REPAIR
7/15/2014	123.15		AIRGAS WEST	HOLESAW, ARBOR, ALLOY BACKING - TRK STOCK
7/1/2014	3,126.40		UNITED RENTALS #018395	RENTAL FOR BONITA CREEK MAINT
6/24/2014	4,266.40		UNITED RENTALS #018395	MANLIFT RENTAL - BONITA CREEK
7/7/2014	11.40		SAFFORD BLDG & ACE HDW	HILLMAN FASTENERS AND CABLE - TRK 405 STOCK
6/23/2014	14.00		NCE	KEYS FOR EQUIPMENT
7/15/2014	216.96		TRI COUNTY MATERIALS	CONCRETE SAND - 20TH AVE & GOLF COURSE
7/14/2014	160.70		MACKS AUTO SUPPLY	TRK 104 HITCH
7/15/2014	16.45		SAFFORD BLDG & ACE HDW	PVC PIPE - 1ST AVE & CHURCH
7/16/2014	17.90		SAFFORD BLDG & ACE HDW	PVC FITTING & ADAPTERS - 1ST AVE
6/25/2014	38.77		MACKS AUTO SUPPLY	IMPLACT SOCKET & HANDLE - 20TH AVE
6/25/2014	12.62		SAFFORD BLDG & ACE HDW	MINING WEDGES - 20TH AVE
6/26/2014	94.24		MACKS AUTO SUPPLY	REDUCER & WRENC TRK 122 & 357 STOCK
7/2/2014	123.55		SAFFORD BLDG & ACE HDW	PVC FITTINGS & ADAPTERS - MORRIS WELL #2
7/9/2014	124.87		AIRGAS WEST	LANYARD FOR SAFETY HARNESS
7/9/2014	111.25		WW GRAINGER	PVC FITTINGS & ADAPTERS - MORRIS WELL # 1, 2 & 3
7/9/2014	26.72		SAFFORD BLDG & ACE HDW	CAULKGUN, MORTAR, PVC CEMENT & PRIMER - MORRIS WELL #1
6/24/2014	4.31		SAFFORD BLDG & ACE HDW	FITTINGS - MORRIS WELL #1

**P-Card Report**  
for the month of July 2014

<b>Date</b>	<b>Amount of Purchase</b>	<b>Department Total Purchase</b>	<b>Vendor</b>	<b>Description of Purchase</b>
7/1/2014	7.57		SAFFORD BLDG & ACE HDW	SUNWEAR HATS - TRK STOCK
7/2/2014	19.15		SAFFORD BLDG & ACE HDW	ADAPTER SOCKET TRK STOCK
7/15/2014	254.64		TRI COUNTY MATERIALS	NON SHRINK BACKFILL - SAGE TRAIL HYDRANT
7/15/2014	298.14		TRI COUNTY MATERIALS	ABC & SAND BEDDING - SADDLEHORN
6/24/2014	25.31		SAFFORD BLDG & ACE HDW	WIRE- TRK STOCK
6/24/2014	51.04		SAFFORD BLDG & ACE HDW	FITTINGS & ADAPTERS - THATCHER SPLASH PAD
7/1/2014	23.20		SAFFORD BLDG & ACE HDW	HAND WEEDER & TROWEL - TRK STOCK
7/8/2014	43.42		SAFFORD BLDG & ACE HDW	CONCRETE RAKE - TRK 153 STOCK
6/19/2014	5.42		SAFFORD BLDG & ACE HDW	FITTINGS & ADAPTERS - TRK STOCK
6/25/2014	30.29		SAFFORD BLDG & ACE HDW	PLASTIC PIPE CUTTER - TRK STOCK
7/9/2014	303.78		IN SAFE-ENTERY TECHN	GAS DETECTOR REPLACEMENT SENSOR TESTING & CALIBRATION
6/21/2014	26.20		RED LOBSTER US00006239	WATERSHED RESOURCE - 1 PERSON
6/22/2014	454.20		HOLIDAY INN EXPRESS	WATERSHED RESOURCE - 1 PERSON 3 NIGHTS
6/23/2014	-130.00		CROSS CONNECTION ENVIR	REFUND - PAID IN ERROR
6/25/2014	100.00		SQ SCARBOROUGH PUMPIN	PORT A POT RENTAL- BONITA CREEK
7/15/2014	381.96		TRI COUNTY MATERIALS	NONSHRINK BACKFILL - SADDLEHORN
7/16/2014	3.77		THE HOME DEPOT #0445	ELBOW FITTING - RENEWAL
6/24/2014	15.11		SAFFORD BLDG & ACE HDW	GLV CAPS - TRK STOCK
7/15/2014	118.76		TRI COUNTY MATERIALS	ABC - MYOC YARD
7/15/2014	240.69		TRI COUNTY MATERIALS	ABC - 20TH AVE & GOLFCOURSE RD
6/23/2014	3.62		SAFFORD BLDG & ACE HDW	BUSHING - SPLASH PAD THATCHER
7/2/2014	13.11		SAFFORD BLDG & ACE HDW	FITTINGS & ADAPTERS - DISCOVERY PARK YARD
7/15/2014	226.48		TRI COUNTY MATERIALS	ABC - DISCOVERY PARK YARD
6/25/2014	23.78		SAFFORD BLDG & ACE HDW	NAILS - TRK STOCK
7/2/2014	35.33		TRI COUNTY MATERIALS	ABC PROS - MYOC YARD
7/2/2014	174.56		TRI COUNTY MATERIALS	SAND BEDDING- MYOC YARD
7/2/2014	151.40		TRI COUNTY MATERIALS	SAND BEDDING- 25TH ST
7/2/2014	54.17		WAL-MART #1149	AUDIO RECORDER - WATER PRODUCTION SAFETY
7/2/2014	567.00		TEST AMERICA LABOR	ANALYTICAL TESTING-WELL COMPLIANCE SAMPLING
7/2/2014	10.50		TEST AMERICA LABOR	ANALYTICAL TESTING-CUSTOMER PRIVATE WELL
7/2/2014	136.50		TEST AMERICA LABOR	ANALYTICAL TESTING-WELL COMPLIANCE SAMPLING
7/7/2014	105.00		TEST AMERICA LABOR	ANALYTICAL TESTING-HARDNESS ALL WELLS
7/7/2014	88.20		TEST AMERICA LABOR	ANALYTICAL TESTING-CUSTOMER PRIVATE WELL
7/16/2014	4,225.00		EUROFINS EATON ANALYTI	EPA - UCMR COMPLIANCE SAMPLES
7/1/2014	97.73		MACKS AUTO SUPPLY	HOSE & FITTINGS - TRK STOCK 288
6/19/2014	22.80		MACKS AUTO SUPPLY	HEADGEAR - TRK STOCK 288
6/23/2014	36.47		SAFFORD BLDG & ACE HDW	MASKING TAPE & SPRAY PAINT - TRK STOCK 288
6/23/2014	4.19		THRIFTEE FOOD & DRU	FOODCOLORING FOR ODORANT
6/23/2014	4.65		SAFFORD BLDG & ACE HDW	VINYL TUBE - TRK STOCK 288
6/23/2014	67.61		SAFFORD BLDG & ACE HDW	WRENCHS AND SCREWDRIVERS - TRK STOCK
6/19/2014	16.13		SAFFORD BLDG & ACE HDW	TAP PLUG FOR ODOR STATION

**P-Card Report**  
for the month of July 2014

Date	Amount of Purchase	Department Total Purchase	Vendor	Description of Purchase
7/8/2014	8.58		SAFFORD BLDG & ACE HDW	SEAT BUCKET - TRK 288 STOCK
7/8/2014	7.58		THE HOME DEPOT #0445	BUCKET - TRK 288 STOCK
6/25/2014	3.62		SAFFORD BLDG & ACE HDW	NO SMOKING SIGN
6/26/2014	25.00		SAFFORD MVD	CDL TEST - RODNEY BARRAGAN
6/24/2014	72.77		BOUND TREE MEDICAL LLC	DEFIBRILLATION CARTRIDGE
6/19/2014	-84.10		DOUBLETREE HOTEL GRAND	REFUND -MESA HOTLINE SCHOOL
6/20/2014	-0.01		DOUBLETREE HOTEL GRAND	REFUND -MESA HOTLINE SCHOOL
6/20/2014	-102.90		DOUBLETREE HOTEL GRAND	REFUND -MESA HOTLINE SCHOOL
		\$ 38,249.13		
<b>Warehouse</b>				
6/19/2014	372.64		UNITED RENTALS #018395	INV-2 gas cans 5 gallon-3 marking wands-20 cutting wheels 4"-20 boxes latex gloves
6/19/2014	50.93		MAVERICK MOTORSPORTS	square jeery can and fill hose for landfill
6/19/2014	272.60		UNITED RENTALS #018395	INV-6 shovals sq point-105 cutting blades 4"
6/19/2014	28.72		SAFFORD BLDG & ACE HDW	3 flyswatter-3 fly traps
6/19/2014	120.31		UNITED RENTALS #018395	1 hd pintle hook receiver w/2' ball
6/18/2014	613.41		UNITED RENTALS #018395	INV-6 cleanout shovels-4 construction wrenches-2 pry bar 60'-4 ratch straps 2'x27'
6/20/2014	662.14		SWIFT OFFICE SOLUTIONS	INV-1 case of paper rolls 2-1/4"-2 print cartridge
6/23/2014	184.11		SWIFT OFFICE SOLUTIONS	INV-2 boxes of thermal paper 3-1/8'
6/30/2014	32.76		CASA MANANA	meal for new hire Cadre and Mickey
6/30/2014	80.14		SWIFT OFFICE SOLUTIONS	INV-1 print cartridge
6/30/2014	52.00		SAFFORD BLDG & ACE HDW	INV-12 cans of great stuff
7/2/2014	263.25		AIRGAS WEST	INV-24 ranger hats
7/2/2014	1,329.35		SAFFORD BLDG & ACE HDW	INV-4 cases of cups 16oz-12 mop heads-3 cases of urnial screens-1 cas of nails 50 penny-3 diamond blades 14'-2 cases of cups 12oz-6 cases of facial tissue-15 cases of toilet paper-18 bleach gallons
7/3/2014	79.12		SWIFT OFFICE SOLUTIONS	INV-1 print cartridge
7/9/2014	13.19		AIRGAS WEST	INV-9 headbands
7/9/2014	255.58		AIRGAS WEST	INV-2 safety glasses clear-29 safety glasses tinted
7/8/2014	245.75		UNITED RENTALS #018395	INV-6 hard hat fb-2 pry bars 60'-1 diesel can 5 gallon-4 twine-2 couplings for air hoxe
7/9/2014	38.36		SAFFORD BLDG & ACE HDW	2 dust mop heads
7/9/2014	838.32		SAFFORD BLDG & ACE HDW	INV-20 tie wire-64 hold down straps-1 diamond blade 18"-10 saw 15"-12 tape measure 25'
7/9/2014	144.83		SWIFT OFFICE SOLUTIONS	INV-2 print cartridge
7/15/2014	23.88		UNITED RENTALS #018395	1 fire hose nozzle for pressure washer
7/15/2014	441.37		SWIFT OFFICE SOLUTIONS	INV-6 print cartridge
7/15/2014	274.92		SAFFORD BLDG & ACE HDW	INV-108 utility wipes
7/16/2014	4.00		SAFFORD MVD	title for 20-438
7/17/2014	623.00		HILL BROTHERS CHMCL TU	INV-10 chlorine 25lb buckets
6/24/2014	1,400.52		FERTIZONA THATCHER	INV-15 gallons of pathfinder
6/24/2014	20.16		FERTIZONA THATCHER	2 fly spray
6/25/2014	489.53		SOUTHWESTERN BG INC	INV-3 atf gallons-3 flush kits-12 atf qts

**P-Card Report**  
for the month of July 2014

<b>Date</b>	<b>Amount of Purchase</b>	<b>Department Total Purchase</b>	<b>Vendor</b>	<b>Description of Purchase</b>
6/26/2014	10.13		MACKS AUTO SUPPLY	iINV-1 auto filter
6/28/2014	420.12		MSC CLASS C	INV-72 assorta paint-12 red marking paint
6/26/2014	22.31		MACKS AUTO SUPPLY	INV-2 aut filters
6/30/2014	1,139.40		HARALSON'S TIRE CO	INV-6 tires 215-/85r16
7/2/2014	2,614.43		GCR TIRE CENTER #292	INV-6 tires 11r22.5
7/2/2014	14.12		MACKS AUTO SUPPLY	INV-I box patches
7/3/2014	362.07		WIST SUPPLY EQUIPMENT	INV-2 office chairs
7/8/2014	4,357.38		GCR TIRE CENTER #292	INV-10 tires 11r22.5
7/7/2014	52.00		MACKS AUTO SUPPLY	INV-12 oil qts 5w30
7/7/2014	33.73		MACKS AUTO SUPPLY	INV-1 auto filter
7/8/2014	510.30		MERLE'S AUTO SUPPLY	INV-3 vehicle batteries-36 brake cleaner-12 carb cleaner
7/9/2014	848.80		FERTIZONA THATCHER	INV-10 gallons of pathfinder
7/9/2014	706.90		WIST SUPPLY EQUIPMENT	INV-12 notebooks-8 correction tape-6 marker-6 fastener-42 binder-25 pens
7/8/2014	509.86		MACKS AUTO SUPPLY	INV-30 auto filters-40 grease -5 masking tape
7/10/2014	21.83		WIST SUPPLY EQUIPMENT	INV-6 binders
7/10/2014	54.84		MISSION LINEN	uniforms for eric and mickey
7/9/2014	130.23		MACKS AUTO SUPPLY	INV-8 oil gallons 15w40
7/15/2014	3,188.94		GCR TIRE CENTER #292	INV-6 tires 315/80r22.5
7/7/2014	150.00		POLLOCKS WESTERN	employee boots for Cadre Woodside
7/10/2014	274.76		GCR TIRE CENTER #292	INV-2 tires lt245/75r17
7/14/2014	22.38		DANA KEPNER CO.	INV-50 gaskets 1"
7/14/2014	57.56		TROPHIES N TEES	bussiness cards for Cadre Woodside
		\$ 24,456.98		
		<u>\$ 139,375.34</u>		



---

---

**CITY COUNCIL COMMUNICATION**

---

---

**TO:** Mayor and Council

**FROM:** Randy Petty, P. E.  
City Engineer

**SUBJECT:** Main Street Improvement Project  
Main Street Traffic Signal Project

**DATE:** Monday, October 13, 2014 at 6:00 p.m.

---

**Purpose and Recommended Action:** This is to inform the Mayor and Council of the City's attempt to obtain additional funding for the Main Street Projects; Improvements and Traffic Signals. **Information**

**Background:** The bids for this project were opened on August 15. There were two (2) bidders (see attached Bid Results). The bids were \$1,484,159.03 and \$1,796,456.05. ADOT has reviewed the bids and finds that the low bid is acceptable.

Along with the bid price, additional costs will be necessary to arrive at the total construction cost estimate. These costs, which ADOT will draw from the Project funds for their work to construct this project, are Contract Administration (14%), Construction Contingencies (5%), and Project Close-out (2.2%). These additional costs will add \$314,642 (21.2% of the bid price) to the bid. This make the total construction cost estimated to be \$1,798,801.

There is \$1,474,352 available for this project, making a shortfall of about \$324,500. On September 25, we requested from the SEAGO Transportation Advisory Committee (TAC) that additional Surface Transportation Program (STP) and Highway Safety Improvement Program (HSIP) funds be transferred to these projects. The TAC agreed to transfer \$230,000 STP funds to the Improvement project and \$100,000 HSIP funds to the Traffic Signal Project. The City's additional match will be about \$13,110. Any funds that are not used to construct this project will be returned to SEAGO's ledger sheet.

On October 2, the Executive Committee of SEAGO approved this transfer of funds so that this project could move forward. On October 10 the State Transportation Board awarded this project to the low bidder.

**Analysis:** This project will be administered by ADOT. The Contractor will be under contract with them. We are anticipating that construction could start in mid-November and perhaps last until late January/mid-February. The signals may take longer to fabricate, deliver, and erect. The project should be completed by May 2015.

<u>Project</u>	<u>Original</u>	<u>Additional</u>	<u>Final</u>
Improvements	\$899,352	\$230,000 (STP)	\$1,129,352
Traffic Signals	\$575,000	\$100,000 (HSIP)	<u>\$ 675,000</u>
TOTALS			\$1,804,352

<u>City's Match</u>	<u>Original</u>	<u>Additional</u>	<u>Final</u>
Improvements	\$51,263 (Paid)	\$13,110	\$64,373
Traffic Signals	\$ 0	\$ 0	\$ 0

We are requesting to transfer our match from the Public Work capital projects to cover these additional funds.

Paid to Date & Estimated Total:

Original Construction Match:	\$51,386
Landscaping Design:	\$14,477
Review Fees:	\$ 7,863
Scoping:	\$ 3,163
NEPA Document:	\$ 2,583
Design:	<u>\$ 2,137</u>
SUBTOTAL:	\$81,609
Additional Funds:	<u>\$13,110</u>
TOTAL Estimate:	\$94,719 (Estimate of cost to the City)

## BID RESULTS FOR 2014086

Bid Opening Date : 08/15/2014, Prequalification Required, Engineer Specialist : William Nanni

**Completion Date:**

80 Working Days

The proposed work for Project No. 0000 GH SAF SL72301C is located in Graham County on Main Street from 8th Avenue to Central Avenue, in the City of Safford. The work consists of the removing the existing quadrants at the intersections of 8th Avenue, 7th Avenue, 6th Avenue, 5th Avenue, and Central Avenue along Main Street and reconstructing to provide new configuration with decorative sidewalks, drainage improvements, and decorative crosswalks.

The proposed work for Project No. 0000 GH SAF SH47501C is located in Graham County on Main Street from 6th Avenue to Central Avenue, in the City of Safford. The work consists of removing existing traffic signal and lighting equipment and installing new traffic signals at the intersections of 6th Avenue, 5th Avenue, and Central Avenue.

Bid Rank	Compared To Department Estimate	Bid Amount	Contractor	Extended Sum of Items
	+%	\$1,130,028.70	DEPARTMENT ESTIMATE	\$1,130,028.70
1	+31.3%	\$1,484,159.03	SHOW LOW CONSTRUCTION, INC. 1801 WEST DEUCE OF CLUBS, SUITE 300 SHOW LOW, AZ 85901	\$1,484,159.03
2	+59.0%	\$1,796,456.05	STANDARD CONSTRUCTION COMPANY, INC. 810 E WESTERN AVE AVONDALE, AZ 85323	\$1,796,456.05

**Apparent Low Bidder is 31.3% Over Department Estimate (Difference = \$354,130.33)**



---

---

**CITY COUNCIL COMMUNICATION**

---

---

**TO:** Mayor and Council

**FROM:** Randy Petty, P. E.  
City Engineer

**SUBJECT:** Pathway Project, Phase 6

**DATE:** Monday, October 13, 2014 at 6:00 p.m.

---

**Purpose and Recommended Action:** This is to inform the Mayor and Council of the City's attempt to obtain additional funding for the Pathway Project, Phase 6. **Information**

**Background:** The bids for this project were opened on August 8. There were five (5) bidders (see attached Bid Results). The bids ranged from \$367,968 to \$509,635. ADOT awarded this project on September 12<sup>th</sup>.

Along with the bid price, additional costs were added to arrive at the total construction cost estimate. These costs, which ADOT will draw from the Project funds for their work to construct this project, are Contract Administration (14%), Construction Contingencies (5%), and Project Close-out (2.2%). These additional costs added \$78,009 (21.2% of the bid price) to the bid. This make the total construction cost estimated to be \$445,978.

