



AGENDA

6:00 PM

CITY OF SAFFORD, CITY COUNCIL MEETING

MONDAY, May 11, 2015

MEETING LOCATION: SAFFORD LIBRARY PROGRAM ROOM ♦ 808 S 7TH 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 7th Avenue, Safford, Arizona.

City Council Meeting Agendas are available on the city's website at: 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.

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.

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:** Pastor Johnny Wilson will offer the Opening Prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS:**
6. **PUBLIC HEARING:** Pursuant to *Arizona Revised Statutes §38-431.01*, Mayor Gibbs will open a Public Hearing for the purpose of taking public comment relating to a Liquor License and make recommendation to the state liquor board regarding (Interim Permit/New License) Series 10, Beer and Wine license application submitted by Roger Kenneth Burton on behalf of Giant Store #908 located at 300 W. Hwy, 70, Safford, Arizona. When the hearing is concluded, the Mayor and Council shall take action and make recommendation to the state liquor board regarding the application.
7. **CLOSE PUBLIC HEARING:** Mayor Gibbs will close the Public Hearing.
8. **NEW AND OLD BUSINESS:**
 1. Recommendation to the State Liquor Board approving or denying an application for (Interim Permit/New License) Series 10, Beer and Wine license application submitted by Roger Kenneth Burton on behalf of Giant Store #908 located at 300 W. Hwy, 70, Safford, Arizona. (Staff, Georgia Luster)
INFORMATION/DISCUSSION/ACTION
 2. Consider approving Library Policy, CIR-7 Fines and Fees. (Staff, Leanne McElroy)
INFORMATION/DISCUSSION/ACTION
 3. Consider approving April 13 and April 27, 2015, Council Meeting Minutes. (Staff, Georgia Luster) **INFORMATION/DISCUSSION/ACTION**
 4. Provide an update to the Council on changes implemented to the "Pride of Safford" community award program. (Horatio Skeete) **INFORMATION/DISCUSSION/ACTION**
 5. Discussion and direction to staff regarding regional transportation services (Bus Service). (Horatio Skeete) **INFORMATION/DISCUSSION/ACTION**
9. **CONTRACTS, AGREEMENTS, BIDS:**
 1. Consider approving an addendum to extend a land lease agreement from May 1, 2005 between the City of Safford and PHI Air Medical, LLC, for an additional five years to April 30, 2020. (Staff, Dustin Welker) **INFORMATION/DISCUSSION/ACTION**



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MEETING LOCATION: SAFFORD LIBRARY PROGRAM ROOM ♦ 808 S 7TH 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.

2. Consider approving the Site Purchase Agreement between the City of Safford and Tommy and Betty Clonts, Co-Trustees of the Clonts Living Trust dated January 24, 2007. (Staff, Jenny Howard) **INFORMATION/DISCUSSION/ACTION**

3. Discussion and provide direction to staff. Staff is seeking permission to continue the conversation about the possible sale of the infrastructure within the Central service area to the Graham County Utilities which would facilitate easier transmission of the EAC well water to the college campus for their use. (Horatio Skeete) **INFORMATION/DISCUSSION**

10. BUDGET PRESENTATIONS:

1. Provide information to the Mayor and Council about the remaining outstanding elements of the proposed Fiscal Year 2015-2016 Budget.

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

- Monday, May 25th – Memorial Day Holiday
- Tuesday, May 26th – Council Meeting
- Monday, June 8th - Council Meeting
- Monday, June 22nd – Council Meeting

12. COUNCIL OR STAFF REQUESTS FOR AGENDA ITEMS:

- Presentation by staff updating Council on water table management.

13. 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.*

14. ADJOURN

Date Posted: _____

Georgia Luster, MMC, City Clerk



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Georgia Luster, City Clerk
SUBJECT: PUBLIC HEARING - Liquor License Applications
DATE: Monday, May 11, 2015 at 6:00 p.m.

Purpose and Recommended Action:

This is a Public Hearing for the purpose of taking public comment relating to a request regarding an Interim Permit/New License, Series 10 Beer and Wine application submitted by Roger Kenneth Burton on behalf of Giant Store #908 located at 300 East Hwy 70, Safford, Arizona.

Attachments: Application

'15 APR 15 Lic. Lic. #1051

ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

800 W Washington 5th Floor
Phoenix AZ 85007-2934

(602) 542-5141

QUESTIONNAIRE

AMENDMENT

Attention all Local Governing Bodies: Social Security and Birthdate information is Confidential. This information may be given to local law enforcement agencies for the purpose of background checks only but must be blocked to be unreadable prior to posting or any public view.

Read carefully. This instrument is a sworn document. Type or print with BLACK INK. An extensive investigation of your background will be conducted. False or incomplete answers could result in criminal prosecution and the denial or subsequent revocation of a license or permit.

TO BE COMPLETED BY EACH CONTROLLING PERSON, AGENT OR MANAGER. EACH PERSON COMPLETING THIS FORM MUST SUBMIT AN "APPLICANT" TYPE FINGERPRINT CARD AVAILABLE AT THIS OFFICE. FINGERPRINTS ON FBI-APPROVED CARDS ARE ACCEPTED FROM LAW ENFORCEMENT AGENCIES, BONA FIDE FINGERPRINT SERVICES, OR THE DEPARTMENT OF LIQUOR. THE DEPARTMENT CHARGES A \$13 FEE.

In addition to other fingerprint fees, a \$22 DPS background check fee will be charged for each fingerprint card.

The fees allowed by A.R.S. § 44-6852 will be charged for all dishonored checks.

Liquor License #

10053038

(If the location is currently licensed)

1. Check appropriate box →	Controlling Person	✓ Agent	Manager (Only)
	(Complete Questions 1-19)		(Complete All Questions except # 14, 14a & 21)
	Controlling Person or Agent must complete #21 for a Manager		Controlling Person or Agent must complete # 21

2. Name: Burton, Roger Kenneth Date of Birth: / /
Last First Middle (NOT a Public Record)

3. Social Security Number: Drivers License #: State:
(NOT a public record) (NOT a public record)

4. Place of Birth: Height: Weight: Eyes: Hair:
City State Country (not county)

5. Marital Status Single Married Divorced Widowed

6. Name of Current or Most Recent Spouse: Date of Birth: / /
(List all for last 5 years - Use additional sheet if necessary) Last First Middle Maiden (NOT a public record)

7. You are a bona fide resident of what state? If Arizona, date of residency:

8. Telephone number to contact you during business hours for any questions regarding this document.

9. If you have been an Arizona resident for less than three (3) months, submit a copy of your Arizona driver's license or voter registration card.

10. Name of Licensed Premises: Giant Store # 908 Premises Phone:

11. Physical Location of Licensed Premises Address: 300 East Hwy 70 Safford, Graham, 85546
Street Address (Do not use PO Box #) City County Zip

12. List your employment or type of business during the past five (5) years. If unemployed part of the time, list those dates. List most recent 1st

FROM Month/Year	TO Month/Year	DESCRIBE POSITION OR BUSINESS	EMPLOYER'S NAME OR NAME OF BUSINESS (street address, city, state & zip)
	CURRENT		

ATTACH ADDITIONAL SHEET IF NECESSARY FOR EITHER SECTION

13. Indicate your residence address for the last five (5) years:

FROM Month/Year	TO Month/Year	Rent or Own	RESIDENTIAL Street Address If rented, attach additional sheet with name, address and phone number of landlord	City	State	Zip
	CURRENT					

Disabled individuals requiring special accommodations, please call the Department (602) 542-9027

Arizona Department of Liquor Licenses and Control
800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

received
4/13/15

APPLICATION FOR LIQUOR LICENSE
TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- MORE THAN ONE LICENSE
- INTERIM PERMIT *Complete Section 5*
- NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- PERSON TRANSFER (Bars & Liquor Stores ONLY)
Complete Sections 2, 3, 4, 11, 13, 15, 16
- LOCATION TRANSFER (Bars and Liquor Stores ONLY)
Complete Sections 2, 3, 4, 12, 13, 15, 16
- PROBATE/WILL ASSIGNMENT/DIVORCE DECREE
Complete Sections 2, 3, 4, 9, 13, 16 (fee not required)
- GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