There is \$415,848 available for this project, making a shortfall of about \$30,130. On September 25, we requested from the SEAGO Transportation Advisory Committee (TAC) that additional Surface Transportation Program (STP) funds be transferred to these projects. The TAC agreed to transfer \$30,000 STP funds to this project. The City's additional match will be about \$1,710. Any funds that are not used to construct this project will be returned to SEAGO's ledger sheet.

On October 2, the Executive Committee of SEAGO approved this transfer of funds.

**Analysis:** This project will be administered by ADOT. The Contractor will be under contract with them. We are anticipating that construction could start in mid-October and perhaps last until January 2015.

<u>Project</u>	<u>Original</u>	<u>Additional</u>	<u>Final</u>
Pathway Project	\$415,848	\$30,000	\$445,848
<u>City's Match</u>	<u>Original</u>	<u>Additional</u>	<u>Final</u>
Pathway Project	\$23,703	\$1,710	\$25,413

We are requesting to transfer our match from the Public Work capital projects to cover these additional funds.

## BID RESULTS FOR 2014059

Bid Opening Date : 08/08/2014, Prequalification Required, Engineer Specialist : Haque Rashidul

**Completion Date:**

75 Working Days

The proposed construction of shared use path is located within the limits of City of Safford, in Graham County. The work consists of construction of approximately 0.87 miles of asphaltic concrete shared use path. The work also include roadway excavation, construction of approximately 1000 feet of irrigation/storm drain pipes, construction and/or reset of manholes, and other related work.

Bid Rank	Compared To Department Estimate	Bid Amount	Contractor	Extended Sum of Items
	+%	\$358,245.00	DEPARTMENT ESTIMATE	\$358,245.00
1	+2.7%	\$367,968.27	CKC CONSTRUCTION & MATERIALS LLC 1234 E. AIRPORT ROAD SAFFORD, AZ 85546	\$367,968.27
2	+9.7%	\$392,865.00	JNJ ENGINEERING CONSTRUCTION, INC. P.O. BOX 842218 HILDALE, UT 84784	\$392,865.00
3	+14.1%	\$408,793.50	NICKLE CONTRACTING L.L.C. 6267 S. 157TH WAY GILBERT, AZ 85298	\$408,793.50
4	+22.9%	\$440,157.08	TIFFANY CONSTRUCTION COMPANY P.O. BOX 97970 PHOENIX, AZ 85060	\$440,157.08
5	+42.3%	\$509,635.00	COMBS CONSTRUCTION COMPANY, INC. 2801 S. 49TH AVENUE PHOENIX, AZ 85043	\$509,635.00

**Apparent Low Bidder is 2.7% Over Department Estimate (Difference = \$9,723.27)**



---

---

**CITY COUNCIL COMMUNICATION**

---

---

**TO:** Mayor and Council

**FROM:** Horatio Skeete  
City Manager

**SUBJECT:** Assignment of Lease Interest of Redington Land and Cattle, Co.

**DATE:** Monday, October 13, 2014 at 6:00 p.m.

---

**Purpose and Recommended Action:** This is a request to authorize the Mayor to enter into an agreement with Josh and Misty Smart, dba Redington Ranch Supply, following the assignment of the existing lease between Mr. Don Steinman and the City.

**Background:** In 2009 the city entered into amended lease agreement with Mr. Steinman for lease of real property located at 150 W. Discovery Park Blvd, Safford, AZ. A copy of that lease agreement is attached and as can be seen on page "3." of the agreement Mr. Steinman has the right to assign his rights and responsibilities subject to the approval of the city council. Mr. Steinman is current on all financial obligations to the City and has requested that he be granted the right to exercise that option in section "V." of the agreement to assign his obligations to Josh and Misty Smart doing business under the name of Redington Ranch Supply.

**Analysis:** Staff has the existing agreement and do not feel that any modification to the agreement is necessary at this time. We are of the opinion that this is still a very good use of the land and has the potential to continue to make a significant contribution to our revenue base through the life of this lease. The new owners/ operators of the store have not requested any modification to the current terms and condition of the lease being assigned.

They have provided us with a certificate of insurance which is being reviewed by the AZ Risk Retention Pool.

**Recommendation:** Staff is recommending that the City Council authorize the Mayor to sign and execution of the lease assignment with Josh and Misty Smart subject to providing the City with an insurance certificate addressing the concerns of the City's Risk Retention Pool.

*communication throughout the organization. As trained professionals, we are empowered to make decisions while providing superior service.*

City Manager Kincaid commented that the Vision Statement captured the essence of what a City employee really is.

It was moved by Councilman Foutz, seconded by Councilman Smith, and carried 6-0 to approve and adopt the City of Safford Employee Vision Statements, Internal and Externally. The External Statement will be the basis for moving forward to develop a Strategic Plan for the City of Safford.

**MOTION ADOPTED**

2. Redington Land & Cattle, Co.: The City Council may wish to consider and approve modification to the Commercial Lease Agreement between Redington Land & Cattle, Co. and the City of Safford authorizing an amendment to the term of the Agreement which shall commence on 15 April 2009, and shall terminate on the 15<sup>th</sup> day of February 2034; and furthermore, each of the rental increases would all be backed up six (6) months.

City Manager Kincaid explained the modification to the Commercial Lease Agreement between Redington Land and Cattle, Co. and the City of Safford. He stated the Lease Agreement would reflect an effective term beginning April 15, 2009 and extending the Lease another six months. He stated a Certificate of Occupancy has been issued and the first month lease payment received.

It was moved by Councilman Foutz, seconded by Councilman Smith and carried 6-0 to approve a modification to the Commercial Lease Agreement between Redington Land & Cattle, Co. and the City of Safford authorizing an amendment to the term of the Agreement which shall commence on 15 April 2009, and shall terminate on the 15<sup>th</sup> day of February 2034; and furthermore, each of the rental increases would all be backed up six (6) months.

**MOTION ADOPTED**

3. Update of the City's Financial Status: City Manager Kincaid will provide a report regarding the City's Financial Status.

City Manager Kincaid provided an update regarding the City's financial status. He commended Ann Waite and Don Knight for compiling graph charts to visually explain City's revenues. (charts attached). He explained the first graph is a visual providing a projection of the City's revenue by category. The second graph provides projected revenue by category with Governmental, Airport and Utility Funds. The third graph provides Governmental Revenue, FY 08/09 Budget Compared to Projected Revenue. The fourth graph projects Governmental Revenue by category – Local vs Other. The fifth graph projects City Sales tax reported by Arizona Department of Revenue. Finally, the sixth graph provides State Shared Revenue.

**COMMERCIAL LEASE AGREEMENT  
AMENDMENT #1**

The City of Safford, an Arizona Municipal Corporation and Donald and Barbara Steinman, doing business under the Arizona trade name of Redington Land and Cattle, Co., hereby agree to amend Commercial Lease Agreement dated the 18<sup>th</sup> day of September, 2008 and recorded with the Graham County Recorder with a recording number of 2008-07851. The lease is hereby amended to commence on the 15<sup>th</sup> day of April 2009 and shall terminate on the 14<sup>th</sup> day of February 2034. Exhibit "B" – Schedule of Lease Payments – will be amended to reflect these changes.

These are the only changes affected by this amendment. The legal description contained in the Commercial Lease Agreement is attached to this amendment for reference.

City of Safford

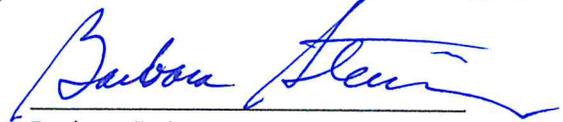
Donald and Barbara Steinman  
doing business under the trade name  
Redington Land & Cattle, Co.



David J. Kincaid  
City Manager



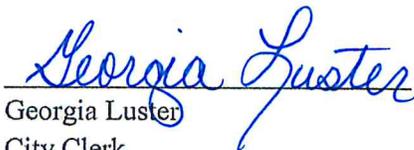
Donald Steinman



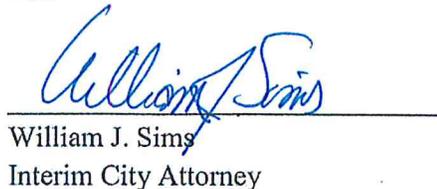
Barbara Steinman

Attest:

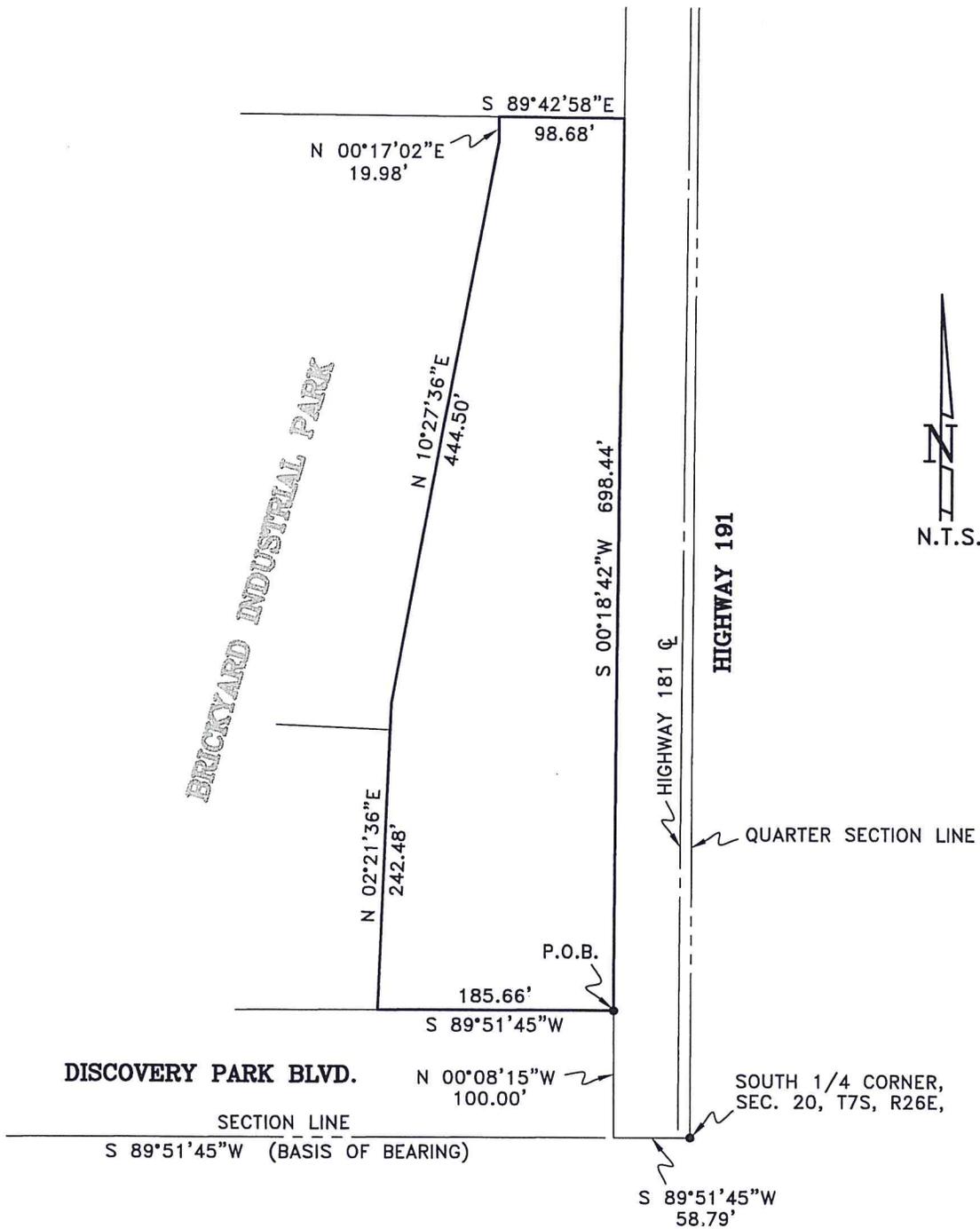
Approved as to Form:



Georgia Luster  
City Clerk



William J. Sims  
Interim City Attorney



COMMENCING AT THE SOUTH QUARTER CORNER OF SECTION 20, TOWNSHIP 7 SOUTH, RANGE 26 EAST OF THE GILA AND SALT RIVER BASE MERIDIAN IN GRAHAM COUNTY, ARIZONA; THENCE S 89°51'45"W 58.79 FEET ON AND ALONG THE SOUTH LINE OF SAID SECTION; THENCE N 00°08'15"W 100.00 FEET TO THE POINT OF BEGINNING; THENCE S 89°51'45"W 185.66 FEET; THENCE N 02°21'36"E 242.48 FEET; THENCE 10°27'36"E 444.50 FEET; THENCE N 00°17'02"E 19.98 FEET; THENCE S 89°42'58"E 98.68 FEET; THENCE S 00°18'42"W 698.44 FEET TO THE POINT OF BEGINNING.

DESCRIBED PARCEL CONTAINING 106,082.60 SQUARE FEET OR 2.435 ACRES

CITY OF SAFFORD  
 PLAT OF THE PARCEL IN THE ATTACHED DOCUMENT

\_\_\_ 1/4 OF SW 1/4 OF SECTION 20  
 TOWNSHIP 7 SOUTH, RANGE 26 EAST  
 SCALE: N.T.S.

EXHIBIT "A"

DRAWN BY: R. SANCHEZ  
 DATE: 06-30-08  
 APPROVED BY: *[Signature]*

**REDINGTON LAND & CATTLE COMPANY  
EXHIBIT "B"  
PROPOSED FEE STRUCTURE**

<u>LEASE PERIOD</u>	<u>ANNUAL PAYMENT</u>	<u>MONTHLY PATMENT</u>	<u>LEASE PERIOD</u>	<u>ANNUAL PAYMENT</u>	<u>MONTHLY PAYMENT</u>
April 15, 2009 - April 14, 2010	7,425.29	618.78	April 15, 2024 - April 14, 2025	21,810.10	1,817.51
April 15, 2010 - April 14, 2011	7,425.29	618.78	April 15, 2025 - April 14, 2026	22,464.41	1,872.04
April 15, 2011 - April 14, 2012	7,425.29	618.78	April 15, 2026 - April 14, 2027	23,138.35	1,928.20
April 15, 2012 - April 14, 2013	22,722.41	1,893.54	April 15, 2027 - April 14, 2028	23,832.50	1,986.05
April 15, 2013 - April 14, 2014	23,181.33	1,931.79	April 15, 2028 - April 14, 2029	24,547.48	2,045.63
April 15, 2014 - April 14, 2015	23,654.02	1,971.18	April 15, 2029 - April 14, 2030	25,283.91	2,107.00
April 15, 2015 - April 14, 2016	16,715.60	1,392.97	April 15, 2030 - April 14, 2031	26,042.43	2,170.21
April 15, 2016 - April 14, 2017	17,217.07	1,434.76	April 15, 2031 - April 14, 2032	26,823.71	2,235.31
April 15, 2017 - April 14, 2018	17,733.59	1,477.80	April 15, 2032 - April 14, 2033	27,628.43	2,302.37
April 15, 2018 - April 14, 2019	18,265.60	1,522.14	April 15, 2033 - April 14, 2034	28,457.29	2,371.44
April 15, 2019 - April 14, 2020	18,813.57	1,567.80			
April 15, 2020 - April 14, 2021	19,377.98	1,614.84			
April 15, 2021 - April 14, 2022	19,959.32	1,663.28			
April 15, 2022 - April 14, 2023	20,558.10	1,713.18			
April 15, 2023 - April 14, 2024	21,174.85	1,764.57			
			<b>TOTAL ANNUAL PAYMENTS YR 1-5</b>	<b>\$ 68,179.61</b>	
			<b>TOTAL ANNUAL PAYMENTS YR 6-10</b>	<b>\$ 93,585.88</b>	
			<b>TOTAL ANNUAL PAYMENTS YR 11-15</b>	<b>\$ 99,883.82</b>	
			<b>TOTAL ANNUAL PAYMENTS YR 16-20</b>	<b>\$ 115,792.84</b>	
			<b>TOTAL ANNUAL PAYMENTS YR 21-25</b>	<b>\$ 134,235.77</b>	
			<b>TOTAL LEASE PAYMENTS</b>	<b>\$ 511,677.92</b>	



2008-07851

Page 1 of 8

Requested By: CITY OF SAFFORD

Wendy Johns, Graham County Recorder

04 PM Recordings Fee \$12.50

## COMMERCIAL LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") made and entered into this 18<sup>th</sup> day of September, 2008, between the **City of Safford**, an Arizona municipal corporation, hereinafter referred to as **CITY**, and Donald and Barbara Steinman, doing business under the Arizona trade name of Redington Land & Cattle, Co. hereinafter referred to as **TENANT**.

**CITY**, for and in consideration of the payments, covenants and agreements of **TENANT** hereinafter contained, does hereby lease the property described below ("Premises") **TENANT** for purposes of commercial development, without tax incentives, pursuant to *Arizona Revised Statutes* §9-500.11(A):

COMMENCING AT THE SOUTH QUARTER CORNER OF SECTION 20, TOWNSHIP 7 SOUTH, RANGE 26 EAST OF THE GILA AND SALT RIVER BASE MERIDIAN IN GRAHAM COUNTY, ARIZONA; THENCE S 89°51'45"W 58.79 FEET ON AND ALONG THE SOUTH LINE OF SAID SECTION; THENCE N 00°08'15"W 100.00 FEET TO THE POINT OF BEGINNING; THENCE S 89°51'45"W 185.66 FEET; THENCE N 02°21'36"E 242.48 FEET; THENCE 10°27'36"E 444.50 FEET; THENCE N 00°17'02"E 19.98 FEET; THENCE S 89°42'58"E 98.68 FEET; THENCE S 00°18'42"W 698.44 FEET TO THE POINT OF BEGINNING.

### I.

#### TERM:

**THIS AGREEMENT** shall commence on the 15<sup>th</sup> day of October 2008, and shall terminate on the 14th day of August 2033, unless otherwise terminated by either party prior to the expiration of its full term. This **Agreement** may be extended by mutual agreement of the Parties for an ensuing twenty year period subject to conditions prevailing at the time of its expiration.

### II.

#### CONSIDERATION:

Payments are due and payable monthly. In consideration of this **Agreement**, **TENANT** agrees to pay to the **CITY** the following amounts:

See Exhibit "B" – Schedule of Lease Payments, attached.

### III.

#### UTILITIES:

TENANT agrees to secure electrical, water, garbage collection and other utilities services as required, in its own name, and to pay all utility charges when the same become due.

### IV.

#### INSURANCE:

TENANT hereby agrees to defend, indemnify and hold harmless the CITY against any and all claims resulting from TENANT activities on the property of the City of Safford.

- (1) TENANT further agrees to maintain the following minimum types and levels of insurance coverage:
  - (a) Commercial General Liability Insurance in the amount of \$1,000,000 per occurrence and \$1,000,000 annual aggregate. Such insurance shall contain contractual liability insurance coverage applicable leases, licenses, permits, or agreements.
  - (b) Commercial/Business Automobile Liability Insurance for all owned, non-owned and hired vehicles assigned to or used in performance of commercial activities in the amount of at least \$1,000,000 per occurrence.
  - (c) Special Causes of Loss Property Form covering all improvements and fixtures on the TENANT'S premises in an amount not less than the full replacement cost thereof, to the extent of the insurable interest in the premises.
  - (d) Worker's Compensation Insurance as required by law.
  - (e) Premises medical insurance in the amount of at least \$1000 each person, \$5,000 each occurrence, \$5,000 annual aggregate.
  - (f) All insurance policies cited herein shall contain a waiver of subrogation rights endorsement with respect to CITY.
- (2) All policies, except worker's compensation policy, shall name CITY "Additionally Insured," and TENANT shall furnish certificates of insurances evidencing the required coverage cited herein prior to engaging in any commercial activities. Such certificates shall provide for unequivocal thirty (30) day notice of cancellation or material change of any policy limits or conditions.