SECTION 2 Type of ownership:

- J.T.W.R.O.S. *Complete Section 6*
- INDIVIDUAL *Complete Section 6*
- PARTNERSHIP *Complete Section 6*
- CORPORATION *Complete Section 7*
- LIMITED LIABILITY CO. *Complete Section 7*
- CLUB *Complete Section 8*
- GOVERNMENT *Complete Section 10*
- TRUST *Complete Section 6*
- OTHER (Explain) _____

SECTION 3 Type of license and fees LICENSE #(s):

10053038

1. Type of License(s): Beer and Wine Series 10

2. Total fees attached:

Department Use Only
\$ 222

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.
The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

- 1. Owner/Agent's Name: Mr. Burton, Roger Kenneth
(Insert one name ONLY to appear on license) Last First Middle
P1658532
- 2. Corp./Partnership/L.L.C.: Western Refining Retail, LLC
(Exactly as it appears on Articles of Inc. or Articles of Org.) B10531642
- 3. Business Name: Giant Store # 908
(Exactly as it appears on the exterior of premises) B1007670
- 4. Principal Street Location: 300 W. Hwy 70 Safford Graham 85546
(Do not use PO Box Number) City County Zip
- 5. Business Phone: 928-428-4011 Daytime Phone: 602-286-1922 Email: roger.burton@wnr.com
- 6. Is the business located within the incorporated limits of the above city or town? YES NO
- 7. Mailing Address: 1250 W. Washington Street # 101, Tempe, AZ 85281
City State Zip
- 8. Price paid for license only bar, beer and wine, or liquor store: Type \$ Type \$

DEPARTMENT USE ONLY

Fees:	100 ⁻	100 ⁻	—	22 ⁻	\$	222 ⁻
	Application	Interim Permit	Site Inspection	Finger Prints		TOTAL OF ALL FEES

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? YES NO

Accepted by: C. Bejar Date: 4-2-15 Lic. # 10053038

SECTION 5 Interim Permit:

15 MAR 20 Lic. Lic. AM1052

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.
2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location. 10053005
4. Is the license currently in use? YES NO If no, how long has it been out of use? _____

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, Roger Kenneth Burton, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

(Print full name)

X Roger Kenneth Burton
(Signature)

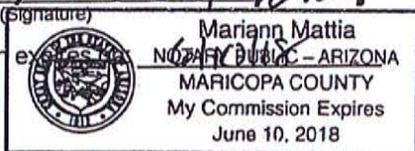
State of AZ County of MARICOPA

The foregoing instrument was acknowledged before me this

17th day of Feb, 2015
Day Month Year

Mariann Mattia
(Signature of NOTARY PUBLIC)

My commissioner expires



SECTION 6 Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$22 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) _____

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						

) Y R A S S E C E N F I T

2. Is any person, other than the above, going to share in the profits/losses of the business? YES NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Georgia Luster, City Clerk
SUBJECT: Giant Store #908 Liquor License Applications
DATE: Monday, May 11, 2015 at 6:00 p.m.

Purpose and Recommended Action:

Recommendation to the State Liquor Board approving or denying an application for Interim Permit/New License, Series 10 Beer and Wine application submitted by Roger Kenneth Burton on behalf of Giant Store #908 located at 300 East Hwy 70, Safford, Arizona.

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4. Place of Birth: Height: Weight: Eyes: Hair:
City State Country (not county)

5. Marital Status Single Married Divorced Widowed

6. Name of Current or Most Recent Spouse: Date of Birth: / /
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DEPARTMENT USE ONLY

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3. Enter the license number currently at the location. 10053005
4. Is the license currently in use? YES NO If no, how long has it been out of use? _____

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I, Roger Kenneth Burton, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

(Print full name)

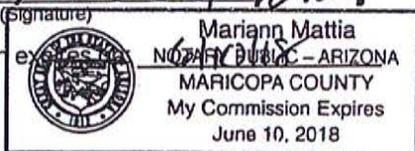
State of AZ County of MARICOPA

X Roger Kenneth Burton
(Signature)

The foregoing instrument was acknowledged before me this

17th day of Feb, 2015
Day Month Year

My commissioner expires



Mariann Mattia
(Signature of NOTARY PUBLIC)

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Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) _____

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						

) Y R A S S E C E N F I T

2. Is any person, other than the above, going to share in the profits/losses of the business? YES NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Leanne McElroy, Library Director
SUBJECT: Discussion of Revisions to Library Policy CIR-7 Fines and Fees
DATE: Monday, May 11, 2015 at 6:00 p.m.

Purpose and Recommended Action: Consider approving revisions to library policy CIR-7 Fines and Fees.

Background: The proposed changes were presented to the Council at the Council Meeting held February 23, 2015. Pursuant to *Arizona Revised Statutes* §9-499.15, proposed CIR-7 Fines and Fees were posted on the City's website for 60 days.

Last year, the new CIR-6 policy was enacted and it dramatically changed how materials that are overdue, lost or damaged beyond repair would be handled by the library. Much of the wording about these materials were previously included in CIR-7 Fines and Fees. Consequently, CIR-7 needed to be revised to address these changes. During the revision process, we simplified some of the wording, included omitted fee services and added clarification for damaged and incomplete materials. These revisions were approved by the Library Advisory Board on January 29th.

CIR – 7 Fines and Fees

Policy Statement – The following schedules are established to advise patrons of financial penalties levied by the library and for-fee library services. They also guide staff in determining the appropriate amount for those penalties and services.

Regulations:

Schedule of fines:

1. Fines for overdue materials:

The library does not charge overdue fines for any materials that it owns with the exception of materials on hold or items borrowed through interlibrary loan.

1.1

Overdue InterLibrary Loan	\$ 1.00 /day
Non Pick-up of InterLibrary Loan	\$ 5.00

1.2

Overdue Hold Return	\$ 5.00
---------------------	---------

Upon notification, a fine will be charged for an overdue book that has been put on hold (i.e. another patron is waiting for it) and is not returned by the specified date.

2. Fines for materials that are lost or damaged beyond repair:

Please see CIR-6 Materials: Overdue, Lost or Damaged Beyond Repair for more information.

3. Fines for damaged and incomplete materials:

Charges will be assessed for materials that are returned partially damaged or incomplete on a case-by-case basis. All cost evaluations will be determined by paid library staff based on guidelines approved by the library director.

Accounts with a fine will have all library privileges restricted until the situation is resolved or the fine is completely satisfied.

Schedule of fees:

1. **Photocopies** \$.20/copy
 - Each side is charged independently.

2. **Printing from computers** \$.20/page
 - The customer is responsible for paying for each page that comes from the printer whether the page is wanted or not.

3. **Printing from microfilm** \$.10/page

4. **Replacement library cards** \$3.00
 - A replacement library card must be purchased if the patron has lost his or her card and is still listed in the circulation system.
 - A replacement fee will be charged for replacement of damaged or mutilated cards.
 - If a library card is defective or stolen, the library will replace it at no charge.

NOTE: All the above fees are subject to change at anytime with approval from the Library Director.

Library board approval date: 1/18/2007

City Council approval date: 5/14/2007

Implementation date: 5/14/2007

New Library Board Approval Date: 1/19/2012

New City Council Approval Date: 5/14/2012

New Library Board Approval Date: 1/29/2015

New City Council Approval Date:



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Georgia Luster, City Clerk
SUBJECT: Council Meeting Minutes
DATE: Monday, May 11, 2015 at 6:00 p.m.