V.

**ASSIGNMENT:**

No interest in this **Agreement** may be assigned by **TENANT** without the express written consent of the **CITY**.

VI.

**MAINTENANCE:**

- (1) **TENANT** shall maintain and repair the Premises and any improvements thereon.
- (2) **CITY** reserves the right to inspect the Premises at any time during normal business hours to ascertain that the site and improvements are being properly maintained.
- (2) **CITY** reserves the right to enter onto the Premises to perform maintenance and/or repairs when it is deemed necessary to protect the use and value of property, and to assess **TENANT** for the actual cost of said maintenance and/or repairs.

VII.

**INDEMNIFICATION:**

**TENANT** agrees to pay all obligations incurred in the operation of the facilities and improvements and to defend, indemnify and hold harmless the **CITY** and its officials from any and all liability there under.

VIII.

**TERMINATION:**

- (1) **TENANT** may terminate this **Agreement** upon giving the **CITY** one hundred-eighty (180) days written notice. At the election of the **CITY**, at the termination of this **Agreement**, any and all properties and improvements on the Premises more than thirty (30) days after termination shall be the property of and owned by the **CITY** except **TENANT'S** operating equipment and personal property which remain property of **TENANT**. If the **CITY** elects to have any or all of such improvements removed, **TENANT** shall repair any damage caused by removal. If this **Agreement** is terminated at the initiation of **TENANT** or breached under the provisions of Section XI below, **TENANT** will, unless waived or modified by **CITY**, continue to make monthly payments for a period of six (6) months after the date of termination, or until such time as **CITY** has secured another tenant for the property and entered a lease agreement with such tenant. This **Agreement** is subject to termination pursuant to A.R.S. § 38-511.

- (2) The **CITY** may, at its sole discretion, terminate this **Agreement** under Section IX, part (1) for six (6) violations in any one calendar year, or nine (9) violations in any two (2) year period, or for a single violation of Section IX, part (5) or (6). Notice of breach and opportunity to cure is not required for breach under Section IX, parts (1), (5) or (6). **CITY** may terminate this **Agreement** for breach, as defined in paragraph IX, parts (2) through (4) below, provided that **TENANT** is given notice of breach in writing and given thirty (30) days to cure the same or to commence cure if cure cannot be reasonably completed within thirty (30) days. If the breach is not cured or cure commenced within thirty (30) days the **CITY** may terminate this **Agreement** as stated in paragraph X below. **TENANT** is entitled to only one formal notice of breach and opportunity to cure as to parts (3) and (4) collectively below. **TENANT** is entitled to two formal notices of breach and opportunity to cure as to part (2) below within any five calendar year period. Any subsequent breaches may only be cured at the discretion of the **CITY**.

## IX.

### BREACH:

Each of the following events shall constitute a breach or default of this **Agreement** by **TENANT**:

- (1) If **TENANT** fails to pay **CITY** any rent when the rent is due.
- (2) If **TENANT** fails to perform or comply with any of the conditions of this Lease.
- (3) If **TENANT** vacates or abandons the premises for a continuous period of one hundred twenty (120) days.
- (4) If **TENANT** transfers or assigns this **Agreement** to any other person or party, except in the manner herein permitted.
- (5) If **TENANT** knowingly engages in any other improper conduct or course of action disruptive to the performance of this **Agreement** or to the relationship of the parties.
- (6) If **TENANT** or any partner individually, is convicted of, or if the Safford City Council finds by clear and convincing evidence that the same has committed, a criminal offense anywhere on the property owned by **CITY**.

**X.**

**RIGHTS OF THE CITY IN THE EVENT OF DEFAULT:**

In the event of any default or breach hereunder, as set forth above, **CITY** shall have the right to cancel and terminate this **Agreement**, as well as all of the right, title and interest of **TENANT** hereunder, by giving to **TENANT** not less than sixty (60) days notice of the cancellation and termination. On expiration of the time fixed in the notice, this **Agreement** and the right, title and interest of **TENANT** hereunder, shall terminate in the same manner and with the same force and effect except as to **TENANT'S** liability as if the date fixed in the notice of cancellation and termination were the end of the term. **CITY** may also cancel this **Agreement** pursuant to *Arizona Revised Statutes* §38-511.

**XI.**

**AMENDMENT:**

This **Agreement** may be amended from time to time upon the mutual agreement of both parties.

**XII.**

**NOTIFICATION**

Any notices which are required herein to be made either by the **CITY** or by the **TENANT** shall be made in writing and shall be deemed served upon the other party when personally delivered or when deposited in the U.S. Mail, postage prepaid, return receipt requested, addressed to the other party as follows:

City Manager

City of Safford

808 S. 8<sup>th</sup> Avenue

PO Box 272

Safford, AZ 85548

Don & Barb Steinman

Redington Land & Cattle, Co.

14501 S. Taylor Pass Rd

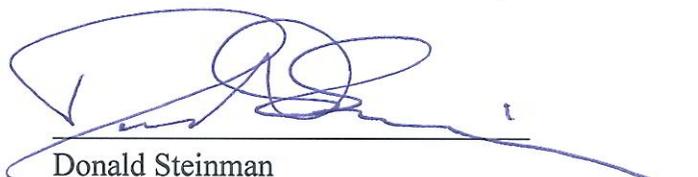
Wilcox, AZ 85643

IN WITNESS WHEREOF this Agreement has been executed on the date first written above by the parties hereto, who by their signatures affixed hereto do swear and affirm that they are authorized, in accordance with law, to execute this document.

CITY OF SAFFORD

DONALD AND BARBARA STEINMAN  
doing business under the trade name of  
REDINGTON LAND & CATTLE, CO.

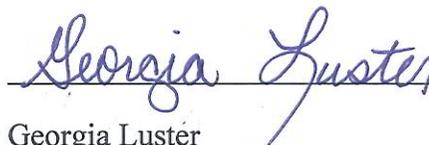
  
\_\_\_\_\_  
Don Knight  
Interim City Manager

  
\_\_\_\_\_  
Donald Steinman

  
\_\_\_\_\_  
Barbara Steinman

ATTEST:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Georgia Luster  
City Clerk

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

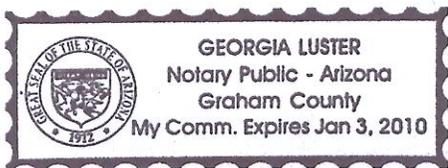


State of Arizona )  
 )  
County of Graham )

On this 18 day of September, 2008 before me personally appeared

Donald Steinman and Barbara Steinman, DBA under the trade name of REDINGTON LAND & CATTLE, CO., who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within document, and acknowledged that they executed it.

WITNESS my hand and official seal.



Georgia Luster  
Notary Public



**REDINGTON LAND & CATTLE COMPANY  
EXHIBIT "B"  
PROPOSED FEE STRUCTURE**

<u>LEASE PERIOD</u>	<u>ANNUAL PAYMENT</u>	<u>MONTHLY PATMENT</u>	<u>LEASE PERIOD</u>	<u>ANNUAL PAYMENT</u>	<u>MONTHLY PAYMENT</u>
August 15, 2008 - August 14, 2009	7,425.29	618.78	August 15, 2023 - August 14, 2024	21,810.10	1,817.51
August 15, 2009 - August 14, 2010	7,425.29	618.78	August 15, 2024 - August 14, 2025	22,464.41	1,872.04
August 15, 2010 - August 14, 2011	7,425.29	618.78	August 15, 2025 - August 14, 2026	23,138.35	1,928.20
August 15, 2011 - August 14, 2012	22,722.41	1,893.54	August 15, 2026 - August 14, 2027	23,832.50	1,986.05
August 15, 2012 - August 14, 2013	23,181.33	1,931.79	August 15, 2027 - August 14, 2028	24,547.48	2,045.63
August 15, 2013 - August 14, 2014	23,654.02	1,971.18	August 15, 2028 - August 14, 2029	25,283.91	2,107.00
August 15, 2014 - August 14, 2015	16,715.60	1,392.97	August 15, 2029 - August 14, 2030	26,042.43	2,170.21
August 15, 2015 - August 14, 2016	17,217.07	1,434.76	August 15, 2030 - August 14, 2031	26,823.71	2,235.31
August 15, 2016 - August 14, 2017	17,733.59	1,477.80	August 15, 2031 - August 14, 2032	27,628.43	2,302.37
August 15, 2017 - August 14, 2018	18,265.60	1,522.14	August 15, 2032 - August 14, 2033	28,457.29	2,371.44
August 15, 2018 - August 14, 2019	18,813.57	1,567.80	August 15, 2033 - August 14, 2034	29,311.01	2,442.59
August 15, 2019 - August 14, 2020	19,377.98	1,614.84	August 15, 2034 - August 14, 2035	30,190.34	2,515.87
August 15, 2020 - August 14, 2021	19,959.32	1,663.28	August 15, 2035 - August 14, 2036	31,096.05	2,591.34
August 15, 2021 - August 14, 2022	20,558.10	1,713.18	August 15, 2036 - August 14, 2037	32,028.94	2,669.08
August 15, 2022 - August 14, 2023	21,174.85	1,764.57	August 15, 2037 - August 14, 2038	32,989.81	2,749.15
			<b>TOTAL ANNUAL PAYMENTS YR 1-5</b>	<b>\$ 68,179.61</b>	
			<b>TOTAL ANNUAL PAYMENTS YR 6-10</b>	<b>\$ 93,585.88</b>	
			<b>TOTAL ANNUAL PAYMENTS YR 11-15</b>	<b>\$ 99,883.82</b>	
			<b>TOTAL ANNUAL PAYMENTS YR 16-20</b>	<b>\$ 115,792.84</b>	
			<b>TOTAL ANNUAL PAYMENTS YR 21-25</b>	<b>\$ 134,235.77</b>	
			<b>TOTAL ANNUAL PAYMENTS YR 26-30</b>	<b>\$ 155,616.15</b>	
			<b>TOTAL LEASE PAYMENTS</b>	<b>\$ 667,294.07</b>	



---

---

**CITY COUNCIL COMMUNICATION**

---

---

**TO:** Mayor and Council  
**FROM:** Terry Quest, Finance Director  
**SUBJECT:** Capital Lease Financing - Equipment  
**DATE:** Monday, October 13, 2014 at 6:00 p.m.

---

**Purpose and Recommended Action:**

This is a request for the City Council to approve the proposed Equipment Lease Purchase Financing Agreement with Zions First National Bank for the purchase of a 2014 Caterpillar 816F2 Landfill Compactor from Empire Machinery.

**Background:**

The City of Safford issued an Invitation for Bid (IFB) on Wednesday, September 17, 2014 to identify qualified firms to enter into a capital financing agreement for the purchase of a 2014 Caterpillar 816F2 Landfill Compactor. Bids were due on Wednesday, October 1, 2014 at 2:00 pm.

**Analysis:**

The City received Sealed Bids from six (6) bidders. The Capital Lease Financing Bid Recap Spreadsheet is included for your review. The Recap Spreadsheet provides information interest rate, rate lock period and comments.

Further, evaluation of the bidders' proposals indicates that Zions First National Bank located in Salt Lake City, Utah offered the best price, covenants, terms and conditions for the City of Safford.

Therefore, it is staff recommendation City Council approve entering into this agreement after the City Attorney has reviewed and approved the final financing documents with the bank.



**NB|AZ PUBLIC FINANCIAL SERVICES**

A DIVISION OF ZIONS FIRST NATIONAL BANK  
AN AFFILIATE OF NATIONAL BANK OF ARIZONA

October 7, 2014

Mr. Terry Quest  
Finance Director  
City of Safford  
PO Box 272  
717 West Main Street  
Safford, Arizona 85548

Re: \$400,000.00 Equipment Lease Purchase Financing  
Dated: October 21, 2014

Dear Terry:

Enclosed find documentation relating to the above referenced lease purchase financing.

Upon adoption of the transaction at your October 13<sup>th</sup> meeting, please complete, the tagged pages of the documentation, IRS 8038G and Form W-9, along with requested signatures and blanks and return all copies to me at your earliest convenience.

If you have any questions, please don't hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee Davis", written over a horizontal line.

Lee Davis  
Managing Director

# LEASE PURCHASE AGREEMENT

This equipment lease (the "Lease") dated as of October 21, 2014, by and between Zions First National Bank, One South Main Street, Salt Lake City, Utah 84133 ("Lessor"), and the City of Safford, Arizona ("Lessee") a body corporate and politic existing under the laws of the State of Arizona. This Lease includes all Exhibits hereto, which are hereby specifically incorporated herein by reference and made a part hereof.

Now *therefore*, for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

## ARTICLE I

### Lease of Equipment

Section 1.1 *Agreement to Lease*. Lessor hereby demises, leases, and lets to Lessee and Lessee rents, leases and hires from Lessor, the "Equipment" (as hereinafter defined), to have and to hold for the term of this Lease; provided, however, that the obligation of Lessor to lease any item of the Equipment and to make payment to the Vendor therefor is subject to the condition precedent that Lessee shall provide the following at its cost, in form and substance satisfactory to Lessor:

- (i) Evidence satisfactory to Lessor as to due compliance with the insurance provisions of Section 10.2 hereof;
- (ii) Invoice of the Vendor of such item of Equipment; and
- (iii) Delivery and Acceptance Certificate in the form attached hereto as Exhibit "E" executed by Lessee acknowledging delivery to and acceptance by Lessee of such item of Equipment.

Section 1.2 *Title*. During the term of this Lease, title to the Equipment will be transferred to, and held in the name of, Lessee, subject to retransfer to Lessor as provided in Section 3.4. Upon termination of this Lease as provided in Sections 3.3 (a) or 3.3 (c), title to the Equipment will transfer automatically to Lessor without the need for any further action on the part of Lessor, Lessee, or any other person, provided that if any action is so required, Lessee by this Lease appoints Lessor its irrevocable attorney in fact to take any action to so transfer title to the Equipment to Lessor. Lessor at all times will have access to the Equipment for the purpose of inspection, alteration, and repair.

Section 1.3 *Security*. To secure the payment of all of Lessee's obligations to Lessor under this Lease, Lessee grants to Lessor a security interest in the Equipment and in all additions, attachments, accessions, and substitutions to or for the Equipment. The security interest granted herein includes proceeds. Lessee agrees to execute such additional documents,

including financing statements, affidavits, notices, and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or advisable to establish and maintain its security interest in the Equipment. Lessor understands and agrees that the security interest granted in this Section shall be subject and subordinate to presently existing security interests and/or purchase money security interests in miscellaneous equipment which may be installed in accordance with the provisions of Section 9.3.

## ARTICLE II

### Definitions

The terms defined in this Article II shall, for purposes of this Lease, have the meaning herein specified unless the context clearly otherwise requires:

"Business Day" shall mean any day except Saturday, Sunday and legal holidays on which banks in the State of Arizona are closed.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" shall mean the date when the term of this Lease begins and Lessee's obligation to pay rent accrues, as set forth in Section 3.1.

"Equipment" shall mean the property which Lessor is leasing to Lessee referred to in Section 1.1 and more fully described in Exhibit "A."

"Lessee" shall mean the City of Safford, Arizona.

"Lessor" shall mean Zions First National Bank, Salt Lake City, Utah, its successors and assigns.

"Option Purchase Price" shall mean the amount which Lessee must pay Lessor to purchase the Equipment, as determined by Article V.

"Original Term" shall mean the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date, as set forth in Section 3.2.

"Principal Outstanding" means the remaining unpaid principal outstanding under this Lease as specified on Exhibit "C" attached hereto.

"Renewal Terms" shall mean all of the additional periods of one year (coextensive with Lessee's fiscal year) for which this Lease shall be effective in the absence of a termination of the Lease as provided in Article III.

"Rental Payment Date" means the dates upon which Rental Payments are to be made by the Lessee to the Lessor hereunder as specified on Exhibit "C" attached hereto.

"Rental Payments" means the rental payments payable by Lessee pursuant to the provisions of this Lease during the Term hereof.

"Term" or "Term of this Lease" shall mean the Original Term and all Renewal Terms provided for in this Lease under Section 3.2.

"Vendor" shall mean the manufacturer of the Equipment and the manufacturer's agent or dealer from whom Lessor purchased or is purchasing the Equipment.

### ARTICLE III

#### Lease Term

Section 3.1 *Commencement*. The Term of this Lease shall commence as of:

\_\_\_\_\_ the date this Lease is executed.

\_\_\_\_\_ days after the receipt, installation, and operation of the Equipment, and its acceptance by Lessee, as indicated by an acceptance certificate signed by Lessee.

\_\_\_\_\_ the date the Vendor receives full payment for the Equipment from Lessor.

  X   October 21, 2014.

Such date will be referred to as the Commencement Date.

Section 3.2 *Duration of Lease: Nonappropriation*. This Lease will continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the "Original Term"). Thereafter, this Lease will be automatically extended for five (5) successive additional periods of one year coextensive with Lessee's fiscal year (each, a "Renewal Term"), unless this Lease is terminated as hereinafter provided.

The parties understand that as long as Lessee has sufficient appropriated funds to make the Rental Payments hereunder, Lessee will keep this Lease in effect through all Renewal Terms and make all payments required herein or Lessee will exercise its option under Article V to purchase the Equipment. Lessee hereby declares that, as of the date of the execution of this Lease, Lessee currently has an essential need for the Leased Equipment which is the subject of this Lease to carry out and give effect to the public purposes of Lessee. Lessee reasonably believes that it will have a need for the Equipment for the duration of the Original Term and all Renewal Terms. If Lessee does not appropriate funds to continue the leasing of the Equipment for any ensuing Renewal Term, this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Lessor of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect; provided, however, that a failure to give such written notice shall not constitute an event of default, result in any

liability on the part of the Lessee or otherwise affect the termination of this Lease as set forth hereinabove.

Section 3.3 *Termination*. This Lease will terminate upon the earliest of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of this Lease and the failure of Lessee to appropriate funds to continue the leasing of the Equipment for the ensuing Renewal Term;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Equipment;
- (c) a default by Lessee and Lessor's election to terminate this Lease under Article VII herein;
- (d) the expiration of the Term of this Lease; or
- (e) this contract is subject to and cancellable pursuant to ARS Section 38-511, but only if and to the extent that section is by its terms applicable to this Purchase Agreement.

Section 3.4 *Return of Equipment upon Termination*. Upon termination of this Lease pursuant to Sections 3.3 (a) or 3.3 (c), Lessee shall return the Equipment to Lessor in the condition, repair, appearance and working order required in Section 9.2 hereof in the following manner as may be specified by Lessor:

- (a) By delivering the Equipment to Lessor at Lessee's principal place of business; or
- (b) By loading the Equipment at Lessee's cost and expense, on board such carrier as Lessor shall specify and shipping the same, freight prepaid, to the destination designated by Lessor.

Lessee shall obtain all governmental authorizations to permit return of the Equipment to Lessor and Lessee shall pay to Lessor such sum as may be necessary to cover replacement of all broken or missing parts.