Purpose and Recommended Action: This is a request for the Council to review and approve April 13 and April 27, 2015 City Council Meeting Minutes. **ACTION**

Attachments: April 13 and April 27, 2015 Council Meeting Minutes



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

**CITY OF SAFFORD
COUNCIL MEETING MINUTES
Monday, April 13, 2015 @ 6:00 PM
Safford Library Program Room, 808 S. 7th Avenue, Safford, Arizona**

PRESENT: Wyn “Chris” Gibbs, Mayor; Mary Bingham, Vice Mayor; Kenneth Malloque, Gene Seale, James D. Howes and Richard Ortega.

ABSENT: Arnold A. Lopez, Councilman.

STAFF PRESENT: Horatio Skeete, City Manager; Leslie Norton, Executive Secretary; Joe Brugman, Chief of Police; Randy Petty, City Engineer; Dustin Welker, Planning and Community Development Director; Jenny Howard, Public Works Director; Alma Flores, Senior Accountant; Terry Quest, Finance Director; Leanne McElroy, Library Director; Cliff Davis, Human Resources Officer; and Georgia Luster, City Clerk. Dale Clark assisted with the audio recording of the meeting.

OTHERS PRESENT: Pastor John Neil, Steven Maxwell (Ponderosa Aviation), John Neal, Jeff McCormick, Thaddeus Hosford, Rex Bryce, Clark Bingham (Fire Chief), James Bryce, Kelly Van Shaar video recorded the meeting.

- 1. WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:00:27 p.m.
- 2. ROLL CALL:** A quorum of the Council was present (6-1).
- 3. PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the Flag.
- 4. OPENING PRAYER:** Pastor John Neil offered the Opening Prayer.
- 5. CITIZEN COMMENTS ON AGENDA ITEMS:** NONE
- 6. PUBLIC HEARING:** Mayor Gibbs opened a Public Hearing at 6:02:02 p.m. to hear public comments in compliance with *Arizona Revised Statutes* §38.431.02 regarding adding **Title 20 – Public Parks and Recreational Facilities** to the *City of Safford Municipal Code*.

Police Chief Brugman provided a summary presentation about the ordinance by presenting a PowerPoint Presentation. He stated the proposed ordinance is a very common ordinance provided throughout the State of Arizona. The intent is not to add restrictions, but to help the police department to be aware of what's going on in Parks. The proposed ordinance includes Park hours that remain the same, 6:00 AM to 10:30 AM; Enforceable by ordinance rather than Arizona Revised Statutes; Definitions; Prohibited Uses and Activities; Uses and Activities Requiring a Permit; and Dogs in the Park. He explained the change is to standardize and broaden park rules to enhance Parks; rules are designed to further develop safe and pleasant areas for citizens; to allow for consistent enforcement when necessary and to establish rules to stay ahead of potential challenges. Chief Brugman recommended a revision in Section 20.01.020 – Prohibited Uses and Activities:

*N. Deadly weapons. Discharging of firearms in parks, facilities, and parklands except in **designated areas or as allowed for justification as set forth in Chapter 4 of Title 13 of Arizona Revised Statutes.***

*DD. Golfing, operating model rockets or remote control models including airplanes, helicopters and boats **in areas not designated for such activity.***

*EE. Playing disc golf or archery **in areas not designated for such use.***

*FF. Driving, riding, or . . . except upon public roadways, **or in areas specifically designated, or designated parking areas.***

Opened up discussion regarding large groups of fifty or more persons (Section GG). Council agreed that large groups are required to get a permit. Therefore, this section can remain.

There were no comments from the public favoring or opposing the proposed ordinance.

Mayor Gibbs closed the Public Hearing at 6:16:11 p.m. and reconvened open session.

7. NEW/OLD BUSINESS:

1. **Approve March 9 and March 23, 2015, Council Meeting Minutes.** It was moved by Councilman Ortega, seconded by Councilman Malloque, and carried unanimously to approve March 9 and March 23, 2015, Council Meeting Minutes. **MOTION ADOPTED**
2. **Approve March 9, 2015 executive session minutes.** The Council may convene to executive session to discuss any revisions pursuant to *Arizona Revised Statutes* §38.431.03(A) (2) (no required). It was moved by Councilman Malloque, seconded by Vice Mayor Bingham, and carried unanimously to approve March 9, 2015 executive session minutes. **MOTION ADOPTED**

3. **Request for the Mayor and Council to approve additional compensation for the following individuals: Jenny Howard in the amount of 10% of her current salary to act as Interim Utilities Director until position is filled; Kelly Owens and Art Mata of the Public Works Department to receive a 5% interim pay increase for additional duties assigned while the Public Works Director will be acting as Interim Utilities Director.** City Manager Skeete explained the request for additional compensation is because staff will undertake additional duties until the position of Utilities Director is filled.

It was moved by Councilman Ortega, seconded by Councilman Howes, and carried unanimously to approve additional compensation for the following individuals: Jenny Howard in the amount of 10% of her current salary to act as Interim Utilities Director until position is filled; Kelly Owens and Art Mata of the Public Works Department to receive a 5% interim pay increase for additional duties assigned while the Public Works Director will be acting as Interim Utilities Director. **MOTION ADOPTED**

8. CONSENT RESOLUTIONS:

1. **Consider approving and adopting Resolution Number 15-012 authorizing the renewal of the City of Safford's membership in the Rural Arizona Group Health Trust and appointing Clifford Davis, Trustee and Horatio Skeete, Alternate Trustee to serve during the renewal period.** City Manager Skeete reminded the Council that a presentation was presented to the Council at the last meeting. The term of the renewal membership is three (3) years.

The City Clerk read the Number and Title of Resolution Number 15-012 into the record.

It was moved by Councilman Howes, seconded by Councilman Ortega, and carried unanimously to approve and adopt Resolution Number 15-012 authorizing the renewal of the City of Safford's membership in the Rural Arizona Group Health Trust and appointing Clifford Davis, Trustee and Horatio Skeete, Alternate Trustee to serve during the renewal period. **MOTION ADOPTED**

9. ORDINANCES:

1. **Review Ordinance Number 15-003, adding Title 20 – Public Parks and Recreational Facilities to the City of Safford Municipal Code to become effective May 27, 2015, and to be a public record. FIRST READING** City Manager Skeete explained this is the first reading of Ordinance Number 15-003 and that Chief Brugman is available to address questions.

Mayor Gibbs inquired about the difference between designated park hours (6:00 a.m. – 10:30 p.m. and 5:00 a.m. to 10:30 p.m.)

The City Clerk read the Number and Title of Ordinance Number 15-003 into the record.

10. CONTRACTS, AGREEMENTS, BIDS:

1. **Request for the Mayor and City Council to discuss and approve a Fixed Base Operator (FBO) Lease Agreement renewal with Ponderosa Aviation.** Dustin Welker, Planning and Community Development Director, stated that he believes the proposed agreement is beneficial to both the City and Ponderosa. He highlighted two major revisions of the agreement:

- 1) FBO shall collect a fuel flowage fee which shall be paid to the City at \$0.08/gallon for Jet A and \$0.06/gallon for 100LL fuel sold. Fuels used by planes owned or leased by Ponderosa Aviation shall be exempt from this fee. These amounts shall be fixed for the term of the Agreement.
- 2) FBO shall collect and retain transient parking/tie-down fees to provide a revenue stream that is not being utilized currently at the airport. Fees shall be determined and set by the City Council through resolution.

Mr. Welker explained that the current FBO Agreement does not require the management of the Unicom system. However, benefits to the City will be having a business under contract to manage the Unicom system and to collect landing and takeoff data that is essential for FAA grant and funding purposes. Staff is confident that the Agreement benefits both the FBO and the City.

Councilman Malloque inquired about who will handle any discrepancies occurring with transients.

It was moved by Councilman Malloque, seconded by Vice Mayor Bingham, and carried unanimously to approve a Fixed Base Operator (FBO) Lease Agreement renewal with Ponderosa Aviation. **MOTION ADOPTED**

2. **Review proposed Fee Schedule for the Safford Regional Airport.** City Manager Skeete explained the proposed revised fee schedule for the Safford Regional Airport is being presented to the Council for review. The intent of revising the fee schedule shall be posted on the City's website for sixty (60) days before fees become effective.

It was moved by Councilman Malloque, seconded by Vice Mayor Bingham, and carried unanimously to publish the proposed fee schedule for the Safford Regional Airport. The fee schedule will be provided to the Council for adoption at a future meeting. **MOTION ADOPTED**

3. **Approve a contract between the City of Safford and The Planning Center for a General Plan Update for \$86,810.37.** Dustin Welker explained that State law requires cities and

towns to update their General Plan update every ten years. The City's original General Plan was adopted in 2004. The General Plan update is included in this year's budget. Six responses were received to the General Plan Update RFP that ranged from \$80,000 to \$150,000. Proposals were scored by a committee and two were chosen for interviews. The committee unanimously chose The Planning Center and negotiated a price of \$86,810.37. The current General Plan is very basic and limited. The proposed work will progress existing elements, add new elements, and include a comprehensive study and plan of the community. Part of the p He briefly explained the Scope of Work: Elements include growth areas annexation to the east and north; planning areas throughout the City (industrial and employment); land uses (land use map); circulation of east/west corridors throughout the community; Airport; intermodal/ground transportation; infrastructure; public facilities – where we are and where we want to be; housing matching housing needs to income level; economic development; environment; water; recreation – trail systems. Mr. Welker stated The Planning Center has a very extensive and successful outreach program. The Planning Center also includes a Charrette Plan. The proposed schedule is to complete the Plan by the end of this year, ready for adoption by the Council and eventually ratified by the voters in 2016. Finally, he explained the budgeted estimate for the General Plan Update was \$45,000 to \$50,000. To make up for the short fall in the Planning and Community Development Budget, the Police Department has identified \$35,000 in professional services that was budgeted for the remodeling of their facility which will not be utilized this year.

It was moved by Councilman Ortega, seconded by Councilman Malloque, and carried unanimously to approve a contract between the City of Safford and The Planning Center for a General Plan Update for \$86,810.37. **MOTION ADOPTED**

11. BUDGET PRESENTATIONS:

This is a request for Council to review and provide guidance and feedback on various City Departments draft budgets for Fiscal Year 2015-2016. The following departments are included at this time: City Manager Office; City Clerk, City Court, City Attorney, Fire Department, Finance, and Information Technology.

City Manager Skeete explained that this is the first of a series of budget workshops for Fiscal Year 2015-2016 to discuss the proposed operating expenses of the different departments. He recalled previous budget presentations were held to review revenue projections over a five-year period and the first year of a proposed five year capital plan listing a number of projects in the first year. Council comments were taken into consideration and will be included in the revised capital plan and presented to the Council before adoption. A revised summary of the capital plan will be provided to the Council later on as budget discussions continue. The City Manager, City Council, City Clerk, City Attorney, Fire Department, Finance, and Information Technology will present their operating budgets tonight. Each department was instructed to look for efficiency and savings within each department and to provide detailed explanations for each expenditure line proposed. Five percent (5%) projected revenues were

identified at the beginning of the budget process. Each department was instructed to target a 5-7% reduction in operating costs that would have no substantial change or reductions in service levels to the residents. That 5-7% overall budget reduction is also committed based on the adopted budget for this year; financial and budget plans and policies adopted last year will be set aside for purposes of rebuilding areas where the fund balance was significantly below unacceptable standards. Also, a final version will present a reduction in operating budgets between a 5-7% overall as well as a 5% budgeted savings that will be applied to those fund balances requiring adjustments and improvements to those balances. Also included in budget discussions over the next 2-3 weeks is a 3% performance or merit pay increase should adequate revenues are available. The City Manager's intention is to present a balanced budget to the Council. All capital improvement projects will be done on a pay as you go basis – no lease or financing of any capital project will be proposed during this fiscal year. All projects will be funded through projected revenues and supported fund balances. A separate full debt-payment schedule of all outstanding debt including an individual projected debt service for the next five years will be presented to the Council. Council will be assured that the debt service and the commitment to pay the debt service will be covered. The fleet manager is continuing to refine and review the fleet budget as well as the technology and equipment budgets. A standard operating procedure will be outlined indicating how equipment are replaced. Equipment will continue to be monitored and leased to the departments as recommended on the depreciation schedule. Large equipment currently being leased will no longer be part of the fleet account. The department requesting the equipment/vehicle will be required to justify expense which will become part of the debt payment schedule. Vehicles and other equipment replacement request will be evaluated and approved based on a physical assessment rather than a predetermined replacement schedule. Highlights of the Budgets along with the detail information are presented below:

Highlights of City Manager Budget, presented by City Manager Skeete. (-8.22% reduction)

- Other expenses were increased this year to cover cost for various community events and incidental expenses associated with meeting and recognition for outstanding performance throughout the year.
- This will also seed various regional events recognizing key events and people in history like the MLK, Cesar Chavez, volunteer recognition and a pioneer day.

Highlights of the City Council Budget, presented by City Manager Skeete. (-11.56% reduction)

- Pride of Safford, \$4,400; Community Foundation \$17,500
- Safe House \$7,000
- Gila Valley Boys & Girls Club \$9,600 – Provide funding to the Boys and Girls Club. The agreement is between the Club and Owens Properties.
- 4th of July Celebration \$5,000; Lions Club Flags \$3,000

- Chamber of Commerce \$100,000 – Reduction in the amount budgeted for the Chamber of Commerce this year is due in part to the reduction of the Hospitality tax. The Hospitality tax has decreased dramatically over last two years.
- Gila Valley Economic Development Organization \$20,000 – Set aside to provide seed money for the Gila Valley Economic Development to promote economic development.
- Contingency \$3,500
- The amount (\$5,000) previously budgeted for Façade grants to the downtown business district was moved to Planning and Community Development budget.

Highlights of City Attorney, presented by City Manager Skeete (-10.85% reduction). Mr. Skeete plans to change the title of the city attorney from “Interim City Attorney” to “City Attorney.”

- Decrease in expenses is due to no longer having to support the cost of the Attorney Office Building.

Highlights of Magistrate, presented by Linda Burrell (-2.18% reduction)

- The Court will be in new location in the space previously occupied by the City Attorney’s office.
- Court expenses fluctuate base based on number of Jury Trials
- Professional services include funding for security to be provided for night court.

Highlights of City Clerk, presented by Georgia Luster (-9.38% reduction)

- Reduction is due to no primary election in fiscal year 2015/2016.

Highlights of Information Technology, presented by Sam Napier (-6.84%)

- Reduction is due reduction in travel expenses, operating supplies, number of PCs scheduled to be purchased, and in communications by removing old lines.
- One-half position - proposed 4th position to be hired in December 2014. This position will provide enhanced technology needs that will improve qualities and efficiencies.

Highlights of Fire Department, presented by Fire Chief Bingham (-10.39%)

- Reduction is due to benefits being miscalculated for FY 14/15. He pointed out that the Fire Department receives \$358,216 annually from the Rural Fire District.

Highlights of the Finance presented by Terry Quest. He pointed out that the Finance Department includes Materials Management (Procurement), Business Services, Field Services, and Customer Service. Overall combined budgets have reduced because of restructuring the department, decreased travel, training and supplies totaling a 15.85% reduction.

City Manager Skeete stated the Utilities, Public Works, Police Department, and Library will provide their budget presentations over the next couple of meetings. He recognized the efforts of the

staff. He is confident that it is a very good budget reflecting a reduction of 5-10% without affecting the quality of services. Also, change in ideas and a review of employee benefits package will also be presented.