#### **ARTICLE IV**

##### **Rental Payments**

Section 4.1 *Amount*. Lessee will pay Lessor as rent for the use of the Equipment during the Original Term and any Renewal Terms on the dates and in the amounts set forth in Exhibit "C" attached hereto. All Rental Payments shall be paid, exclusively from legally available funds, in lawful money of the United States of America to Lessor at or to such other person or entity or at such other place as Lessor may from time to time designate by written notice to Lessee.

Section 4.2 *Portion of Rental Payments Attributable to Interest.* The portion of each Rental Payment which is paid as and is representative of interest is set forth in Exhibit "C" attached hereto.

Section 4.3 *No Right to Withhold.* Notwithstanding any dispute between Lessee, Lessor, Vendor or any other party, Lessee will make all Rental Payments when due, without withholding any portion of such rent, pending final resolution of such dispute by mutual agreement between the parties thereto or by a court of competent jurisdiction.

Section 4.4 *Rental Payments to Constitute a Current Obligation of the Lessee.* The Lessee and the Lessor acknowledge and agree that the obligation of the Lessee to pay Rental Payments hereunder constitutes a current obligation of the Lessee payable exclusively from current and legally available funds and shall not in any way be construed to be an indebtedness of the Lessee under the laws of the Constitution of the State of Arizona. The Lessee has not hereby pledged the credit of the Lessee to the payment of the Rental Payments, and the interest thereon, nor shall this Lease obligate the Lessee to apply money of the Lessee to the payment of Rental Payments beyond the then current Original Term or Renewal Term, as the case may be, or any interest thereon.

## ARTICLE V

### Purchase of Equipment

Section 5.1 *Option Purchase Price.* On any Business Day on or after October 21, 2014, Lessee may purchase the Equipment from Lessor at a price equal to the principal amount outstanding on the Rental Payment Date immediately preceding the date of calculation (unless such date is a Rental Payment Date, in which case, the principal amount outstanding as of such date), plus accrued interest from such Rental Payment Date to such date of calculation at the rate of interest per annum in effect for the period during which the calculation is made, as set forth in Exhibit "C."

Section 5.2 *Manner of Exercise of Option.* To exercise the option, Lessee must deliver to Lessor written notice specifying the date on which the Equipment is to be purchased (the "Closing Date"), which notice must be delivered to Lessor at least thirty (30) days prior to the Closing Date specified therein. At the closing, Lessor will deliver to Lessee a bill of sale transferring the Equipment to Lessee free and clear of any lien or encumbrance created by or arising through Lessor, but without warranties, and will deliver all warranties and guarantees of Vendors of the Equipment.

Section 5.3 *Conditions of Exercise of Option.* Lessee may purchase the Equipment pursuant to the option granted by this Lease only if Lessee has made all Rent Payments when due (or has remedied any defaults in the payment of rent, in accordance with the provisions of this Lease) and if all other representations, covenants, warranties, and obligations of Lessee under this Lease have been satisfied (or all breaches of the same have been waived by Lessor in writing).

Section 5.4 *Termination Purchase*. Upon the expiration of the Term of the Lease and provided that the conditions of Section 5.3 have been satisfied, Lessee shall be deemed to have purchased the Equipment (without the payment of additional sums) and shall be vested with all rights and title to the Equipment. Lessor agrees that upon the occurrence of the events as provided in this Section, it shall deliver to Lessee the documents specified in Section 5.2, and shall comply with the provisions of Section 5.2 relating to termination upon exercise of the option to purchase.

## ARTICLE VI

### Representations, Covenants, and Warranties of Lessee and Lessor

Section 6.1 *Representations, Covenants and Warranties of Lessee*. Lessee represents, covenants, and warrants as follows:

- (a) Lessee is a body corporate and politic, duly organized and existing under the Constitution and laws of the State of Arizona.
- (b) Lessee is authorized by the Constitution and laws of the State of Arizona to enter into this Lease and to effect all of Lessee's obligations hereunder. The governing body of Lessee has executed the resolution attached as Exhibit "B" to this Lease which specifically authorizes Lessee to execute and deliver this Lease.
- (c) All procedures and requirements, including any legal bidding requirements, have been met by Lessee prior to the execution of this Lease in order to insure the enforceability of this Lease and all rent and other payment obligations will be paid out of funds legally available for such purpose.
- (d) The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of this Lease was authorized, as evidenced by the certificate of open meeting law attached to the Resolution of Governing Body which is attached hereto as Exhibit "B."
- (e) The letter attached to this Lease as Exhibit "D" is a true opinion of Lessee's counsel.
- (f) Lessee will use and service the Equipment in accordance with Vendor's instructions and in such a manner as to preserve all warranties and guarantees with the respect to the Equipment.
- (g) During the term of this Lease, the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.

- (h) The representations, covenants, warranties, and obligations set forth in this Article are in addition to and are not intended to limit any other representations, covenants, warranties, and obligations set forth in this Lease.
- (i) The Equipment shall be used solely by Lessee and shall not be subject to any direct or indirect private business use.
- (j) Lessee covenants and certifies to and for the benefit of Lessor throughout the term of this Lease that:
  - (1) No use will be made of the proceeds of this Lease, or any funds or accounts of Lessee which may be deemed to be proceeds of this Lease, which use, if it had been reasonably expected on the date of execution of this Lease, would have caused this Lease to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code;
  - (2) Lessee will at all times comply with the rebate requirements of Section 148(f), to the extent applicable;
  - (3) in order to preserve the status of this Lease as other than a "private activity bond" as described in Sections 103(b)(1) and 141 of the Code, as long as this Lease is outstanding: (I) none of the proceeds of this Lease or the Equipment financed therewith shall be used for any "private business use" as that term is used in Section 141(b) of the Code and defined in Section 141(b)(6) of the Code; and (II) no part of this Lease shall be secured in whole or in part, directly or indirectly, by any interest in any equipment used in any such "private business use" or by payments in respect of such equipment, and shall not be derived from payments in respect of such equipment;
  - (4) it will not take any action or omit to take any action such that would cause interest on this Lease to become ineligible for the exclusion from gross income of Lessor as provided in Section 103 of the Code.
- (k) The obligations of Lessee under this lease are not federally guaranteed within the meaning of Section 149(b) of the Code.
- (l) This Lease is being executed for the purpose of acquiring the Equipment and is not being issued to refund or refinance any outstanding obligation of Lessee, nor to reimburse Lessee for any expenditures made prior to the date hereof.
- (m) In compliance with Section 149 (e) of the Code relating to information reporting, Lessee has caused or will cause to be filed with the Internal Revenue Service, IRS form 8038-G or 8038-GC, as appropriate.

- (n) Lessee has selected the Equipment and desires to lease the Equipment for use in the performance of its governmental or proprietary functions. Lessor, at Lessee's request, has ordered or shall order the Equipment and shall lease the same to Lessee as herein provided, Lessor's only role being the facilitation of the financing of the Equipment for the Lessee. Lessor will not be liable for specific performance or for damages if the supplier or manufacturer of the Equipment for any reason fails to fill, or delays in filling, the order for the Equipment. Lessee acknowledges that Lessor is not a manufacturer of or a dealer in the Equipment (or similar equipment) and does not inspect the Equipment prior to delivery to Lessee. Lessee agrees to accept the Equipment and authorizes Lessor to add the serial number of the Equipment to Exhibit "A." Lessor shall have no obligation to install, erect, test, inspect, or service the Equipment. *For purpose of this Lease and of any purchase of the Equipment effected under this Lease, Lessor expressly disclaims any warranty with respect to the condition, quality, durability, suitability, merchantability or fitness for a particular purpose of the Equipment in any respect, and any other representation, warranty, or covenant, express or implied. Lessor will not be liable to Lessee for any liability, loss, or damage caused or alleged to be caused, directly or indirectly, by any inadequacy, deficiency, or defect in the equipment, or by any use of the equipment, whatsoever.* Lessor assigns to Lessee, without recourse, for the Term of this Lease all manufacturer warranties and guarantees, express or implied, pertinent to the Equipment, and Lessor directs Lessee to obtain the customary services furnished in connection with such guarantees and warranties at Lessee's expense, subject to Lessee's obligation to reassign to Lessor all such warranties and guarantees upon Lessor's repossession of the Equipment.
- (o) During the term of this Lease, Lessee covenants and agrees (1) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of Lessee in accordance with applicable law an item for expenditure of an amount necessary to pay the Rental Payments for the Equipment during the next succeeding Renewal Term, and (2) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of Lessee for its consideration seeks an appropriation of moneys sufficient to pay such Rental Payments.
- (p) There are no legal or governmental proceedings or litigation pending or, to the best knowledge of Lessee, threatened or contemplated (or any basis therefore) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of this Lease
- (q) Lessee has never non-appropriated or defaulted under any of its payment or performance covenants, either under any municipal lease of the same general nature as this Lease or under any of its bonds, notes or other debt obligations for which its general credit or revenues are pledged.

Section 6.2 *Representations, Covenants and Warranties of Lessor*. Lessor represents, covenants, and warrants as follows:

- (a) During the term of this Lease, Lessor will provide Lessee with quiet use and enjoyment of the Equipment, without suit, trouble, or hindrance from Lessor, except upon default by Lessee as set forth in this Lease.
- (b) Lessor has not caused to be created any lien or encumbrance on the Equipment except the security interest provided in Section 1.3 of this Lease.

## ARTICLE VII

### Events of Default and Remedies

Section 7.1 *Events of Default Defined*. The following shall be “events of default” under this Lease and the terms, “event of default” and “default” shall mean, whenever they are used in this Lease, any one or more of the following events:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein; and
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.1 (a), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied as given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

The foregoing provisions of this Section 7.1 are subject to (i) the provisions of Section 3.2 hereof with respect to nonappropriation; and (ii) if by reason of *force majeure* Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV hereof, Lessee shall not be deemed in default during the continuance of such inability. The term “*force majeure*” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the state wherein Lessee is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms, droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

Section 7.2 *Remedies on Default*. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, Lessor shall have the right, at its sole option without any further demand or notice to take one or any combination of the following remedial steps:

- (a) With or without terminating this Lease, retake possession of the Equipment and sell, lease or sublease the Equipment for the account of Lessee, holding Lessee liable for the difference between (i) the rents and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, as appropriate, and (ii) the purchase price, rent or other amounts paid by a purchaser, lessee or sublessee of the Equipment pursuant to such sale, lease or sublease; and
- (b) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment.

Section 7.3 *No Remedy Exclusive*. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article VII it shall not be necessary to give any notice, other than such notice as may be required in this Article VII.

Section 7.4 *Waiver of Certain Damages*. With respect to all of the remedies of Section 7.2 above, Lessee expressly waives any damages occasioned by Lessor's repossession of the Equipment.

## ARTICLE VIII

### Payment of Taxes, Fees, Permits, and Utility Services

Section 8.1 *Interpretation*. This Lease for all purposes will be treated as a net lease.

Section 8.2 *Taxes and Fees*. Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license, sales, use, personal property, and other taxes and fees, together with any penalties, fines, and interest on such taxes and fees imposed or levied with respect to the Equipment and the ownership, delivery, lease, possession, use, operation, sale, and other disposition of the Equipment, and upon the rental or earnings arising from any such disposition, except any federal or state income taxes payable by Lessor on such rental or earnings. Lessee may in good faith and by appropriate proceedings contest any such taxes and fees so long as such proceedings do not involve any danger of sale, forfeiture, or loss of the Equipment or of any interest in the Equipment.

Section 8.3 *Permits*. Lessee will provide all permits and licenses necessary for the installation, operation, and use of the Equipment. Lessee will comply with all laws, rules, regulations, and ordinances applicable to the installation, use, possession, and operation of the Equipment. If compliance with any law, rule, regulation, ordinance, permit, or license requires changes or additions to be made to the Equipment, such changes or additions will be made by Lessee at its own expense.

Section 8.4 *Utilities*. Lessee will pay all charges for gas, water, steam, electricity, light, heat or power, telephone, or other utilities furnished to or used in connection with the Equipment (including charges for installation of such services) during the term of this Lease. There will be no abatement of rent on account of the interruption of any such services.

## **ARTICLE IX**

### **Use, Repairs, Alterations, and Liens**

Section 9.1 *Use*. Lessee will not install, use, operate, or maintain the Equipment improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by this Lease. Lessee agrees that the Equipment is and at all times will remain personal property not withstanding that the Equipment or any part of the Equipment may now or hereafter become affixed in any manner to real property or to any building or permanent structure.

Section 9.2 *Repairs*. Lessee at its own cost will service, repair, and maintain the Equipment so as to keep the Equipment in as good condition, repair, appearance, and working order as when delivered to and accepted by Lessee under this Lease, ordinary wear and tear excepted. At its own cost, Lessee will replace any and all parts and devices which may from time to time become worn out, lost, stolen, destroyed damaged beyond repair, or rendered unfit for use for any reason whatsoever. All such replacement parts, mechanisms, and devices will be free and clear of all liens, encumbrances, and rights of others, and immediately will become a part of the Equipment and will be covered by this Lease (for all purposes including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.3 *Alterations*. Lessee may install such miscellaneous equipment as may be necessary for use of the Equipment for its intended purposes so long as either (a) the installation of such equipment does not alter the function or manner of operation of the Equipment, or (b) Lessee, upon termination of this Lease (other than termination pursuant to Section 3.3(b) or (d), restores the Equipment to its function and manner of operation prior to the installation of such equipment. Subject to the obligations described above, Lessee may remove such equipment upon termination of this Lease, if the removal of such equipment will not substantially damage the Equipment. Without the prior written consent of Lessor, Lessee will not make any other alterations, changes, modifications, additions, or improvements to the Equipment except those needed to comply with Lessee's obligations to change, add to, or repair the Equipment as set forth in Sections 9.2 and 10.3 herein. Any alterations, changes, modifications, additions, and improvements made to the Equipment, other than miscellaneous

equipment installed as set forth above, immediately will become a part of the Equipment and will be covered by this Lease (for all purposes, including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.4 *Liens*. Except with respect to the security interest provided in Section 1.3 hereof, Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Equipment or any interest in the Equipment. Lessee promptly and at its own expense will take such action as may be necessary to duly discharge any mortgage, pledge, lien, charge, encumbrance, or claim, not excepted above, if the same arises at any time.

## **ARTICLE X**

### **Indemnification, Insurance, and Damage to or Destruction of the Equipment**

Section 10.1 *Indemnification*. Lessee assumes liability for and agrees to indemnify Lessor from and against any and all liability (including attorney's fees) of any nature imposed upon, incurred by, or asserted against Lessor which in any way relates to or arises out of ownership, delivery, lease, possession, use, operation, condition, sale, or other disposition of the Equipment. Notwithstanding anything contained in this Section to the contrary, Lessor shall not be indemnified for, or relieved of, any liability which may be incurred from Lessor's breach of this Lease.

Section 10.2 *Insurance*. Lessee will either self-insure, or at its cost, will cause casualty insurance, public liability insurance, and property damage insurance to be carried and maintained on the Equipment, with all such coverages to be in such amounts sufficient to cover the value of the Equipment at the commencement of this Lease (as determined by the purchase price paid by Lessor for the Equipment), and to be in such forms, to cover such risks, and with such insurers, as are acceptable to Lessor. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Lessor to be the named insured on such policies as its interest under this Lease may appear. Insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Lessor to the extent of the sum of the Option Purchase Price of the Equipment at the time of its damage or destruction and all amounts due and owing hereunder. Lessee will deliver to Lessor the policies or evidences of insurance satisfactory to Lessor, if any, together with receipts for the initial premiums before the Equipment is delivered to Lessee. Renewal policies, if any, together with receipts showing payment of the applicable premiums will be delivered to Lessor at least thirty (30) days before termination of the policies being renewed. By endorsement upon the policy or by independent instrument furnished to Lessor, such insurer will agree that it will give Lessor at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workmen's compensation insurance covering all employees working on, in, or about the Equipment, and will require any other person or entity working on,

in, or about the Equipment to carry such coverage, and will furnish to Lessor certificates evidencing such coverages throughout the Term of this Lease.

Section 10.3 *Damage to or Destruction of the Equipment.* If all or any part of the Equipment is lost, stolen, destroyed, or damaged, Lessee will give Lessor prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost within thirty (30) days after such event, and any replaced Equipment will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Lessor under the policies required under Section 10.2 with respect to the Equipment lost, stolen, destroyed, or damaged, will be paid to Lessee if the Equipment is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Lessor to the extent of the then remaining portion of the Rental Payments to become due during the Term of this Lease less that portion of such Rental Payments attributable to interest which will not then have accrued. No loss, theft, destruction, or damage to the Equipment will impose any obligation on Lessor under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Equipment and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

## ARTICLE XI

### Miscellaneous

Section 11.1 *Assignment and Sublease by Lessee.* Lessee may not assign, transfer, pledge, or encumber this Lease or any portion of the Equipment (or any interest in this Lease or the Equipment), or sublet the Equipment, without the prior written consent of Lessor. Consent to any of the foregoing acts shall not constitute a consent to any subsequent like act by Lessee or any other person. Lessee agrees that Lessor may impose on the Equipment such plates or other means of identification as necessary to indicate that the Equipment is subject to this Lease and the restrictions set forth in this Section.

Section 11.2 *Assignment by Lessor.* The parties hereto agree that all rights of Lessor hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part; provided that (1) notice of any such assignment, transfer or other disposition is given to Lessee at least five (5) days prior thereto; (2) prior to any such assignment, transfer or other disposition, the name and address of the assignee or transferee must be registered on registration books maintained by Lessee for this Lease; and (3) prior to any such assignment, transfer or other disposition, this Lease must be surrendered to Lessee and the interest of any such assignee or transferee indicated on the face hereof and after such notation hereon, Lessee will redeliver this Lease to the new owner or owners hereof. Lessee shall maintain registration books for this Lease and shall be obligated to make the payments required hereby, including principal and interest payments, solely to the registered owner or owners hereof.

Section 11.3 *Lessor's Right to Perform for Lessee*. If Lessee fails to make any payment or fails to satisfy any representation, covenant, warranty, or obligation contained herein or imposed hereby, Lessor may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation, and the amount of such payment and any expenses incurred by Lessor, as the case may be, together with interest thereon as herein provided, will be deemed to be additional rent payable by Lessee on Lessor's demand.

Section 11.4 *Addresses*. All notices to be given under this Lease will be made in writing and mailed or delivered by registered or certified mail, return receipt requested to the following addresses until either Lessee or Lessor gives written notice to the other specifying a different address:

- (a) if to Lessee, at the City of Safford, Arizona, 717 West Main Street, Safford, Arizona 85548. Attention: Terry Quest, Finance Director.
- (b) if to Lessor, at Zions First National Bank, One South Main Street, 17<sup>th</sup> Floor, Salt Lake City, Utah, 84133. Attention: Public Financial Services.

Section 11.5 *Manner of Payment*. All payments by Lessee will be made in cash, by certified or cashier's check, or by other manner acceptable to Lessor.

Section 11.6 *Nonwaiver*. No breach by Lessee in the satisfaction of any representation, covenant, warranty, or obligation contained herein or imposed hereby may be waived except by the written consent of Lessor, and any such waiver will not operate as a waiver of any subsequent breach. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the covenant or obligation and until complete performance by Lessee of said covenant or obligation Lessor shall be entitled to invoke any remedy available to it under this Lease despite said forbearance or indulgence. No collection of rent shall operate as a waiver of any default.

Section 11.7 *Severance Clause*. Any provision in this Lease which is prohibited by Law will be treated as if it never were a part of this Lease, and the validity of the remaining terms of this Lease will be unaffected.