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

- Saturday, April 25th – Make A Difference Day; Dump the Drugs
Main Street Downtown Ribbon Cutting
- Week of Monday, April 27th – Saturday, May 2nd – Free Dump at Landfill
- Monday, April 27th – Work Session – Budget: Department Presentations
- Saturday, May 2nd – Cinco de Mayo Parade and Fiesta
- Monday, May 11th – Regular Council Meeting
- Monday, May 25th – Memorial Day Holiday
- Tuesday, May 26th – Special Council Meeting – Adopt Tentative Budget

13. COUNCIL OR STAFF REQUESTS FOR AGENDA ITEMS:

- Attended a meeting with representatives of Graham County Electric Cooperative and Eastern Arizona College regarding the Coop providing transmission of water to the College. Further information will be provided to the Council.
- Appointment of Lay Member to the Pension Board of the Safford Fire Department.

14. CITIZEN COMMENTS ON NON-AGENDA ITEMS: NONE

15. ADJOURN It was moved by Councilman Ortega, seconded by Vice Mayor Bingham, and carried unanimously to adjourn regular session at 7:54:56 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 Regular Council Meeting Minutes of the Safford City Council, Graham County, Arizona held Monday, April 13, 2015, and approved at a Regular Council Meeting on Monday, May 11, 2015. I further certify the meeting was duly called, held and that a quorum was present.

May 11, 2015
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
COUNCIL MEETING MINUTES
Monday, April 27, 2015 @ 6:00 PM
Safford Library Program Room, 808 S. 7th Avenue, Safford, Arizona**

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

STAFF PRESENT: Horatio Skeete, City Manager; Leslie Norton, Executive Secretary; Joe Brugman, Chief of Police; Jenny Howard, Public Works Director/Interim Utilities Director; Randy Petty, City Engineer; Dustin Welker, Planning and Community Development Director; Terry Quest, Finance Director; Alma Flores, Senior Accountant; Leanne McElroy, Library Director; Cliff Davis, Human Resources Officer; and Georgia Luster, City Clerk. Dale Clark assisted with the audio recording of the meeting.

OTHERS PRESENT: Kelly Owens; Harry Williams; Gale Hedges; Clark Bingham (Fire Chief); James Bryce; David Chapman; Chad Hogle; Art Mata; Jeff McCormick, Pima Town Manager; and Bryon Wiley.

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.
3. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the Flag.
4. **OPENING PRAYER:** Pastor David Chapman offered the Opening Prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS:** NONE
6. **BOARDS/COMMISSION/GROUPS:**
 1. **Arizona Community Foundation of the Gila Valley Presentation (Ted Prina).** Mr. Prina asked to be excused.
 2. **Consider appointment of Lay Member for the Safford Fire Department pursuant to Arizona Revised Statutes §9-954.** Mayor Gibbs recommended appointing Steve Junion

as the Lay Member to the Pension Board of the Safford Fire Department. Chief Bingham is present if the Council have any questions.

It was moved by Vice Mayor Bingham, seconded by Councilman Ortega, and unanimously adopted to appoint Steve Junion as the Lay Member to the Safford Fire Department Pension Board. **MOTION ADOPTED**

3. **Provide information to Mayor and Council about the preparation of a promotional video for the City of Safford.** City Manager Skeete informed the Council that earlier in the year, a video producing company contacted the City to provide two ninety (90) second video clips promoting the City of Safford. The company will begin shooting the video on May 6th and 7th. There is no cost associated with the video.

7. **ORDINANCES:**

1. **Second Reading of Ordinance Number 15-003, adopting by reference Title 20 – Public Parks and Recreational Facilities to the City of Safford Municipal Code to become effective May 27, 2015, and to be a public record.** Mayor Gibbs suggested discussing the Park hours as indicated in the ordinance. He has a concern that opening Parks at two different times (6:00 a.m. – 10:00 p.m. and 5:00 a.m. – 10:00 p.m.) causing some interpretation issues to both the officers and the public. He suggested being consistent and open Parks at 6:00 a.m. Chief Brugman and Jenny Howard both agreed to the change in time. Councilman Malloque commented that there are many people out utilizing the Parks/trails much earlier than 6:00 a.m. He suggested opening Parks at 5:00 a.m. to accommodate the public.

A revision to Section 20.01.010(A) of the ordinance will read: Hours . . . parklands and designated recreation areas shall be open for public use from ~~6:00~~ **5:00** a.m. to 10:00 p.m. ~~Passive activities including, but not limited to: running, jogging, walking, bike riding, or the attendance of fitness classes or camps shall be allowed between the hours of 5:00 a.m. to 10:00 p.m. except in those facilities within the park that have been posted separately.~~

The City Clerk read the Title and Number of Ordinance Number 15-003 into the record.

It was moved by Councilman Malloque, seconded by Councilman Howes, and carried unanimously to approve and adopt Ordinance Number 15-003, with the amendments, adopting by reference *Title 20 – Public Parks and Recreational Facilities* to the *City of Safford Municipal Code* to become effective May 27, 2015, and to be a public record. The amendment of Section 20.01.010(A) of the ordinance will read: Hours . . . parklands and designated recreation areas shall be open for public use from ~~6:00~~ **5:00** a.m. to 10:00 p.m. ~~Passive activities including, but not limited to: running, jogging, walking, bike riding, or the attendance of fitness classes or camps shall be allowed between the hours of 5:00 a.m. to 10:00 p.m. except in those facilities within the park that have been posted separately.~~

MOTION ADOPTED

8. CONSENT RESOLUTIONS:

1. **Consider adopting Resolution Number 15-013, declaring Ordinance Number 15-003, adding Title 20 – Public Parks and Recreational Facilities to the City of Safford Municipal Code, to become effective May 27, 2015 and to be a public record.** The City Clerk read the Title and Number of Ordinance Number 15-003 into the record.

It was moved by Councilman Ortega, seconded by Councilman Howes, and carried unanimously to approve and adopt Resolution Number 15-013, declaring Ordinance Number 15-003, adding Title 20 – Public Parks and Recreational Facilities to the City of Safford Municipal Code, to become effective May 27, 2015 and to be a public record.

MOTION ADOPTED

9. MONTHLY/QUARTERLY REPORTS:

1. Police Report
2. Building Inspection Report
3. Public Works Report
4. Human Resources Report
5. Clerk's Office Report
6. Library Report
7. Utilities Consumption/Water Production Reports
8. Projects Planning and Grants Administration
9. Prosecution Report
10. Airport Reports
11. Expense Report over \$5,000
12. Purchasing Card Report

City Manager Skeete told the Council that they may pull any item for discussion. There were no questions or comments.

10. CONTRACTS, AGREEMENTS, BIDS:

1. **Consider awarding CCTV Inspection of Sewer Lines, Project No. 67-563, to American Industrial & Municipal Services of Phoenix, Arizona in the amount of \$54,810.95.** Jenny Howard, Public Works Director, explained an annual inspection of sewer lines is required by ADEQ. Twenty percent (20%) of the City's sewer mains will be inspected annually. American Industrial & Municipal Services is a new company with a new product and their bid is higher.

It was moved by Councilman Malloque, seconded by Councilman Lopez, and carried unanimously to award the CCTV Inspection of Sewer Lines, Project No. 67-563, to American Industrial & Municipal Services of Phoenix, Arizona in the amount of \$54,810.95. **MOTION ADOPTED**

2. **Consider awarding 2014-2015 Manhole Rehabilitation, Project No. 67-613, to Manhole Coatings, LLC of Scottsdale, Arizona in the amount of \$85,272.68.** Jenny Howard, Public Works Director/Interim Utilities Director, explained Manhole Coatings, Inc. is a new company with a new product.

It was moved by Councilman Howes, seconded by Vice Mayor Bingham, and carried unanimously to award the 2014-2015 Manhole Rehabilitation, Project No. 67-613, to Manhole Coatings, LLC of Scottsdale, Arizona in the amount of \$85,272.68. **MOTION ADOPTED**

3. **Consider approving Site License Agreement between the City of Safford and the University of Arizona.** Jenny Howard, Public Works Director/Interim Utilities Director, explained the purpose of the Agreement is to allow the City to construct the infrastructure for two wells that will provide potable water to the residents with the City of Safford water territory.