Section 11.8 *Entire Agreement; Addendum*. This Lease and the attached Exhibits constitute the entire agreement between Lessor and Lessee and supersedes any prior agreement between Lessor and Lessee with respect to the Equipment, except as is set forth in an Addendum, if any, which is made a part of this Lease and which is signed by Lessor and Lessee.

Section 11.9 *Amendments*. This Lease may be amended only by a written document signed by Lessor and Lessee, or their respective successors and assigns.

Section 11.10 *Inurement*. Subject to the restrictions in Section 11.1 above, this Lease is binding upon and inures to the benefit of Lessor and Lessee and their respective successors and assigns.

Section 11.11 *Governing Law*. This Lease is governed by the laws of the State of Arizona.

Section 11.12 *Headings*. Headings used in this Lease are for convenience of reference only and the interpretation of this Lease will be governed by the text only.

Section 11.13 *Offset*. Rental Payments or other sums payable by Lessee pursuant to this Lease shall not be subject to set-off, deduction, counterclaim or abatement and Lessee shall not be entitled to any credit against such Rental Payments or other sums for any reason whatsoever, including, but not limited to any damage or destruction of the Equipment or any restriction or interference with Lessee's use of the Equipment.

Section 11.14 *Interest*. If Lessee fails to pay any Rental Payment or other amount due hereunder within ten (10) days after the due date thereof, Lessee shall pay to Lessor interest on such delinquent payment from the due date until paid at the rate of one percent (1%) per month.

Section 11.15 *Nature of this Agreement*. Lessor and Lessee agree that it is their intention that, for federal income tax purposes, the interest of Lessor in the Equipment is as a secured party and the interest of Lessee is as a debtor with the aggregate principal amount of the Rental Payments constituting the purchase price of the Equipment, and that Lessor neither has nor will have any equity in the Equipment.

Section 11.16 *Designation of Issue for Tax Purposes*. In accordance with Section 265 of the Code, Lessee hereby designates this Lease as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. Lessee reasonably anticipates that the total amount of tax-exempt obligations [other than (i) private activity bonds, as defined in Section 141 of the Code (a qualified 501 (c)(3) bond, as defined in Section 145 of the Code, and any bond issued to refund certain obligations issued before August 8, 1986 as described in Section 265 (b)(3)(B)(ii)(II) of the Code not being treated as a private activity bond for this purpose), (ii) any obligation to which Section 141 (a) of the Code does not apply by reason of Sections 1312, 1313, 1316 (g) or 1317 of the Tax Reform Act of 1986 and which is described in Section 265 (b)(3)(C)(ii)(II) of the Code, and (iii) any obligation issued to refund (other than to advance refund within the meaning of Section 149 (d)(5) of the Code) any obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation] which will be issued by the Lessee and by any aggregated issuer during the current calendar year will not exceed \$10,000,000.

Section 11.17 *Exhibits*. This Lease shall not be effective as against Lessor until such time as all Exhibits attached hereto, consisting of Exhibits "A" through "F," inclusive, are completed to the satisfaction of Lessor and delivered to Lessor.

**EXHIBITS**

- Exhibit A ..... Description Of Equipment
- Exhibit B ..... Resolution of Governing Body
- Exhibit C ..... Payment Schedule
- Exhibit D ..... Opinion of Lessee’s Counsel
- Exhibit E..... Delivery and Acceptance Certificate
- Exhibit F..... Security Documents

Executed this \_\_\_\_ day of \_\_\_\_\_, 2014.

Lessor:

Zions First National Bank

By \_\_\_\_\_

Title \_\_\_\_\_

Lessee:

City of Safford, Arizona

By \_\_\_\_\_

Title \_\_\_\_\_

**EXHIBIT A**  
**Description of Equipment**

Quantity	Description/Serial Numbers
1	Caterpillar 816F2 Landfill Compactor

\_\_\_\_\_  
Initials of Lessee Signatory

**EXHIBIT B**  
**Resolution of Governing Body**  
**Extract of Minutes**

The City Council (the "Governing Body") of the City of Safford, Arizona met in regular session at its regular meeting place in Safford, Arizona on October 13, 2014, with the following members of the Governing Body present:

- Chris Gibbs .....Mayor
  
- Mary Bingham .....Vice Mayor
- Jim Howes .....Councilmember
- Arnold Lopez .....Councilmember
- Kenneth Malloque .....Councilmember
- Richard Ortega .....Councilmember
- Gene Seale .....Councilmember

Also present:

- Georgia Luster .....City Clerk

Absent:

After the meeting had been duly called to order and the minutes of the preceding meeting read and approved, the following resolution was introduced in written form, read in full, and pursuant to motion duly made by \_\_\_\_\_ and seconded by \_\_\_\_\_ was adopted by the following vote:

YEA:

NAY:

The resolution was then signed by the \_\_\_\_\_ in open meeting and recorded by the \_\_\_\_\_. The resolution is as follows:

A resolution approving the form of the Equipment Lease Agreement with Zions First National Bank, Salt Lake City, Utah. Finding that it is in the best interests of the City of Safford, Arizona to enter into said Agreement, and authorizing the execution and delivery thereof.

*Whereas*, the (the "Governing Body") has determined that a true and very real need exists for the leasing of the equipment described in the Equipment Lease Agreement presented to this meeting; and

*Whereas*, the Governing Body has reviewed the form of the Equipment Lease Agreement and has found the terms and conditions thereof acceptable to the City of Safford; and

*Whereas*, the Governing Body has taken the necessary steps including any legal bidding requirements, under applicable law to arrange for the leasing of such equipment under the Equipment Lease Agreement.

*Be it resolved* by the Governing Body of as follows:

Section 1. The terms of said Equipment Lease Agreement are in the best interests of for the leasing of the equipment described therein.

Section 2. The \_\_\_\_\_ and \_\_\_\_\_ are hereby authorized to execute and deliver the Equipment Lease Agreement and any related documents necessary to the consummation of the transactions contemplated by the Equipment Lease Agreement for and on behalf of the City of Safford.

Section 3. The officers of the Governing Body are hereby authorized and directed to fulfill all obligations under the terms of the Equipment Lease Agreement.

Adopted and approved this \_\_\_\_ day of \_\_\_\_\_, 2014.

By \_\_\_\_\_

**Attest:**

By \_\_\_\_\_



STATE OF ARIZONA                    )  
  :SS.  
COUNTY OF GRAHAM                )

I, Georgia Luster, the duly qualified City Clerk of the City of Safford, Arizona do hereby certify:

The Governing Body has complied in all respects with the open meeting laws as set forth in and required by the Statues of the State of Arizona.

*In witness whereof*, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By \_\_\_\_\_

Title: City Clerk

**EXHIBIT C**  
**Payment Schedule**

Lessee: City of Safford, Arizona

Date of Lease: October 21, 2014

Amount Due: \$400,000.00

1. Interest has been computed at the rate of 1.96% per annum. Interest shall accrue from the Commencement Date.
2. Rental payments shall be due quarterly commencing January 21, 2015. The payments set forth on the attached debt service schedule shall be due quarterly on the 21<sup>st</sup> day of January, April, July and October up to and including October 21, 2019.
3. The Option Purchase Price, on any given date of calculation, is equal to the Principal Outstanding on the Rental Payment Date immediately preceding the date of calculation (unless such calculation date is a Rental Payment Date, in which case, the Principal Outstanding as of such date) plus accrued interest from such Rental Payment Date at the rate set forth in paragraph number 1 above.

Date	Principal	Coupon	Interest	Total P+I
10/21/2014	-	-	-	-
01/21/2015	19,084.92	1.960%	1,960.00	21,044.92
04/21/2015	19,178.44	1.960%	1,866.48	21,044.92
07/21/2015	19,272.41	1.960%	1,772.51	21,044.92
10/21/2015	19,366.85	1.960%	1,678.07	21,044.92
01/21/2016	19,461.75	1.960%	1,583.18	21,044.93
04/21/2016	19,557.11	1.960%	1,487.81	21,044.92
07/21/2016	19,652.94	1.960%	1,391.98	21,044.92
10/21/2016	19,749.24	1.960%	1,295.69	21,044.93
01/21/2017	19,846.01	1.960%	1,198.91	21,044.92
04/21/2017	19,943.26	1.960%	1,101.67	21,044.93
07/21/2017	20,040.98	1.960%	1,003.95	21,044.93
10/21/2017	20,139.18	1.960%	905.75	21,044.93
01/21/2018	20,237.86	1.960%	807.06	21,044.92
04/21/2018	20,337.03	1.960%	707.90	21,044.93
07/21/2018	20,436.68	1.960%	608.25	21,044.93
10/21/2018	20,536.82	1.960%	508.11	21,044.93
01/21/2019	20,637.45	1.960%	407.48	21,044.93
04/21/2019	20,738.57	1.960%	306.35	21,044.92
07/21/2019	20,840.19	1.960%	204.73	21,044.92
10/21/2019	20,942.31	1.960%	102.62	21,044.93
<b>Total</b>	<b>\$400,000.00</b>	<b>-</b>	<b>\$20,898.50</b>	<b>\$420,898.50</b>

\_\_\_\_\_  
Initials of Lessee Signatory

**EXHIBIT D**  
**Opinion of Lessee's Counsel**  
**(Use Attorney's Letterhead)**

To: Zions First National Bank  
One South Main Street  
Salt Lake City, Utah 84133

Gentlemen:

As counsel for the City of Safford, Arizona ("Lessee"), I have examined duly executed originals of Equipment Lease Agreement (the "Lease") dated October 21, 2014, between the Lessee and Zions First National Bank, Salt Lake City, Utah ("Lessor"), and the proceedings taken by Lessee to authorize and execute the Lease. Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body corporate and politic, legally existing under the laws of the State of Arizona.
2. The Lease has been duly authorized, executed, and delivered by Lessee.
3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of the Lease was authorized.
4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditors' rights generally.
5. The Lease is in accordance with and does not violate the usury statutes of the State of Arizona, if any.
6. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.
7. The Equipment (as defined in the Lease) constitutes personal property and when subjected to use by Lessee will not become fixtures under applicable law.

---

Attorney for Lessee

**EXHIBIT E**

**Delivery and Acceptance Certificate**

To: Zions First National Bank

Reference is made to the Equipment Lease Agreement between the undersigned ("Lessee"), and Zions First National Bank ("Lessor"), dated October 21, 2014, ("the Lease") and to the Equipment as such term is defined therein. In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or other work necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capaCity, functioning or other characteristics of the Equipment.
4. The serial number for each item of Equipment which is set forth on Exhibit "A" to the Lease is correct.

This certificate shall not be considered to alter, construe, or amend the terms of the Lease.

Lessee:

The City of Safford, Arizona

By: \_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Print name and title)

Date: \_\_\_\_\_

\_\_\_\_\_  
Witness

**Information Return for Tax-Exempt Governmental Obligations**

► Under Internal Revenue Code section 149(e)  
 ► See separate instructions.  
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>City of Safford</b>		2 Issuer's employer identification number (EIN) <b>86-6000258</b>	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) <b>P. O. Box 272</b>	Room/suite -----	5 Report number (For IRS Use Only) <b>3</b>	
6 City, town, or post office, state, and ZIP code <b>Safford, Arizona 85548</b>		7 Date of issue <b>10/21/2014</b>	
8 Name of issue <b>\$400,000 Lease Purchase Agreement</b>		9 CUSIP number <b>None</b>	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <b>Terry Quest - Finance Director</b>		10b Telephone number of officer or other employee shown on 10a <b>928-432-4031</b>	

**Part II Type of Issue (enter the issue price). See the instructions and attach schedule.**

11 Education	11	0
12 Health and hospital	12	0
13 Transportation	13	0
14 Public safety	14	0
15 Environment (including sewage bonds)	15	400,000 00
16 Housing	16	0
17 Utilities	17	0
18 Other. Describe ►	18	0
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>		
If obligations are BANs, check only box 19b <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input checked="" type="checkbox"/>		

**Part III Description of Obligations. Complete for the entire issue for which this form is being filed.**

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/21/19	\$ 400,000	\$ N/A	2.666 years	1.960 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest	22	N/A
23 Issue price of entire issue (enter amount from line 21, column (b))	23	N/A
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	N/A
25 Proceeds used for credit enhancement	25	N/A
26 Proceeds allocated to reasonably required reserve or replacement fund	26	N/A
27 Proceeds used to currently refund prior issues	27	N/A
28 Proceeds used to advance refund prior issues	28	N/A
29 Total (add lines 24 through 28)	29	N/A
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	N/A

**Part V Description of Refunded Bonds. Complete this part only for refunding bonds.**

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	N/A	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	N/A	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	N/A	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	N/A	

**Part VI Miscellaneous**

<b>35</b>	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	<b>35</b>	N/A
<b>36a</b>	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .	<b>36a</b>	N/A
<b>b</b>	Enter the final maturity date of the GIC ▶ <u>N/A</u>		
<b>c</b>	Enter the name of the GIC provider ▶ <u>N/A</u>		
<b>37</b>	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	<b>37</b>	N/A
<b>38a</b>	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
<b>b</b>	Enter the date of the master pool obligation ▶ <u>N/A</u>		
<b>c</b>	Enter the EIN of the issuer of the master pool obligation ▶ <u>N/A</u>		
<b>d</b>	Enter the name of the issuer of the master pool obligation ▶ <u>N/A</u>		
<b>39</b>	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .	<input checked="" type="checkbox"/>	
<b>40</b>	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .	<input type="checkbox"/>	
<b>41a</b>	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
<b>b</b>	Name of hedge provider ▶ <u>N/A</u>		
<b>c</b>	Type of hedge ▶ <u>N/A</u>		
<b>d</b>	Term of hedge ▶ <u>N/A</u>		
<b>42</b>	If the issuer has superintegrated the hedge, check box . . . . .	<input type="checkbox"/>	
<b>43</b>	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .	<input type="checkbox"/>	
<b>44</b>	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .	<input type="checkbox"/>	
<b>45a</b>	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ <u>N/A</u>		
<b>b</b>	Enter the date the official intent was adopted ▶ <u>N/A</u>		

<b>Signature and Consent</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	▶ _____ Signature of issuer's authorized representative		▶ Terry Quest - Finance Director Type or print name and title	

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Mark I. Tsuyuki				P01609368
	Firm's name ▶ Zions First National Bank	Firm's EIN ▶ 87-0189025		Phone no. 801-844-7817	
Firm's address ▶ One South Main Street, Suite 1700, Salt Lake City, Utah 84133					

## Request for Taxpayer Identification Number and Certification

**Give Form to the  
requester. Do not  
send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) <b>City of Safford, Arizona</b>	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate  <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____  <input type="checkbox"/> Other (see instructions) ▶ _____	Exemptions (see instructions):  Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____
	Address (number, street, and apt. or suite no.) <b>PO Box 272</b>	Requester's name and address (optional)
	City, state, and ZIP code <b>Safford, Arizona 85548</b>	
List account number(s) here (optional)		

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

<b>Social security number</b>															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> </table>													-	-	-
<b>Employer identification number</b>															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px; text-align: center;">8</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> <td style="width: 20px; height: 20px; text-align: center;">-</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">8</td> </tr> </table>	8	6	-	6	0	0	0	2	5	8					
8	6	-	6	0	0	0	2	5	8						

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below), and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** The IRS has created a page on IRS.gov for information about Form W-9, at [www.irs.gov/w9](http://www.irs.gov/w9). Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

**Purpose of Form**

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

**Exempt payee code.** Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.  
<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Part I. Taxpayer Identification Number (TIN)**

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

**Part II. Certification**

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in Items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

Capital Financing Lease - for equipment and land purchase					
Bid Opening Date and Time: Wednesday, October 1, 2014 at 2:00 p.m.					
Terry Quest, Finance Director:	tquest@ci.safford.az.us				
Phone Number:	928-432-4031				
City requests rate lock of 60 days					
		Bid			
NAME OF BIDDER	DATE BID RECEIVED	Equipment	Land	Rate Lock	COMMENTS
Baystone Government Fin.	Sept. 29, 2014	2.88	3.249	30 days	City responsible for closing cost/legal fees on land transaction
Caterpillar Financial	Sept. 29, 2014	2.7		180 days	Proposed 6 year financing No prepayment penalty
Bank of America	October 1, 2014	2.24	2.24	60 days	Offered 2.13% through Oct. 16th City responsible for closing expense
JP Morgan Chase Bank	October 1, 2014	1.86		None	Based on Swap Rate at Sept. 25th Prepayment penalty Final interest rate will be set 3 days prior to closing
BBVA Compass	October 1, 2014	2.33		60 days	No prepayment allowed Term sheet must be signed by October 14th Up to \$33,500 closing cost
Zion First National Bank	October 1, 2014	1.96	1.96	60 days	No prepayment penalty



---

---

**CITY COUNCIL COMMUNICATION**

---

---

**TO: Mayor and Council**  
**FROM: Terry Quest, Finance Director**  
**SUBJECT: Capital Land Purchase Financing**  
**DATE: Monday, October 13, 2014 at 6:00 p.m.**

---

**Purpose and Recommended Action:**

This is a request for the City Council to approve the proposed Land Purchase Financing Agreement with Zions First National Bank for the purchase of land located at 1424 West Thatcher Blvd., Safford, Arizona 85546.

**Background:**

The City of Safford issued an Invitation for Bid (IFB) on Wednesday, September 17, 2014 to identify qualified firms to enter into a capital financing agreement for the purchase of land located at 1424 West Thatcher Blvd., Safford, Arizona 85546. The City is interested in purchasing land to obtain a Right-of-Way (ROW) for future road expansion. Bids were due on Wednesday, October 1, 2014 at 2:00 pm.

**Analysis:**

The City received Sealed Bids from three (3) bidders. The Capital Lease Financing Bid Recap Spreadsheet is included for your review. The Recap Spreadsheet provides summary information regarding interest rate, rate lock period and comments on proposals.

Further, evaluation of the bidders' proposals indicates that Zions First National Bank located in Salt Lake City, Utah offered the best price, covenants, terms and conditions for the City of Safford.

Therefore, it is staff recommendation City Council approve entering into this agreement after the City attorney has reviewed and approved the final financing documents with the bank.

## ARIZONA FIXED 2 LEASE

Long Name of Entity:	City of Safford
Address:	PO Box 272
City, State Zip:	Safford, AZ 85548
Attention:	Terry Quest
Public Finance Office:	
County:	Graham
Amount:	500,000.00
Rate:	1.96
Maturity Date:	October 21, 2019
First Pmt Date:	January 21, 2015
Payment Dates:	January 21, April 21, July 21, and October 21
Auto Extend:	5
Governing Body:	City Council
Resolution Date:	
Dated Date:	October, 2014
Day:	21st
State:	Arizona

**\$500,000.00**  
**City of Safford**  
**Lease Purchase Agreement**

- 
- 
1. Lease/Purchases Agreement of the City of Safford
  2. Exhibit A. Calculation of Interest Component
  3. Exhibit B. Description of Leased Property
  4. Exhibit C. Resolution of Governing Body
  5. Exhibit D. Opinion of Lessee's Counsel
  6. Exhibit E. Security Documents
  7. Form 8038-G
  8. Wire Transfer Request

AFTER RECORDING RETURN TO:

KIRSI HANSEN  
PUBLIC FINANCIAL SERVICES  
ZIONS FIRST NATIONAL BANK  
ONE SOUTH MAIN STREET, 17<sup>TH</sup> FLOOR  
SALT LAKE CITY, UT 84133

---

---

LEASE/PURCHASE AGREEMENT

Dated as of October 21, 2014

by and between

**ZIONS FIRST NATIONAL BANK,**  
as Lessor

and

**CITY OF SAFFORD,**  
as Lessee

---

---

# TABLE OF CONTENTS

	SECTION 7.3 No Remedy Exclusive ..... 15
	SECTION 7.4 Agreement to Pay Attorneys' Fees and Expenses ..... 16
	SECTION 7.5 Waiver of Certain Damages ..... 16
<b>ARTICLE I</b>	
<b>DEFINITIONS AND EXHIBITS</b>	
SECTION 1.1 Definitions and Rules of Construction ..... 1	
SECTION 1.2 Exhibits ..... 3	
<b>ARTICLE II</b>	
<b>REPRESENTATIONS COVENANTS AND WARRANTIES</b>	
SECTION 2.1 Representations, Covenants and Warranties of the Lessee ..... 3	
SECTION 2.2 Representations, Covenants and Warranties of the Bank ..... 9	
<b>ARTICLE III</b>	
<b>AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS</b>	
SECTION 3.1 Lease ..... 9	
SECTION 3.2 Term ..... 9	
SECTION 3.3 Termination ..... 10	
SECTION 3.4 Lease Payments ..... 10	
SECTION 3.5 Possession of Leased Property Upon Termination ..... 10	
SECTION 3.6 No Withholding ..... 10	
SECTION 3.7 Lease Payments to Constitute a Current Obligation of the Lessee ..... 11	
SECTION 3.8 Net Lease ..... 11	
SECTION 3.9 Offset ..... 11	
<b>ARTICLE IV</b>	
<b>INSURANCE</b>	
SECTION 4.1 Insurance ..... 11	
SECTION 4.2 Damage to or Destruction of the Leased Property ..... 11	
SECTION 4.3 Flood Insurance ..... 11	
<b>ARTICLE V</b>	
<b>COVENANTS</b>	
SECTION 5.1 Use of the Leased Property ..... 12	
SECTION 5.2 Interest in the Leased Property and this Lease ..... 12	
SECTION 5.3 Maintenance, Utilities, Taxes and Assessments ..... 12	
SECTION 5.4 Modification of the Leased Property ..... 13	
SECTION 5.5 Permits ..... 13	
SECTION 5.6 Bank's Right to Perform for Lessee ..... 13	
SECTION 5.7 Bank's Disclaimer of Warranties ..... 13	
SECTION 5.8 Indemnification ..... 14	
SECTION 5.9 Inclusion for Consideration as Budget Item ..... 14	
SECTION 5.10 Annual Financial Information ..... 14	
<b>ARTICLE VI</b>	
<b>ASSIGNMENT AND SUBLEASING</b>	
SECTION 6.1 Assignment by the Bank ..... 14	
SECTION 6.2 Assignment and Subleasing by the Lessee ..... 14	
<b>ARTICLE VII</b>	
<b>EVENTS OF DEFAULT AND REMEDIES</b>	
SECTION 7.1 Events of Default Defined ..... 15	
SECTION 7.2 Remedies on Default ..... 15	
<b>ARTICLE VIII</b>	
<b>PREPAYMENT OF LEASE PAYMENTS IN PART</b>	
SECTION 8.1 Extraordinary Prepayment From Net Proceeds ..... 16	
SECTION 8.2 Option to Purchase Leased Property ..... 16	
<b>ARTICLE IX</b>	
<b>MISCELLANEOUS</b>	
SECTION 9.1 Notices ..... 16	
SECTION 9.2 System of Registration ..... 17	
SECTION 9.3 Instruments of Further Assurance ..... 17	
SECTION 9.4 Binding Effect ..... 17	
SECTION 9.5 Amendments ..... 17	
SECTION 9.6 Section Headings ..... 17	
SECTION 9.7 Severability ..... 17	
SECTION 9.8 Entire Agreement ..... 17	
SECTION 9.9 Execution in Counterparts ..... 17	
SECTION 9.10 Arbitration ..... 18	
SECTION 9.11 Applicable Law ..... 18	
Schedule of Lease Payments ..... Exhibit A	
Legal Description of the Leased Property ..... Exhibit B	
Resolution of Governing Body ..... Exhibit C	
Opinion of Lessee's Counsel ..... Exhibit D	
Security Documents ..... Exhibit E	

## LEASE/PURCHASE AGREEMENT

THIS LEASE/PURCHASE AGREEMENT, dated as of October 21, 2014, by and between ZIONS FIRST NATIONAL BANK, a national banking association duly organized and existing under the laws of the United States of America, as lessor (the “Bank”), and City of Safford (the “Lessee”), a public agency of the State of Arizona (the “State”), duly organized and existing under the Constitution and laws of the State, as lessee;

### W I T N E S S E T H :

WHEREAS, the Lessee desires to finance the acquisition and/or construction of the real property and/or improvements, and/or the acquisition of the equipment and/or other personal property, described as the “Leased Property” in Exhibit B (the “Leased Property”) by entering into this Lease/Purchase Agreement with the Bank (the “Lease”); and

WHEREAS, the Bank agrees to lease the Leased Property to the Lessee upon the terms and conditions set forth in this Lease, with rental to be paid by the Lessee equal to the Lease Payments hereunder; and

WHEREAS, it is the intent of the parties that the Original Term of this Lease, and any subsequent Renewal Terms (as herein defined), shall not extend beyond the 12-month period comprising the Lessee’s then current fiscal year, and that the payment obligation of the Lessee hereunder shall not constitute a general obligation under State law; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS AND EXHIBITS

**SECTION 1.1 Definitions and Rules of Construction.** Unless the context otherwise requires, the capitalized terms used herein shall, for all purposes of this Lease, have the meanings specified in the definitions below. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Lease, refer to this Lease as a whole.

“Bank” shall have the meaning set forth in the Preamble hereof.

“Business Day” means any day except a Saturday, Sunday, or other day on which banks in Salt Lake City, Utah or the State are authorized to close.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commencement Date” means the date this Lease is executed by the Bank and the Lessee.

“Environmental Law” means all federal, state or local laws, statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law relating to public health and safety, worker health and safety, pollution, the environment, wetlands, the preservation and reclamation of natural resources or waste management, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, solvents, urea formaldehyde, dioxins, polychlorinated biphenyls, noise or radiation, each as amended and as now or hereafter in effect. The term Environmental Law shall include (by way of illustration rather than limitation) the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Clean Air Act, 42 U.S.C. Section 7401, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. Section 135, et seq., and the Hazardous Materials Transportation Act, 39 U.S.C. Section 1801, et seq. and any regulations, guidelines, directives or other interpretations of any such enactment, all as amended from time to time.

“Event of Nonappropriation” shall have the meaning set forth in Section 3.2 hereof.

“Governing Body” means the governing body of the Lessee.

“Hazardous Materials” means any hazardous, dangerous or toxic chemical, waste, byproduct, pollutant, contaminant, compound, product or substance the manufacture, storage, transport, generation, use, treatment, exposure to, release, threatened release, discharge, remediation, cleanup, abatement, removal, possession, recycling, disposal or other disposition of which is prohibited or regulated (including without limitation, being subjected to notice, reporting, record keeping, or clean-up requirements) by any Environmental Law.

“Lease Payments” means the rental payments described in Exhibit A hereto.

“Lease Payment Date” shall have the meaning set forth in Section 3.4(a) hereof.

“Leased Property” shall have the meaning set forth in the Whereas clauses hereof.

“Lessee” shall have the meaning set forth in the Preamble hereof.

“Net Proceeds” means insurance or eminent domain proceeds received with respect to the Leased Property less expenses incurred in connection with the collection of such proceeds.

“Obligation Instrument” shall have the meaning set forth in Section 2.1(c) hereof.

“Original Term” shall have the meaning set forth in Section 3.2 hereof.

“Permitted Encumbrances” means, as of any particular time: (i) liens for taxes and assessments, if any, not then delinquent, or which the Lessee may, pursuant to provisions of Section 5.3 hereof, permit to remain unpaid; (ii) this Lease; (iii) any contested right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law to the extent permitted under Section 5.4(b) hereof; (iv) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the execution date of this Lease and which the Lessee hereby certifies will not materially impair the use of the Leased Property by the Lessee; and (v) other rights, reservations, covenants, conditions or restrictions established following the date of execution of this Lease and to which the Bank and the Lessee consent in writing.

“Rebate Exemption” shall have the meaning set forth in Section 2.1(1)(ii)(A) hereof.

“Regulations” shall have the meaning set forth in Section 2.1(1)(i) hereof.

“Renewal Term” shall have the meaning set forth in Section 3.2 hereof.

“Scheduled Term” shall have the meaning set forth in Section 3.2 hereof.

“State” shall have the meaning set forth in the Preamble hereof.

“Term” or “Term of this Lease” means the Original Term and all Renewal Terms provided for in this Lease under Section 3.2 until this Lease is terminated as provided in Section 3.3 hereof.

SECTION 1.2 Exhibits. Exhibits A, B, C, D and E attached to this Lease are by this reference made a part of this Lease.

## ARTICLE II

### REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1 Representations, Covenants and Warranties of the Lessee. The Lessee represents, covenants and warrants to the Bank as follows:

(a) Due Organization and Existence. The Lessee is a public agency of the State duly organized and existing under the Constitution and laws of the State.

(b) Authorization; Enforceability. The Constitution and laws of the State authorize the Lessee to enter into this Lease and to enter into the transactions contemplated by, and to carry out its obligations under, this Lease. The Lessee has duly authorized, executed and delivered this Lease in accordance with the Constitution and laws of the State. This Lease constitutes the legal, valid and binding special obligation of the Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Conflicts or Default; Other Liens or Encumbrances. Neither the execution and delivery of this Lease nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby (i) conflicts with or results in a breach of the terms, conditions, provisions, or restrictions of any existing law, or court or administrative decree, order, or regulation, or agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, **including without limitation any agreement or instrument pertaining to any bond, note, lease, certificate of participation, debt instrument, or any other obligation of the Lessee** (any such bond, note, lease, certificate of participation, debt instrument, and other obligation being referred to herein as an “Obligation Instrument”), (ii) constitutes a default under any of the foregoing, or (iii) results in the creation or imposition of any pledge, lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessee, or upon the Leased Property except for Permitted Encumbrances.

**By way of example, and not to be construed as a limitation on the representations set forth in the immediately preceding paragraph:**

**(A) no portion of the Leased Property is pledged to secure any Obligation Instrument; and**

**(B) the interests of the Lessor in the Leased Property hereunder do not violate the terms, conditions or provisions of any restriction or revenue pledge in any agreement or instrument pertaining to any Obligation Instrument.**

If any Obligation Instrument existing on the date of execution of this Lease creates any pledge, lien, charge or encumbrance on any revenues, property or assets associated with the Leased Property that is higher in priority to the Bank's interests therein under this Lease, the Bank hereby subordinates its interests therein, but only to the extent required pursuant to such existing Obligation Instrument.

(d) Compliance with Open Meeting Requirements. The Governing Body has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which the Lessee's execution of this Lease was authorized.

(e) Compliance with Bidding Requirements. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property pursuant to this Lease, or the Governing Body and the Lessee have complied with all such procurement and public bidding laws as may be applicable hereto.

(f) No Adverse Litigation. There are no legal or governmental proceedings or litigation pending, or to the best knowledge of the Lessee threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling, or finding might adversely affect the transaction contemplated in or the validity of this Lease.

(g) Opinion of Lessee's Counsel. The letter attached to this Lease as Exhibit D is a true opinion of Lessee's counsel.

(h) Governmental Use of Leased Property. During the Term of this Lease, the Leased Property will be used solely by the Lessee, and only for the purpose of performing one or more governmental or proprietary functions of the Lessee consistent with the permissible scope of the Lessee's authority, and the Leased Property will not be subject to any direct or indirect private business use.

(i) Other Representations and Covenants. The representations, covenants, warranties, and obligations set forth in this Article are in addition to and are not intended to limit any other representations, covenants, warranties, and obligations set forth in this Lease.

(j) No Nonappropriations. The Lessee has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any municipal lease of the same general nature as this Lease, or under any of its bonds, notes, or other obligations of indebtedness for which its revenues or general credit are pledged.

(k) No Legal or Environmental Violation. The Leased Property is not, and at all times during the Term of this Lease will not be in violation of any federal, state or local law, statute, ordinance or regulation, including without limitation, any Environmental Law, to the best of the Lessee's knowledge. Neither the Lessee nor, to the best of Lessee's knowledge, any third party, has used, generated, manufactured, stored or disposed of on, under or about the Leased Property or transported to or from the Leased Property any Hazardous Materials.

In the event Hazardous Materials are discovered, and must be removed or remediated, and to the extent permitted by applicable law, the Lessee hereby agrees to indemnify and hold harmless the Bank, and its directors, officers, shareholders, employees, and agents, and successors to the Bank's interest in the chain of title to the Leased Property, and their directors, officers, shareholders, employees, and agents, from and against any and all loss, claim, damages, expense or liability, including reasonable attorneys' fees and other litigation expenses, to the full extent of such action as attributable, directly or indirectly, to:

- (i) the presence or use of, generation, storage, release, threatened release, or disposal of Hazardous Materials by any person on, in or under the Leased Property;
- (ii) use of the Leased Property or any part thereof as a dump site, permanent or temporary storage site or transfer station for any Hazardous Materials;
- (iii) violation of any Environmental Law affecting the Leased Property or any part thereof or any activity conducted on any part of the Leased Property; and
- (iv) any action or proceeding before any court, quasi-judicial body or administrative agency relating to the enforcement of any Environmental Law affecting the Leased Property or any part thereof or any activity conducted on any part of the Leased Property;

including, without limitation, all foreseeable and all unforeseeable consequential damages, directly or indirectly arising out of the use, generation, manufacture, storage, or disposal of Hazardous Materials, by the Lessee or any prior owner or operator of the Leased Property, including, without limitation, the cost of any required and necessary repair, cleanup, remediation, or detoxification and the preparation of any disclosure, or other required plans, whether such action is required or necessary prior to or following transfer of title to the Leased Property.

(l) General Tax and Arbitrage Representations and Covenants

(i) The certifications and representations made by the Lessee in this Lease are intended, among other purposes, to be a certificate permitted in Section 1.148-2(b) of the Treasury Regulations promulgated pursuant to Section 148 of the Code (the "Regulations"), to establish the reasonable expectations of the Lessee at the time of the execution of this Lease made on the basis of the facts, estimates and circumstances in existence on the date hereof. The Lessee further certifies and covenants as follows:

(A) The Lessee has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as an issuer which may certify bond issues.

(B) To the best knowledge and belief of the Lessee, there are no facts, estimates or circumstances that would materially change the conclusions, certifications or representations set forth in this Lease, and the expectations herein set forth are reasonable.

(C) The Scheduled Term of this Lease does not exceed the useful life of the Leased Property, and the weighted average term of this Lease does not exceed the weighted average useful life of the Leased Property.

(D) Each advance of funds by the Bank to finance Leased Property under this Lease (each an "Advance") will occur only when and to the extent that the Lessee has reasonably determined and identified the nature, need, and cost of each item of Leased Property pertaining to such Advance.

(E) No use will be made of the proceeds of this Lease or any such Advance, or any funds or accounts of the Lessee which may be deemed to be proceeds of this Lease or any such Advance, which use, if it had been reasonably expected on the date of the execution of this Lease or of any such Advance, would have caused this Lease or any such Advance to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code.

(F) The Lessee will at all times comply with the rebate requirements of Section 148(f) of the Code as they pertain to this Lease, to the extent applicable.

(G) In order to preserve the status of this Lease and the Advances as other than "private activity bonds" as described in Sections 103(b)(1) and 141 of the Code, as long as this Lease and any such Advances are outstanding and unpaid:

(I) none of the proceeds from this Lease or the Advances or any facilities or assets financed therewith shall be used for any "private business use" as that term is used in Section 141(b) of the Code and defined in Section 141(b)(6) of the Code;

(II) the Lessee will not allow any such "private business use" to be made of the proceeds of this Lease or the Advances or any facilities or assets financed therewith; and

(III) none of the Advances or Lease Payments due hereunder shall be secured in whole or in part, directly or indirectly, by any interest in any property used in any such "private business use" or by payments in respect of such property, and shall not be derived from payments in respect of such property.

(H) The Lessee will not take any action, or omit to take any action, which action or omission would cause the interest component of the Lease Payments to be ineligible for the exclusion from gross income as provided in Section 103 of the Code.

(I) The Lessee is a "governmental unit" within the meaning of Section 141(b)(6) of the Code.

(J) The obligations of the Lessee under this Lease are not federally guaranteed within the meaning of Section 149(b) of the Code.

(K) This Lease and the Advances to be made pursuant hereto will not reimburse the Lessee for any expenditures incurred prior to the date of this Lease and do not constitute a "refunding issue" as defined in Section 1.150-1(d) of the Regulations, and no part of the proceeds of this Lease or any such Advances will be used to pay or discharge any obligations of the Lessee the interest on which is or purports to be excludable from gross income under the Code or any predecessor provision of law.

(L) In compliance with Section 149(e) of the Code relating to information reporting, the Lessee will file or cause to be filed with the Internal Revenue Service Center, Ogden, UT 84201, within fifteen (15) days from the execution of this Lease, IRS Form 8038-G or 8038-GC, as appropriate, reflecting the total aggregate amount of Advances that can be made pursuant to this Lease.

(M) None of the proceeds of this Lease or the Advances to be made hereunder will be used directly or indirectly to replace funds of the Lessee used directly or indirectly to acquire obligations at a yield materially higher than the yield on this Lease or otherwise invested in any manner. No portion of the Advances will be made for the purpose of investing such portion at a materially higher yield than the yield on this Lease.

(N) Inasmuch as Advances will be made under this Lease only when and to the extent the Lessee reasonably determines, identifies and experiences the need therefor, and will remain outstanding and unpaid only until such time as the Lessee has moneys available to repay the same, the Lessee reasonably expects that (I) the Advances will not be made sooner than necessary; (II) no proceeds from the Advances will be invested at a yield higher than the yield on this Lease; and (III) the Advances and this Lease will not remain outstanding and unpaid longer than necessary.

(O) The Lessee will either (i) spend all of the moneys advanced pursuant to this Lease immediately upon receipt thereof, without investment, on the portion of the Leased Property that is to be financed thereby; or (ii) invest such moneys at the highest yield allowable and practicable under the circumstances until they are to be spent on the portion of the Leased Property that is to be financed thereby, and track, keep records of, and pay to the United States of America, all rebatable arbitrage pertaining thereto, at the times, in the amounts, in the manner, and to the extent required under Section 148(f) of the Code and the Treasury Regulations promulgated in connection therewith. At least five percent (5%) of the total amount of moneys that are expected to be advanced pursuant to this Lease are reasonably expected to have been expended on the Leased Property within six (6) months from the date of this Lease. All moneys to be advanced pursuant to this Lease are reasonably expected to have been expended on the Leased Property no later than the earlier of: (I) the date twelve (12) months from the date such moneys are advanced; and (II) the date three (3) years from the date of this Lease.

(P) This Lease and the Advances to be made hereunder are not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the regulations promulgated in connection therewith (I) enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (II) overburdening the tax-exempt bond market, as those terms are used in Section 1.148-10(a)(2) of the Regulations.

(Q) To the best of the knowledge, information and belief of the Lessee, the above expectations are reasonable. On the basis of the foregoing, it is not expected that the proceeds of this Lease and the Advances to be made hereunder will be used in a manner that would cause this Lease or such Advances to be "arbitrage bonds" under Section 148 of the Code and the regulations promulgated thereunder, and to the best of the knowledge, information and belief of the Lessee, there are no other facts, estimates or circumstances that would materially change the foregoing conclusions.