City Manager Skeete informed the Council of the City's obligation to the University of Arizona according to the Agreement - (Agreement - Five (5) year term with option to renew for four (4) consecutive five (5) year terms; City of Safford shall provide up to 300,000 gallons of water per year water to the University of Arizona at the well site, or at the City's water filling station if the well fails).

It was moved by Councilman Ortega, seconded by Councilman Howes, and carried 6-1 to approve the Site License Agreement between the City of Safford and the University of Arizona. Councilman Lopez opposed. **MOTION ADOPTED**

4. **Consider awarding 2014-2015 City Paving Project to CKC Construction in the amount of \$130,115.55.** Randy Petty, City Engineer, explained the paving project consists of four locations to be paved: City Hall parking lot, Police Station parking lot, American Legion parking lot and Magistrate Court parking lot. Funding for the project will be provided from the current adopted budget for the streets division and building maintenance capital improvements. Construction should begin in May and should be completed in late June.

It was moved by Councilman Howes, seconded by Councilman Ortega and carried unanimously to award the 2014-2015 City Paving Project to CKC Construction in the amount of \$130,115.55. **MOTION ADOPTED**

11. BUDGET PRESENTATION:

1. **This is a request for Council to review and provide guidance and feedback on various City Departments' draft budgets for Fiscal Year 2015-2016: Planning and Community Development, Engineering, Library, Public Works, Police, and Utilities.**

City Manager Skeete stated this is a continuation of presenting the draft budget for Fiscal Year 2015-2016. Dustin Welker will begin by providing the highlights of the Planning and Community Development Budget.

- Planning and Community Development includes Airport, Building Safety, and Recreational Program.
- Refinance and transfer of debt service out of P& CD and Airport budgets into Debt Service Fund accounts for a large reduction in “Other Expense.”
- Added Façade Grant to P&CD Budget.
- Reduced supply costs by utilizing electronic document creation and retention in Laserfiche.
- Economic Development funds to be used to create a signature event to draw patrons into Safford from outside of our community.

Highlights of Engineering Budget, presented by Randy Petty, City Engineer.

- Professional Services has a favorable variance due to GIS services now being provided in-house.
- Professional Services now include ESRI License (GIS) and County IGA for Pictometry Aerials.
- Dues-Subscriptions & Memberships will cover our AutoCAD subscription and professional memberships.

Councilman Lopez asked staff to explain the \$878 expenditure listed in the FY 13-14 salaries bonus expenditure line. Alma Flores explained the expenditure is for employee safety bonuses. Councilman Malloque asked when the expenditure originated. This is one of the reasons that he has been recommending a line item budget.

City Manager Skeete explained benefit items will be presented to the Council at the May 11th meeting. He stated the safety bonus was developed several years ago as an incentive to instill safety practices in the workplace. Employees that are eligible and with no injuries or workman’s comp claims receive \$35 per quarter and a lump sum at the end of the year.

Highlights of Library Budget, presented by Leanne McElroy, Library Director. She acknowledged Byron Wiley, Library Board Vice Chairman, for attending tonight’s meeting.

- The General Fund expenditures reflect only basic library services. All programming, digital resources, bulk collection purchases and community based events are paid through grants and private donations.
- Approximately \$235,000 or 31% is funded by outside grants.
 - Graham County provides \$32,000 to the General Fund.
 - Science City receives an earmarked \$20,000 from FMI.
 - First Things First provides \$130,000 to early literacy programs this year.
- Reductions in the Library General Fund expenditures are due to a staff restructuring which made a more efficient model for delivering library services. Other reductions were made by moving regular, traditional budgeted expenditures into grants. The Library has had a very positive year, great staff and a 5% reduction.

Highlights of Public Works Budget, presented by Jenny Howard, Public Works Director.

- Public Works include Building & Maintenance, Parks, Sanitation, HURF Streets, Fleet, and Golf Course.
- A decrease in Debt Service is the result of changes to the Debt Service process. Debt Service will now be reflected in the Debt Service Fund.
- Decrease in Motor Pool rents due to vehicles reaching life cycle replacement reserves. City Manager Skeete pointed out that the reduction in fleet is reflected in all departments.
- Decrease in fuel due to continued streamlining efficiencies and conscious driving habits. Overall, the propose budget reflects an 18% reduction.

Highlights of Police Budget, presented by Joe Brugman, Chief of Police.

- Police includes Police Administration, Criminal Investigation, Patrol, and Animal Control. (21 sworn positions, 4 civilian position, acknowledged Administrative Assistant/Supervisor position will include grants).
 - Salaries and benefits represent a fully staffed Police Department.
 - Police Public Safety Retirement Benefit will increase for Fiscal Year Ending 2016.
 - Eliminated budgeted funds for the remodeling of current Police Department facility.
 - Police service to the community is maintained despite increases in public safety retirement system. The Safford Police Department responds to approximately 50% of total calls in the Valley. In addition to the \$45-46,000, Homeland Security awarded an additional \$12,700 to the Safford Police Department.
- Highlights of Utilities Budget, presented by Jenny Howard, Interim Utilities Director
 - Included in Other Expense is Debt Service of \$1.14 million.
 - Increase of Electric budget is a result of the acquisition of electric meters from the Graham County Electric Cooperative, Inc.
 - Renegotiated cost of gas purchased from supplier resulting in a reduction of purchase for Resale-Gas.
 - Professional services decreased Landfill budget moved to capital.
 - Motor Pool rentals decreased due to vehicle buy-out revenues.
 - Communications and advertising budget reduced 29%.
 - Supplies for vehicle and equipment (mainly fuel) reduced 19%.
 - Other expenses 7% reduced, total net reduction of 2.15%.

City Manager Skeete stated that approximately 80% of the operating budget has been presented. At the May 11th, presentations will include: fundamental changes and tweaks to the budget, realignments, a revised capital budget focusing on the carry overs for this fiscal year and next fiscal year funding mechanism, realignment of the debt service, quick snapshot of all debt services, review grants, complete the Water, Human Resources, and Fleet Divisions. A tentative balanced budget will be presented in the first week of June and then the process will proceed to the adoption of the final budget and tax levy.

Councilman Malloque inquired about moving up the 14th Avenue project. Mr. Skeete stated that comments such as this will be reflected in the May 11th presentation.

12. MEETINGS/ACTIVITIES HELD OR TO BE HELD BY COUNCIL OR STAFF:

- Saturday, May 2nd Cinco de Mayo Parade and Festivities
- Monday, May 4th Star Wars
- Tuesday, May 5th, 5:00 – 6:30 pm at the General Services Building: Is Public Transportation Needed in Graham County?
- Thursday, May 7th Transportation Feasibility Meeting – General Services Building at 1:00 p.m. (Feasibility of Bus Services)
- Monday, May 11th Regular Council Meeting
- Tuesday, May 26th Special Council Meeting
- Monday, June 8th Regular Council Meeting
- Discuss possible topics for joint City of Safford, Town of Thatcher, and Graham County meeting: Water, Sharing of Fire/Police Services, Recreation, and Transportation (Greyhound is considering another route through Safford), Chamber of Commerce, include San Carlos Tribe.

13. COUNCIL OR STAFF REQUESTS FOR AGENDA ITEMS: NONE

14. CITIZEN COMMENTS ON NON-AGENDA ITEMS: NONE

15. ADJOURN: It was moved by Vice Mayor Bingham, seconded by Councilman Howes, and carried unanimously to adjourn at 7:31:17 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, April 27, 2015, and approved at a Regular Council Meeting on Monday, May 11, 2015. I further certify the meeting was duly called, held and that a quorum was present.

May 11, 2015
Date:

Georgia Luster, MMC, City Clerk



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
THRU: Horatio Skeete, City Manager
FROM: Leslie Norton, Executive Assistant
SUBJECT: Pride of Safford - Revisions
DATE: Monday, May 11, 2015 at 6:00 p..m

Purpose: To update the Council on changes implemented to the “Pride of Safford” community award program. These changes were developed to rejuvenate the current program and widen the target area of recipients.