(ii) Arbitrage Rebate Under Section 148(f) of the Code. With respect to the arbitrage rebate requirements of Section 148(f) of the Code, either (check applicable box):

(A) Lessee Qualifies for Small Issuer Exemption from Arbitrage Rebate. The Lessee hereby certifies and represents that it qualifies for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate arbitrage earnings from investment of proceeds of the Advances made under this Lease (the "Rebate Exemption") as follows:

(1) The Lessee has general taxing powers.

(2) Neither this Lease, any Advances to be made hereunder, nor any portion thereof are private activity bonds as defined in Section 141 of the Code ("Private Activity Bonds").

(3) Ninety-five percent (95%) or more of the net proceeds of the Advances to be made hereunder are to be used for local government activities of the Lessee (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Lessee).

(4) Neither the Lessee nor any aggregated issuer has issued or is reasonably expected to issue any tax-exempt obligations other than Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) during the current calendar year, including the Advances to be made hereunder, which in the aggregate would exceed \$5,000,000 in face amount, or \$15,000,000 in face amount for such portions, if any, of any tax-exempt obligations of the Lessee and any aggregated issuer as are attributable to construction of public school facilities within the meaning of Section 148(f)(4)(D)(vii) of the Code.

For purposes of this Section, "aggregated issuer" means any entity which (a) issues obligations on behalf of the Lessee, (b) derives its issuing authority from the Lessee, or (c) is subject to substantial control by the Lessee.

The Lessee hereby certifies and represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D)(i)(IV) of the Code.

Accordingly, the Lessee will qualify for the Rebate Exemption granted to governmental units issuing less than \$5,000,000 under Section 148(f)(4)(D) of the Code (\$15,000,000 for the financing of public school facilities construction as described above), and the Lessee shall be treated as meeting the requirements of Paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States with respect to this Lease and the Advances to be made hereunder.

- or -

(B) Lessee Will Keep Records of and Will Rebate Arbitrage. The Lessee does not qualify for the small issuer Rebate Exemption described above, and the Lessee hereby certifies and covenants that it will account for, keep the appropriate records of, and pay to the United States, the rebate amount, if any, earned from the investment of gross proceeds of this Lease and the Advances to be made hereunder, at the times, in the amounts, and in the manner prescribed in Section 148(f) of the Code and the applicable Regulations promulgated with respect thereto.

(m) Small Issuer Exemption from Bank Nondeductibility Restriction. Based on the following representations of the Lessee, the Lessee hereby designates this Lease and the interest components of the Lease Payments hereunder as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code: (i) this Lease and the Lease Payments hereunder are not private activity bonds within the meaning of Section 141 of the Code; (ii) the Lessee reasonably anticipates that it, together with all "aggregated issuers," will not issue during the current calendar year obligations (other

than those obligations described in clause (iii) below) the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code which, when aggregated with this Lease, will exceed an aggregate principal amount of \$10,000,000; (iii) and notwithstanding clause (ii) above, the Lessee and its aggregated issuers may have issued in the current calendar year and may continue to issue during the remainder of the current calendar year private activity bonds other than qualified 501(c)(3) bonds as defined in Section 145 of the Code. For purposes of this subsection, "aggregated issuer" means any entity which (a) issues obligations on behalf of the Lessee, (b) derives its issuing authority from the Lessee, or (c) is subject to substantial control by the Lessee. The Lessee hereby certifies and represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code.

(n) Reports to State. The Lessee has duly authorized and executed this Lease in accordance with A.R.S. section 35-501 and has filed with the State of Arizona all reports required thereunder relating to this Lease.

**SECTION 2.2 Representations, Covenants and Warranties of the Bank.** The Bank is a national banking association, duly organized, existing and in good standing under and by virtue of the laws of the United States of America, has the power to enter into this Lease, is possessed of full power to own and hold real and personal property, and to lease and sell the same, and has duly authorized the execution and delivery of this Lease. This Lease, constitutes the legal, valid and binding obligation of the Bank, enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

### ARTICLE III

#### AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

**SECTION 3.1 Lease.** The Bank hereby leases the Leased Property to the Lessee, and the Lessee hereby leases the Leased Property from the Bank, upon the terms and conditions set forth herein.

Concurrently with its execution of this Lease, the Lessee shall deliver to the Bank fully completed documents substantially in the forms attached hereto as Exhibits B, C, D and E hereto.

**SECTION 3.2 Term.** The original term of this Lease shall commence on the date of execution of this Lease, including delivery to the Bank by the Lessee of fully completed documents in the forms set forth in Exhibits B, C, D and E attached hereto, and continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the "Original Term"). Thereafter, this Lease will be extended for 5 successive additional periods of one year coextensive with Lessee's fiscal year, except for the last such period which may be less than a full fiscal year, (each, a "Renewal Term") subject to an Event of Nonappropriation as described herein below in this Section 3.2 and in Section 3.3(a), with the final Renewal Term ending on October 21, 2019, unless this Lease is terminated as hereinafter provided. The Original Term together with all scheduled Renewal Terms shall be referred to herein as the "Scheduled Term" irrespective of whether this Lease is terminated for any reason prior to the scheduled commencement or termination of any Renewal Term as provided herein.

If Lessee does not appropriate funds for the payment of Lease Payments due for any Renewal Term in the adopted budget of the Lessee for the applicable fiscal year (an "Event of Nonappropriation"), this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Bank of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect.

SECTION 3.3 Termination. This Lease will terminate upon the earliest of any of the following events:

- (a) upon the expiration of the Original Term or any Renewal Term of this Lease following an Event of Nonappropriation;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Leased Property;
- (c) a default by Lessee and Bank's election to terminate this Lease under Article VII herein; or
- (d) the expiration of the Scheduled Term of this Lease, the Lessee having made payment of all Lease Payments accrued to such date.
- (e) Lessee may terminate this Lease at any time pursuant to A.R.S. § 38-511, to the extent applicable.

SECTION 3.4 Lease Payments.

- (a) Time and Amount. During the Term of this Lease and so long as this Lease has not terminated pursuant to Section 3.3, the Lessee agrees to pay to the Bank, its successors and assigns, as annual rental for the use and possession of the Leased Property, the Lease Payments (denominated into components of principal and interest) in the amounts specified in Exhibit A, to be due and payable in arrears on each payment date identified in Exhibit A (or if such day is not a Business Day, the next succeeding Business Day) specified in Exhibit A (the "Lease Payment Date").
- (b) Rate on Overdue Payments. In the event the Lessee should fail to make any of the Lease Payments required in this Section, the Lease Payment in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the original interest rate payable with respect to such Lease Payments.
- (c) Additional Payments. Any additional payments required to be made by the Lessee hereunder, including but not limited to Sections 4.1, 5.3, and 7.4 of this Lease, shall constitute additional rental for the Leased Property.

SECTION 3.5 Possession of Leased Property Upon Termination. Upon termination of this Lease pursuant to Sections 3.3(a), 3.3(c) or 3.3(e), the Lessee shall transfer the Leased Property to the Bank in such manner as may be specified by the Bank, and the Bank shall have the right to take possession of the Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property. To the extent the Leased Property is equipment or fixtures, the Lessee at the Bank's direction shall ship such Leased Property to the destination designated by the Bank by loading such Leased Property at the Lessee's cost and expense, on board such carrier as the Bank shall specify.

SECTION 3.6 No Withholding. Notwithstanding any dispute between the Bank and the Lessee in connection with this Lease or otherwise, including a dispute as to the failure of any portion of the Leased Property in use by or possession of the Lessee to perform the task for which it is leased, the Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

SECTION 3.7 Lease Payments to Constitute a Current Obligation of the Lessee. Notwithstanding any other provision of this Lease, the Lessee and the Bank acknowledge and agree that the obligation of the Lessee to pay Lease Payments hereunder constitutes a current special obligation of the Lessee payable exclusively from current and legally available funds and shall not in any way be construed to be an indebtedness of the Lessee within the meaning of any constitutional or statutory limitation or requirement applicable to the Lessee concerning the creation of indebtedness. The Lessee has not hereby pledged the general tax revenues or credit of the Lessee to the payment of the Lease Payments, or the interest thereon, nor shall this Lease obligate the Lessee to apply money of the Lessee to the payment of Lease Payments beyond the then current Original Term or Renewal Term, as the case may be, or any interest thereon.

SECTION 3.8 Net Lease. This Lease shall be deemed and construed to be a “net-net-net lease” and the Lessee hereby agrees that the Lease Payments shall be an absolute net return to the Bank, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided herein.

SECTION 3.9 Offset. Lease Payments or other sums payable by Lessee pursuant to this Lease shall not be subject to set-off, deduction, counterclaim or abatement and Lessee shall not be entitled to any credit against such Lease Payments or other sums for any reason whatsoever, including, but not limited to: (i) any accident or unforeseen circumstances; (ii) any damage or destruction of the Leased Property or any part thereof; (iii) any restriction or interference with Lessee's use of the Leased Property; (iv) any defects, breakdowns, malfunctions, or unsuitability of the Leased Property or any part thereof; or (v) any dispute between the Lessee and the Bank, any vendor or manufacturer of any part of the Leased Property, or any other person.

#### ARTICLE IV

#### INSURANCE

SECTION 4.1 Insurance. Lessee, at Bank's option, will either self insure, or at Lessee's cost, will cause casualty insurance, public liability insurance, and property damage insurance to be carried and maintained on the Leased Property, with all such coverages to be in such amounts sufficient to cover the value of the Leased Property at the commencement of this Lease (as determined by the purchase price paid for the Leased Property), and to be in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the Lessee. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Bank to be the named insured on such policies as its interest under this Lease may appear. Subject to Section 4.2, insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Bank in an amount equal to the then outstanding principal and accrued interest components of the Lease Payments at the time of such damage or destruction as provided by Section 8.1. Lessee will deliver to Bank the policies or evidences of insurance satisfactory to Bank, if any, together with receipts for the initial premiums before the Leased Property is delivered to Lessee. Renewal policies, if any together with receipts showing payment of the applicable premiums will be delivered to Bank at least thirty (30) days before termination of the policies being renewed. By endorsement upon the policy or by independent instrument furnished to Bank, such insurer will agree that it will give Bank at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workmen's compensation insurance covering all employees working on, in, or about the Leased Property, and will require any other person or entity working on, in, or about the Leased Property to carry such coverage, and will furnish to Bank certificates evidencing such coverages throughout the Term of this Lease.

SECTION 4.2 Damage to or Destruction of the Leased Property. If all or any part of the Leased Property is lost, stolen, destroyed, or damaged, Lessee will give Bank prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost. If such lost, stolen, destroyed or damaged Leased Property is equipment, it shall be repaired or replaced within thirty (30) days after such event. If such lost, stolen, destroyed or damaged Leased Property is other than equipment, it shall be

repaired or replaced within one hundred eighty (180) days after such event. Any replaced Leased Property will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Bank under the policies required under Section 4.1 with respect to the Leased Property lost, stolen, destroyed, or damaged, will be paid to Lessee if the Leased Property is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Bank to the extent of the then remaining portion of the Lease Payments to become due during the Scheduled Term of this Lease less that portion of such Lease Payments attributable to interest which will not then have accrued as provided in Section 8.1. No loss, theft, destruction, or damage to the Leased Property will impose any obligation on Bank under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Leased Property and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

**SECTION 4.3 Flood Insurance.** If, at any time during the term of this Lease Agreement, it is determined that any part of the Leased Property is located in a flood zone, as determined in accordance with 12 CFR Chapter 1, Part 22 or its successor (the "Flood Insurance Regulations"), the Lessee, at its own expense, shall obtain and maintain for the entire term of this Lease Agreement flood insurance covering the Leased Property in such form and amount as is required under the Flood Insurance Regulations. If at any time during the term of this Lease Agreement, the Lessee shall fail to maintain such adequate flood insurance, the Bank may, to the extent permitted by law, purchase such insurance on the Lessee's behalf, and the cost thereof shall be deemed to be additional rent payable by the Lessee on the Bank's demand as specified in Section 5.6 of this Lease Agreement. The Lessee shall provide evidence of the renewal or replacement of such flood insurance at least 15 days prior to its expiration.

## ARTICLE V

### COVENANTS

**SECTION 5.1 Use of the Leased Property.** The Lessee represents and warrants that it has an immediate and essential need for the Leased Property to carry out and give effect to the public purposes of the Lessee, which need is not temporary or expected to diminish in the foreseeable future, and that it expects to make immediate use of all of the Leased Property.

**SECTION 5.2 Interest in the Leased Property and this Lease.** Upon expiration of the Term as provided in Section 3.3(b) or 3.3(d) hereof, all right, title and interest of the Bank in and to all of the Leased Property shall be transferred to and vest in the Lessee, without the necessity of any additional document of transfer.

**SECTION 5.3 Maintenance, Utilities, Taxes and Assessments.**

(a) **Maintenance; Repair and Replacement.** Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all repair and maintenance of the Leased Property shall be the responsibility of the Lessee, and the Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property excepting ordinary wear and tear. In exchange for the Lease Payments herein provided, the Bank agrees to provide only the Leased Property, as hereinbefore more specifically set forth.

(b) **Tax and Assessments; Utility Charges.** The Lessee shall also pay or cause to be paid all taxes and assessments, including but not limited to utility charges, of any type or nature charged to the Lessee or levied, assessed or charged against any portion of the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee

shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

(c) Contests. The Lessee may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it shall furnish the Bank with the opinion of an independent counsel acceptable to the Bank to the effect that, by nonpayment of any such items, the interest of the Bank in such portion of the Leased Property will not be materially endangered and that the Leased Property will not be subject to loss or forfeiture. Otherwise, the Lessee shall promptly pay such taxes, assessments or charges or make provisions for the payment thereof in form satisfactory to the Bank.

#### SECTION 5.4 Modification of the Leased Property.

(a) Additions, Modifications and Improvements. The Lessee shall, at its own expense, have the right to make additions, modifications, and improvements to any portion of the Leased Property if such improvements are necessary or beneficial for the use of such portion of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage any portion of the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the exclusion from gross income for federal income tax purposes of the interest components of the Lease Payments; and the Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

(b) No Liens. Except for Permitted Encumbrances, the Lessee will not permit (i) any liens or encumbrances to be established or remain against the Leased Property or (ii) any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any additions, modifications or improvements made by the Lessee pursuant to this Section; provided that if any such mechanic's lien is established and the Lessee shall first notify or cause to be notified the Bank of the Lessee's intention to do so, the Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Bank with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Bank. The Bank will cooperate fully in any such contest.

SECTION 5.5 Permits. The Lessee will provide all permits and licenses necessary for the ownership, possession, operation, and use of the Leased Property, and will comply with all laws, rules, regulations, and ordinances applicable to such ownership, possession, operation, and use. If compliance with any law, rule, regulation, ordinance, permit, or license requires changes or additions to be made to the Leased Property, such changes or additions will be made by the Lessee at its own expense.

SECTION 5.6 Bank's Right to Perform for Lessee. If the Lessee fails to make any payment or to satisfy any representation, covenant, warranty, or obligation contained herein or imposed hereby, the Bank may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation, and the amount of such payment and the expense of any such action incurred by the Bank, as the case may be, will be deemed to be additional rent payable by the Lessee on the Bank's demand.

SECTION 5.7 Bank's Disclaimer of Warranties. The Bank has played no part in the selection of the Leased Property, the Lessee having selected the Leased Property independently from the Bank. The Bank, at the Lessee's request, has acquired or arranged for the acquisition of the Leased Property and

shall lease the same to the Lessee as herein provided, the Bank's only role being the facilitation of the financing of the Leased Property for the Lessee. THE BANK MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE LESSEE OF THE LEASED PROPERTY, OR ANY PORTION THEREOF. THE LESSEE ACKNOWLEDGES THAT THE BANK IS NOT A MANUFACTURER OR VENDOR OF ALL OR ANY PORTION OF THE LEASED PROPERTY, AND THAT THE LESSEE IS LEASING THE LEASED PROPERTY AS IS. In no event shall the Bank be liable for incidental, direct, indirect, special or consequential damages, in connection with or arising out of this Lease, for the existence, furnishing, functioning or Lessee's use and possession of the Leased Property.

SECTION 5.8 Indemnification. To the extent permitted by applicable law, the Lessee hereby agrees to indemnify and hold harmless the Bank, its directors, officers, shareholders, employees, agents, and successors from and against any loss, claim, damage, expense, and liability resulting from or attributable to the acquisition, construction, or use of the Leased Property. Notwithstanding the foregoing, the Bank shall not be indemnified for any liability resulting from the gross negligence or willful misconduct of the Bank.

SECTION 5.9 Inclusion for Consideration as Budget Item. During the Term of this Lease, the Lessee covenants and agrees that it shall give due consideration, in accordance with applicable law, as an item for expenditure during its annual budget considerations, of an amount necessary to pay Lease Payments for the Leased Property during the next succeeding Renewal Term. Nothing herein shall be construed to direct or require that Lessee take or direct that any legislative act be done, or that the Governing Body of Lessee improperly or unlawfully delegate any of its legislative authority.

SECTION 5.10 Annual Financial Information. During the Term of this Lease, the Lessee covenants and agrees to provide the Bank as soon as practicable when they are available: (i) a copy of the Lessee's final annual budget for each fiscal year; (ii) a copy of the Lessee's most recent financial statements; and (iii) any other financial reports the Bank may request from time to time.

## ARTICLE VI

### ASSIGNMENT AND SUBLEASING

SECTION 6.1 Assignment by the Bank. The parties hereto agree that all rights of Bank hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part, including without limitation transfer to a trustee pursuant to a trust arrangement under which the trustee issues certificates of participation evidencing undivided interests in this Lease and/or the rights to receive Lease Payments hereunder, provided that notice of any such assignment, transfer or other disposition is given to Lessee.

SECTION 6.2 Assignment and Subleasing by the Lessee. The Lessee may not assign this Lease or sublease all or any portion of the Leased Property unless both of the following shall have occurred: (i) the Bank shall have consented to such assignment or sublease; and (ii) the Bank shall have received assurance acceptable to the Bank that such assignment or sublease: (A) is authorized under applicable state law, (B) will not adversely affect the validity of this Lease, and (C) will not adversely affect the exclusion from gross income for federal income tax purposes of the interest components of the Lease Payments.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

**SECTION 7.1 Events of Default Defined.** The following shall be “events of default” under this Lease and the terms “events of default” and “default” shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) **Payment Default.** Failure by the Lessee to pay any Lease Payment required to be paid hereunder by the corresponding Lease Payment Date.

(b) **Covenant Default.** Failure by the Lessee to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto other than as referred to in clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee by the Bank; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Bank shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(c) **Bankruptcy or Insolvency.** The filing by the Lessee of a case in bankruptcy, or the subjection of any right or interest of the Lessee under this Lease to any execution, garnishment or attachment, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of creditors, or the entry by the Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted.

The foregoing provisions of this Section 7.1 are subject to the provisions of Section 3.2 hereof with respect to nonappropriation.

**SECTION 7.2 Remedies on Default.** Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, the Bank shall have the right, at its sole option without any further demand or notice to take one or any combination of the following remedial steps:

(a) take possession of the Leased Property by virtue of the Bank’s ownership interest as lessor of the Leased Property;

(b) hold the Lessee liable for the difference between (i) the rents and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, as appropriate, and (ii) the rent paid by a lessee of the Leased Property pursuant to such lease; and

(c) take whatever action at law or in equity may appear necessary or desirable to enforce its right hereunder.