Background: The current program has been in effect for approximately 19 years with no changes towards promotion or presentation. Due to the lack of community participation in the submission of monthly nominations, the nominations averaged approximately 3 per year. This lack of participation also resulted in a vast majority of the nominations subsequently being submitted by the committee members themselves.

The changes to the program continue to honor the principals upon which it was originally structured; volunteerism and promoting the values of community involvement.

Nominations

Pre Revision: The committee convened on the 3rd Thursday of every month to review and vote on nominations. If an award was granted the committee would convene again at a later time for presentation and photographs, this information was then sent to the local newspaper and sometimes was published along with a small write-up about the winner. If there were no nominations submitted, a meeting was not held.

Post Revision: Nominations will now be solicited by the committee (facilitated through the committee recorder) from different target groups with volunteers on a rotation basis, i.e., nonprofits, schools, sports, clubs, etc. In adopting this process, the pool for potential recipients

has grown. Additionally, this now includes the potential for recognition and encouragement of our youth in their volunteer efforts.

Award

Pre Revision: A statue of an eagle head was presented to award recipients. The cost of this statue was approximately \$80.00. Additionally, a photo would be taken of the presentation and submitted to the local newspaper for publication.

Post Revision: A certificate of appreciation, volunteer lapel pin and a \$50.00 gift certificate will now be presented. This change gives the award a universal fit for a vast variety of recipients. The overall cost for the certificate, lapel pin and gift certificate totals approximately \$53.00. A photo will continue to be taken of the presentation and submitted for publication.

Voting

Pre Revision: The Committee convened on the 3rd Thursday of the month to review and vote on nominations. A separate time was later scheduled to reconvene to present the award and take photos.

Post Revision: The award nominations will now be sent to committee members via email by the 5th of the month and they will return their vote via email no later than the 10th of the month. At the normally scheduled monthly meetings (3rd Thursday), the committee will convene for presentation of the award and photos. Implementing this practice eliminates the number of times the group physically convenes per award granted from 2 times to 1 time only.

Additional Information

Documentation of the electronic votes will be maintained by the committee recorder along with minutes summarizing the committee meetings. Public notice of meetings held will continue to be posted accordingly and meeting minutes forwarded to the City Clerk for placement in the Historical Archives.



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Horatio Skeete, City Manager
SUBJECT: Regional Transportation Services
DATE: Monday, May 11, 2015 at 6:00 p.m.

Purpose and Recommended Action: Discussion and direction to staff regarding the needs for and/or concerns of regional transportation services. **INFORMATION/DISCUSSION/ACTION**

Attachments: None



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Dustin Welker, Planning and Community Development Director
SUBJECT: Ground Lease H-1 Lease Renewal, PHI
DATE: May 11, 2015

Purpose and Recommended Action: Approve an addendum to extend a land lease agreement from May 1, 2005 between the City of Safford and PHI Air Medical, LLC for an additional five years to April 30, 2020.

Background: On May 1, 2005 the City of Safford and PHI Air Medical, LLC entered into a ten year land lease agreement. The agreement may be extended by mutual agreement for ensuing five year periods. The original lease payment was \$937.25 per month.

Analysis: The addendum includes an exhibit establishing a 3% increase in annual lease payments and language outlining the requirements for the city to collect fuel flowage on PHI's self-fueling operation.

Attachments: Original 2005 Contract, Proposed Addendum, Exhibit B, Airport Lease Map

LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this 1ST day of MAY, 2005, between the City of Safford, an Arizona municipal corporation, hereinafter referred to as CITY, and Petroleum Helicopters Inc., a Louisiana Corporation, dba PHI Air Medical, 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 at the Safford Regional Airport to TENANT:

PARCEL H-1: (See Exhibit "A" attached.)

I.

TERM:

THIS AGREEMENT shall commence on the 1st day of May 2005, and shall terminate on the 30th day of April 2015, unless otherwise canceled by either party prior to the expiration of its full term. This Agreement may be extended by mutual agreement of the Parties for ensuing five-year periods subject to conditions prevailing at the time of its expiration

II.

CONSIDERATION:

In consideration of this Agreement, TENANT agrees to pay to the CITY the following amounts:

- (1) A monthly site lease payment of nine hundred thirty-seven and 25/100 dollars (\$937.25) for a period of 120 months.
- (2) In the event that this Agreement is terminated or breached by TENANT prior to its full term, a site improvement recapture assessment as set forth in Section X (2) below.

III.
UTILITIES:

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

IV.
INSURANCE:

TENANT agrees to abide by the provisions of the Safford Regional Airport Minimum Operating Standards, as amended, and hereby agrees to defend, indemnify and hold harmless the CITY against any and all claims resulting from TENANT activities on the Safford Regional Airport. All amendments to the provisions of the Safford Regional Airport Minimum Operating Standards and any other amendments to applicable local rules or regulations shall be furnished by CITY to TENANT in accordance with the notice provisions of this lease.

V.
ASSIGNMENT:

No interest in this Agreement may be assigned by TENANT without the express written consent of the CITY, however, such assignment may not be unreasonably refused or delayed. The CITY acknowledges and hereby grants TENANT permission to sublease these facilities to Jet Arizona, Inc. upon notice to, but without any further approval by the CITY.

VI.
MAINTENANCE:

TENANT agrees to be responsible for all maintenance of the facilities and to deliver possession of the property to the CITY at the termination of this Agreement in as good a condition as it was delivered except for reasonable wear and tear.

VII.

SUBORDINATION TO THE UNITED STATES GOVERNMENT:

This Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has, or in the future may have, or acquire, affecting the control, operation, and regulation of said Airport.

VIII.

USE:

TENANT, by accepting the terms of this Agreement, expressly agrees for itself, its successors and assigns that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from the Safford Regional Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, CITY reserves the right to enter upon the premises hereby leased and cause the abatement of such interference at the expense of TENANT. Notwithstanding the above, herein, CITY acknowledges that TENANT operates an air ambulance service and may be required, in accordance with applicable standards of the air ambulance profession, to take action which may temporarily interfere with the landing and taking off of aircraft. TENANT agrees to use best efforts to minimize any temporary interference.

IX.

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 thereunder.

X.

TERMINATION:

The CITY or the TENANT shall have the right to terminate this agreement as follows:

- (1) TENANT may terminate this Agreement upon giving the CITY one hundred-eighty (180) days written notice. It is further mutually agreed that CITY, at the termination of this Lease Agreement, shall have all rights to any and all properties and improvements left on said land by TENANT more than thirty (30) days after termination, and that all the improvements on the land are the property of the CITY except TENANT'S storage building, fuel tank and modular building which remain property of TENANT. If such property is affixed to the land TENANT shall repair any damage caused by removal.
- (2) If this Agreement is terminated at the initiation of TENANT or breached under the provisions of Section XI below, in addition to any delinquent payments and assessments, TENANT shall be liable for the payment of the following site improvement recapture assessment:
 - (a) If the Agreement is terminated or breached within the first five years, an amount equal to the remaining months of the term times six hundred eighteen and 28/100 dollars (\$618.28).
 - (b) If the Agreement is terminated or breached within the second five years, an amount equal to the remaining months of the term times five hundred, sixty-two and 35/100 dollars (\$562.35).
- (3) The CITY may, at its sole discretion, terminate this Agreement under Section XI, 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 XI, part (7). Notice of breach and opportunity to cure is not required for breach under Section XI, parts (1) or (7). CITY may terminate this Agreement for breach, as defined in paragraph XI, parts (2) through (6) 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 XII 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 parts (2), (5) and (6) individually below within any five calendar year period. Any subsequent breaches may only be cured at the discretion of the CITY.

XI.

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 fails to obey any applicable airport rule, regulation or standard or City ordinance.
- (6) 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.
- (7) 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 known as the Safford Regional Airport.

XII.

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 Lease 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 Lease 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.