**SECTION 7.3 No Remedy Exclusive.** No remedy conferred herein upon or reserved to the Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

SECTION 7.4 Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will pay on demand to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

SECTION 7.5 Waiver of Certain Damages. With respect to all of the remedies provided for in this Article VII, the Lessee hereby waives any damages occasioned by the Bank's repossession of the Leased Property upon an event of default.

## ARTICLE VIII

### PREPAYMENT OF LEASE PAYMENTS IN PART

SECTION 8.1 Extraordinary Prepayment From Net Proceeds. To the extent, if any, required pursuant to Section 4.1 the Lessee shall be obligated to purchase the Leased Property by prepaying the Lease Payments in whole or in part on any date, from and to the extent of any Net Proceeds or other moneys pursuant to Article IV hereof. The Lessee and the Bank hereby agree that in the case of such prepayment of the Lease Payments in part, such Net Proceeds or other moneys shall be credited toward the Lessee's obligations hereunder pro rata among Lease Payments so that following prepayment, the remaining annual Lease Payments will be proportional to the initial annual Lease Payments.

SECTION 8.2 Option to Purchase Leased Property. Subject to the terms and conditions of this Section, the Bank hereby grants an option to the Lessee to purchase all or a portion of the Leased Property by paying on any date a price equal to the portion of the outstanding principal component of the Lease Payments that is allocable to such portion of the Leased Property that is being so purchased, without premium, plus the accrued interest component of such portion of the Lease Payments to such payment date. To exercise this option, the Lessee must deliver to the Bank written notice specifying the date on which the Leased Property is to be purchased (the "Closing Date"), which notice must be delivered to the Bank at least thirty (30) days prior to the Closing Date specified therein. The Lessee may purchase the Leased Property pursuant to the option granted in this Section only if the Lessee has made all Lease Payments when due (or has remedied any defaults in the payment of Lease Payments, in accordance with the provisions of this Lease) and all other warranties, representations, covenants, and obligations of the Lessee under this Lease have been satisfied (or all breaches thereof have been waived by the Bank in writing).

Upon the expiration of the Scheduled Term of this Lease and provided that all conditions of the immediately preceding paragraph have been satisfied (except those pertaining to notice), the Lessee shall be deemed to have purchased the Leased Property (without the need for payment of additional moneys) and shall be vested with all rights and title to the Leased Property.

## ARTICLE IX

### MISCELLANEOUS

SECTION 9.1 Notices. Unless otherwise specifically provided herein, all notices shall be in writing addressed to the respective party as set forth below (or to such other address as the party to whom such notice is intended shall have previously designated by written notice to the serving party), and may be personally served, telecopied, or sent by overnight courier service or United States mail:

If to Bank:

If to the Lessee:

Zions First National Bank  
Public Financial Services  
One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, Utah 84133  
Attention: Mark Tsuyuki

City of Safford  
PO Box 272  
Safford, AZ 85548  
Attention: Terry Quest

Such notices shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy, on the date of transmission if transmitted by 4:00 p.m. (Salt Lake City time) on a Business Day or, if not, on the next succeeding Business Day; (c) if delivered by overnight courier, two Business Days after delivery to such courier properly addressed; or (d) if by United States mail, four Business Days after depositing in the United States mail, postage prepaid and properly addressed.

SECTION 9.2 System of Registration. The Lessee shall be the Registrar for this Lease and the rights to payments hereunder. The Bank shall be the initial Registered Owner of rights to receive payments hereunder. If the Bank transfers its rights to receive payments hereunder, the Registrar shall note on this Lease the name and address of the transferee.

SECTION 9.3 Instruments of Further Assurance. To the extent, if any, that the Bank's interest in the Leased Property as Lessor under this Lease is deemed to be a security interest in the Leased Property, then the Lessee shall be deemed to have granted, and in such event the Lessee does hereby grant, a security interest in the Leased Property to the Bank, which security interest includes proceeds, and this Lease shall constitute a security agreement under applicable law. Concurrently with the execution of this Lease, the Lessee has executed, delivered, and filed and/or recorded all financing statements, UCC forms, mortgages, deeds of trust, notices, filings, and/or other instruments, in form required for filing and/or recording thereof, as are required under applicable law to fully perfect such security interest of the Bank in the Leased Property (collectively, "Security Documents"). Attached hereto as Exhibit E are copies of all such Security Documents. The Lessee will do, execute, acknowledge, deliver and record, or cause to be done, executed, acknowledged, delivered and recorded, such additional acts, notices, filings and instruments as the Bank may require in its sole discretion to evidence, reflect and perfect the title, ownership, leasehold interest, security interest and/or other interest of the Bank in and to any part or all of the Leased Property, promptly upon the request of the Bank.

SECTION 9.4 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Bank and the Lessee and their respective successors and assigns.

SECTION 9.5 Amendments. This Lease may be amended or modified only upon the written agreement of both the Bank and the Lessee.

SECTION 9.6 Section Headings. Section headings are for reference only, and shall not be used to interpret this Lease.

SECTION 9.7 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by a court of competent jurisdiction, to the extent permitted by law, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.8 Entire Agreement. This Lease and the attached Exhibits constitute the entire agreement between the Bank and the Lessee and supersedes any prior agreement between the Bank and the Lessee with respect to the Leased Property, except as is set forth in an Addendum, if any, which is made a part of this Lease and which is signed by both the Bank and the Lessee.

SECTION 9.9 Execution in Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.10 Arbitration. To the extent permitted by law, any dispute, controversy or claim arising out of or based upon the terms of this Lease or the transactions contemplated hereby shall be settled exclusively and finally by binding arbitration. Upon written demand for arbitration by any party hereto, the parties to the dispute shall confer and attempt in good faith to agree upon one arbitrator. If the parties have not agreed upon an arbitrator within thirty (30) days after receipt of such written demand, each party to the dispute shall appoint one arbitrator and those two arbitrators shall agree upon a third arbitrator. Any arbitrator or arbitrators appointed as provided in this section shall be selected from panels maintained by, and the binding arbitration shall be conducted in accordance with the commercial arbitration rules of, the American Arbitration Association (or any successor organization), and such arbitration shall be binding upon the parties. The arbitrator or arbitrators shall have no power to add or detract from the agreements of the parties and may not make any ruling or award that does not conform to the terms and conditions of this Lease. The arbitrator or arbitrators shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Judgment upon an arbitration award may be entered in any court having jurisdiction. The prevailing party in the arbitration proceedings shall be awarded reasonable attorney fees and expert witness costs and expenses.

SECTION 9.11 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Bank has caused this Lease to be executed in its name by its duly authorized officer, and the Lessee has caused this Lease to be executed in its name by its duly authorized officer, as of the date first above written.

**ZIONS FIRST NATIONAL BANK**, as Lessor

By: \_\_\_\_\_  
Authorized Officer

**CITY OF SAFFORD**, as Lessee

By: \_\_\_\_\_  
\_\_\_\_\_  
Title

STATE OF )  
COUNTY OF )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary \_\_\_\_\_ (Seal)

STATE OF )  
COUNTY OF )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary \_\_\_\_\_ (Seal)

EXHIBIT A

FIXED RATE

LEASE PAYMENT DEBT SERVICE SCHEDULE\*

**1. Interest.** Interest components payable on the principal amount outstanding have been computed at the rate of 1.96 percent ( 1.96 %) per annum calculated based on actual number of days elapsed during a 360 day year.

**2. Payment Dates and Amounts.**

Payment Date Principal Component Interest Component Total Lease Payment

[SEE ATTACHED PAYMENT SCHEDULE]

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

Land for Future Road Expansion

Subject Address: 1424 W Thatcher Blvd, Safford, Arizona 85546, Graham County

Legal Description: Beg N 183', E 132', S 183', W 132' to Beg and West 40' of 102-17-026

APN #: 102-17-012A and 102-17-026

EXHIBIT C

RESOLUTION NUMBER 14-038  
(1424 W Thatcher Blvd. Future ROW)

**A resolution of the Mayor and City Council of the City of Safford, Graham County, Arizona approving the form of the Lease/Purchase Agreement with Zions First National Bank, Salt Lake City, Utah and authorizing the execution and delivery thereof and authorizing the Mayor to execute.**

*Whereas*, The City Council (the “Governing Body”) of City of Safford (the “Lessee”) has determined that the leasing of the property described in the Lease/Purchase Agreement (the “Lease/Purchase Agreement”) presented at this meeting is for a valid public purpose and is essential to the operations of the Lessee; and

*Whereas*, the Governing Body has reviewed the form of the Lease/Purchase Agreement and has found the terms and conditions thereof acceptable to the Lessee; and

*Whereas*, either there are no legal bidding requirements under applicable law to arrange for the leasing of such property under the Lease/Purchase Agreement, or the Governing Body has taken the steps necessary to comply with the same with respect to the Lease/Purchase Agreement.

*Be it resolved* by the Governing Body of City of Safford as follows:

SECTION 1. The terms of said Lease/Purchase Agreement are in the best interests of the Lessee for the leasing of the property described therein.

SECTION 2. The appropriate officers and officials of the Lessee are hereby authorized and directed to execute and deliver the Lease/Purchase Agreement in substantially the form presented to this meeting and any related documents and certificates necessary to the consummation of the transactions contemplated by the Lease/Purchase Agreement for and on behalf of the Lessee. The officers and officials of the Lessee may make such changes to the Lease/Purchase Agreement and related documents and certificates as such officers and officials deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The officers and officials of the Governing Body and the Lessee are hereby authorized and directed to fulfill all obligations under the terms of the Lease/Purchase Agreement.

Passed, Adopted and Approved by the Mayor and City Council of the City of Safford, Graham County, Arizona this 13th day of October, 2014.

---

Wyn "Chris" Gibbs, Mayor  
City of Safford

ATTEST:

APPROVED AS TO FORM:

---

Georgia Luster, MMC  
City Clerk

---

William J. Sims, III  
Interim City Attorney

STATE OF ARIZONA

)

) ss.

COUNTY OF GRAHAM

)

I, \_\_\_\_\_ hereby certify that I am the duly qualified and acting  
\_\_\_\_\_ of City of Safford (the "Lessee").  
(Title)

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the governing body including a Resolution adopted at said meeting held on \_\_\_\_\_, 2014, as said minutes and Resolution are officially of record in my possession, and that a copy of said Resolution was deposited in my office on \_\_\_\_\_, 2014.

*In witness whereof*, I have hereunto set my hand on behalf of the Lessee this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

## EXHIBIT D

### Opinion of Lessee's Counsel

To: Zions First National Bank  
One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, Utah 84133

Gentlemen:

As counsel for City of Safford ("Lessee"), I have examined duly executed originals of the Lease/Purchase Agreement (the "Lease") dated October 21, 2014, between the Lessee and Zions First National Bank, Salt Lake City, Utah ("Bank"), and the proceedings taken by Lessee to authorize and execute the Lease (the "Proceedings"). Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body corporate and politic, legally existing under the laws of the State of Arizona (the "State").

2. The Lease and the Proceedings have been duly adopted, authorized, executed, and delivered by Lessee, and do not require the seal of Lessee to be effective, valid, legal, or binding.

3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which the Proceedings were adopted and the Lessee's execution of the Lease was authorized.

4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable against Lessee in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditor's rights generally.

5. Either there are no usury laws of the State applicable to the Lease, or the Lease is in accordance with and does not violate all such usury laws as may be applicable.

6. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property (as defined in the Lease) from the Bank under the Lease, or the acquisition and leasing of the Leased Property from the Bank under the Lease comply with all such procurement and public bidding laws as may be applicable.

7. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.

8. The adoption, execution and/or delivery of the Lease and the Proceedings, and the compliance by the Lessee with their provisions, will not conflict with or constitute a breach of or default under any court decree or order or any agreement, indenture, lease or other instrument or any existing law or administrative regulation, decree or order to which the Lessee is subject or by which the Lessee is or may be bound.

9. Although we are not opining as to the ownership of the Leased Property or the priority of liens thereon, it is also our opinion that the Security Documents attached as Exhibit E to the Lease are

sufficient in substance, form, and description, and indicated place, address, and method of filing and/or recording, to completely and fully perfect the security interest in every portion of the Leased Property granted under the Lease, and no other filings and/or recordings are necessary to fully perfect said security interest in the Leased Property.

---

Attorney for Lessee

EXHIBIT E

SECURITY DOCUMENTS

[Attach Security Documents here]

When recorded, please return to:

Kirsi Hansen  
Zions First National Bank  
One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, UT 84133

## **DEED OF TRUST AND ASSIGNMENT OF RENTS**

This Deed of Trust, made this 21<sup>st</sup> day of October, 2014, between ZIONS FIRST NATIONAL BANK, (herein called "Trustee"), whose mailing address is One South Main Street, 17<sup>th</sup> Floor, Salt Lake City, UT 84133, CITY OF SAFFORD, a city established under Arizona Revised Statutes (herein called "Trustor"), whose mailing address is PO Box 272, Safford, AZ 85548, and ZIONS FIRST NATIONAL BANK, (herein called "Beneficiary"), whose mailing address is One South Main Street, 17<sup>th</sup> Floor, Salt Lake City, UT 84133.

WITNESSETH: That Trustor conveys, transfers, and assigns to Trustee in Trust, with Power of Sale, the following described real property in Graham, Arizona:

Parcel #: 102-17-012A and 102-17-026  
Property Address: 1424 W Thatcher Blvd, Safford, Arizona 85546  
Property Description: Beg N 183', E 132', S 183', W 132' to Beg and West 40' of 102-17-026

The real property address is commonly known as 1424 W Thatcher Blvd, Safford, AZ 85546.

This Deed of Trust, made on the above date between the Trustor, Trustee, and Beneficiary above named,

WITNESSETH: That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, for the benefit of Beneficiary, the above-described real property, improvements and fixtures, together with leases, rents, issues, profits, or income thereof (all of which are hereinafter called "property income"); SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; AND SUBJECT TO existing taxes, assessments, liens, encumbrances, covenants, conditions, restrictions, right of way, and easements of record.

FOR THE PURPOSE OF SECURING:

Payment of the indebtedness evidenced by a Lease/Purchase Agreement of even date herewith, and any extension or renewal thereof in the principal sum of \$500,000.00 executed by Trustor in favor of Beneficiary or order.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep said property in good condition; not to remove or demolish any building thereon; and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violation of law; and of all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
2. To promptly notify Beneficiary of any loss or damage to the property. Beneficiary may make proof of loss if Trustor fails to do so within fifteen (15) days of the casualty. Trustor shall be entitled to use any such insurance proceeds to repair the property provided (i) Trustor is not in default hereunder and (ii) Trustor provides evidence reasonably satisfactory to Beneficiary that Trustor has the financial ability to complete any necessary repairs and after the completion of the repairs, the value of the property will be approximately equal to the value of the property prior to the damage.
3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary and Trustee; including the cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.
4. To pay all taxes and assessments affecting said property; when due, all encumbrances, charges, and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance, and all lawful charges, costs and expenses in the event of reinstatement of , following default in, this Deed of Trust or the obligations secured hereby. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee; but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or power of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in the exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable fees.
5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the Lease/Purchase Agreement secured by this Deed of Trust or at the highest legal rate, whichever be the greater rate. Any amounts so paid by Beneficiary or Trustee shall become a part of the debt secured by this Deed of Trust and a lien on said premises and be immediately due and payable at option of Beneficiary or Trustee. Any such amounts shall bear interest at the same rate borne by amounts due under the Lease/Purchase Agreement until paid.

IT IS MUTUALLY AGREED:

6. Trustor may use the proceeds that may be received from any condemnation or other similar taking for a governmental purpose provided (i) Trustor is not in default hereunder and (ii) Trustor provides evidence reasonably acceptable to Beneficiary that Trustor has the financial ability to complete any necessary repairs or reconstruction and the value of the property will be approximately equal to the value of the property prior to the condemnation or taking.
7. That time is of the essence of this Deed of Trust, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
8. That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said Lease/Purchase Agreement for endorsement, and without liability therefore, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity the any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, and upon payment of its fees, the Trustee may (a) release and reconvey all or part of said property; (b) consent to the making and recording, or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance, or charge hereof.
9. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Lease/Purchase Agreement to Trustee for cancellation and retention, and upon payment of its fees, Trustee shall release and reconvey, without covenant or warranty, express or implied, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."
10. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default, Beneficiary may at any time, without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such property income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such property income, and the application thereof as aforesaid, shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.
11. That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, and after the expiration of an applicable notice provided in Lease/Purchase Agreement secured by this Deed of Trust, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of

written notice thereof, setting for the nature thereof, and of election to cause to be sold said property under this Deed of Trust. Beneficiary also shall deposit with Trustee this Deed of Trust, said Lease/Purchase Agreement and all documents evidencing expenditures secured hereby. Trustee shall record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee shall sell, in the manner required by law, said property at a public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee shall deliver to such purchaser its Deed conveying the property to be sold, but without any covenant or warranty, express or implied. Any persons, including Trustor, Trustee, or Beneficiary, may purchase at such sale. After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees, Trustee shall apply the proceeds of sale to payment of: All sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. 33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder.

12. That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor.
13. That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrator, executor, successors, and assigns. The term Beneficiary shall mean the owner and holder of the Lease/Purchase Agreement secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.
14. That the Trustor hereby waives, releases and discharges any homestead exemption claimed or declared against the property. Beneficiary named on this Deed of Trust shall be subrogated to the lien, notwithstanding its release of record of any prior mortgage, Trust Deed or other encumbrance paid or discharged from the proceeds of the Lease/Purchase Agreement secured hereby or from any advance made by the Beneficiary. This right of subrogation shall not be affected by the creation or declaration of homestead on the property.
15. That should the above-described property be sold or conveyed by the Trustor, that the entire principal and accrued interest of the indebtedness shall all become due and payable without notice or demand.

The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to him at the address hereinbefore set forth.

BENEFICIARY:  
ZIONS FIRST NATIONAL BANK

TRUSTOR:  
CITY OF SAFFORD

By \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_

STATE OF UTAH  
County of Salt Lake

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by  
\_\_\_\_\_, as \_\_\_\_\_ of ZIONS FIRST NATIONAL BANK.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

STATE OF ARIZONA  
County of Graham

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by  
\_\_\_\_\_, as \_\_\_\_\_ of the CITY OF SAFFORD.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**Capital Financing Lease - for equipment and land purchase**

**Bid Opening Date and Time: Wednesday, October 1, 2014 at 2:00 p.m.**

<b>Terry Quest, Finance Director:</b>	<b>tquest@ci.safford.az.us</b>				
<b>Phone Number:</b>	<b>928-432-4031</b>				
<b>City requests rate lock of 60 days</b>					
		<b>Bid</b>			
<b>NAME OF BIDDER</b>	<b>DATE BID RECEIVED</b>	<b>Equipment</b>	<b>Land</b>	<b>Rate Lock</b>	<b>COMMENTS</b>
<b>Baystone Government Fin.</b>	Sept. 29, 2014	2.88	3.249	30 days	City responsible for closing cost/legal fees on land transaction
<b>Caterpillar Financial</b>	Sept. 29, 2014	2.7		180 days	Proposed 6 year financing No prepayment penalty
<b>Bank of America</b>	October 1, 2014	2.24	2.24	60 days	Offered 2.13% through Oct. 16th City responsible for closing expense
<b>JP Morgan Chase Bank</b>	October 1, 2014	1.86		None	Based on Swap Rate at Sept. 25th Prepayment penalty Final interest rate will be set 3 days prior to closing
<b>BBVA Compass</b>	October 1, 2014	2.33		60 days	No prepayment allowed Term sheet must be signed by October 14th Up to \$33,500 closing cost
<b>Zion First National Bank</b>	October 1, 2014	1.96	1.96	60 days	No prepayment penalty