XIII
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:

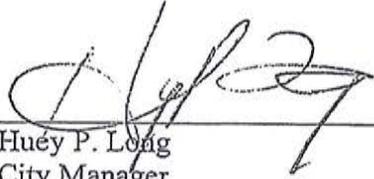
City Manager
City of Safford
717 Main Street
P. O. Box 272
Safford, Arizona 85548

Petroleum Helicopters Inc.
P.O. Box 90808
Lafayette, Louisiana 70509
(with a copy to)
Assistant Director
PHI Air Medical
2800 N. 44th Street
Phoenix, Arizona 85008

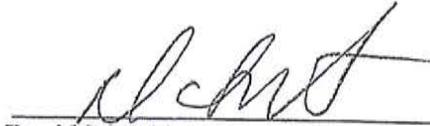
IN WITNESS WHEREOF this Agreement has been executed on the date first written above by the parties hereto, who by their signatures affixed hereto do swear and affirm that they are authorized, in accordance with law, to execute this document.

CITY OF SAFFORD

Petroleum Helicopters Inc.



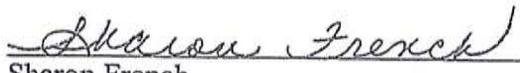
Huey P. Long
City Manager



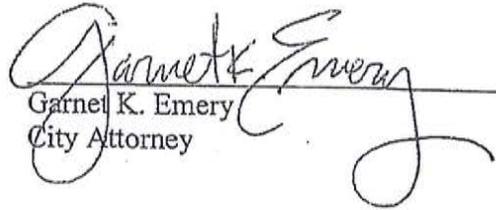
David Motzkin
Assistant Director PHI Airmedical

ATTEST:

APPROVED AS TO FORM:



Sharon French
City Clerk



Garnet K. Emery
City Attorney

RESOLUTION NO. 05-040

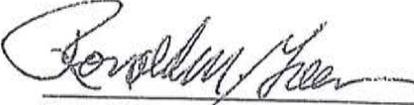
A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD AUTHORIZING THE CITY MANAGER TO ENTER INTO A SITE LEASE AGREEMENT WITH PETROLEUM HELICOPTERS, INC. FOR PARCEL H-1 AT THE SAFFORD REGIONAL AIRPORT

WHEREAS, The City of Safford is the owner of Parcel H-1 at the Safford Regional Airport; and

WHEREAS, Petroleum Helicopters, Inc. wishes to lease Parcel H-1 with the appurtenant improvements;

NOW THEREFORE BE IT RESOLVED, by the Mayor and City Council of the City of Safford, that the City Manager is authorized to execute all documents related to a lease agreement with Petroleum Helicopters, Inc. for the lease of real property and improvements at the Safford Regional Airport, all as attached and incorporated herein as "LEASE AGREEMENT PARCEL H-1."

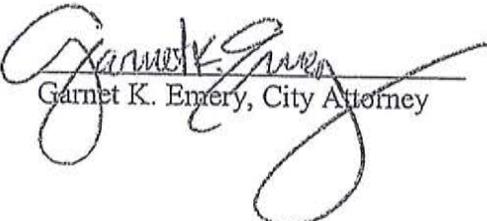
PASSED, ADOPTED AND APPROVED by the Mayor and City Council of the City of Safford this 11th day of July, 2005.


Ronald M. Green, Mayor

ATTEST:


Sharon French, City Clerk

APPROVED AS TO FORM:


Garnet K. Emery, City Attorney

NW COR. OF LOT 3,
SECTION 1, T7S, R26E



5247.68'
2947.05'

W

S 00°01'13" W

BASIS OF BEARING

SW COR. OF EAST 1/2
SW 1/4, SECTION 1, T7S, R26E



AVIATION WAY



GATE

EXISTING FENCE

S 89°30'13"E 751.21'

S 89°30'13"E 100.00'

P.O.B.

HELICOPTER PAD

N 00°12'33"E 175.00'

"H-1"
LEASE AREA

S 00°12'33"W 175.00'

N 89°30'13"W 100.00'

COMMENCING AT A 1/2 INCH REBAR WITH CAP AT THE NORTHWEST CORNER OF LOT 3 OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 26 EAST OF THE GILA AND SALT RIVER BASE LINE MERIDIAN IN GRAHAM COUNTY, ARIZONA; THENCE S 00°01'13"W ON AND ALONG THE WEST LINE OF THE EAST HALF OF THE WEST HALF OF SAID SECTION 1, 2947.05 FEET; THENCE S 89°30'13"E 751.21 FEET TO THE POINT OF BEGINNING; THENCE S 89°30'13"E 100.00 FEET; THENCE S 00°12'33"W 175.00 FEET; THENCE N 89°30'13"W 100.00 FEET; THENCE N 00°12'33"E 175.00 FEET TO THE POINT OF BEGINNING.

DESCRIBED PARCEL CONTAINING 17,499.78 SQUARE FEET OR 0.402 ACRES.

CITY OF SAFFORD
PLAT OF THE PARCEL IN THE ATTACHED DOCUMENT

1/4 OF SE 1/4 OF SECTION 1

TOWNSHIP 7 SOUTH, RANGE 26 EAST

SCALE: N.T.S.

EXHIBIT "A"

DRAWN BY: R. SANCHEZ

DATE: 02-03-05

APPROVED BY:

Addendum to Existing Lease Agreement H-1

This document is in reference to a contract agreement dated May 1st, 2005, between the City of Safford and PHI Air Medical, LLC.

May it be known that the undersigned parties, for good consideration, do hereby agree to make the following changes and / or additions that are outlined below. These additions shall be made valid as if they are included in the original stated contract.

WHEREAS, the parties wish to modify the terms of the original stated contract as set forth herein.

NOW THEREFORE, in consideration of the mutual promises herein, the parties, intending to be legally bound, hereby agree that the following constitutes additional terms and conditions of the stated contract.

1. Article I: Term is amended to extend the term to April 30, 2020.
2. Article II: Consideration is amended to require monthly site lease payments as set forth on Exhibit B.
3. Article III: Tenant shall comply with the requirements regarding fuel flowage as set forth in Resolution 08-050 as may be amended from time to time. Fuel flowage fees shall be based on the receipts and reports from the fuel provider as periodically delivered to Petroleum Helicopters Inc. and must be provided to the City of Safford within ten days of fuel delivery.

Horatio Skeete, Safford City Manager

David Motzkin, President, PHI Air Medical, LLC.

ATTEST:

APPROVED AS TO FORM:

Georgia Luster, City Clerk

William J. Sims, III, City Attorney

Exhibit "B"	PHI
H-1 Land Lease	
Period	Monthly Fee
4/1/2015 - 6/30/2015	\$937.25
7/1/2015 - 6/30/2016	\$965.37
7/1/2016 - 6/30/2017	\$994.33
7/1/2017 - 6/30/2018	\$1,024.16
7/1/2018 - 6/30/2019	\$1,054.88
7/1/2019 - 6/30/2020	\$1,086.53

Addendum to Existing Lease Agreement H-1

This document is in reference to a contract agreement dated May 1st, 2005, between the City of Safford and Petroleum Helicopters Inc.

May it be known that the undersigned parties, for good consideration, do hereby agree to make the following changes and / or additions that are outlined below. These additions shall be made valid as if they are included in the original stated contract.

WHEREAS, the parties wish to modify the terms of the original stated contract as set forth herein.

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Horatio Skeete, City Manager
City of Safford

David Motzkin, Owner, PHI Inc.

ATTEST:

APPROVED AS TO FORM:

Georgia Luster, MMC, City Clerk

William J. Sims, III,
Interim City Attorney



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Jenny Howard, Interim Utility Director
SUBJECT: Approval – Purchase Agreement –Tommy & Betty Clonts
DATE: Monday, May 11, 2015 at 6:00 p.m.

Purpose and Recommended Action:

The purpose of this Agreement is to allow the city of Safford to enter into a Purchase Agreement with Tommy and Betty Clonts in order to purchase real property and further develop the existing “Bluff Well” into a municipal water well facility.

It is the recommendation of the Interim Utility Director that the City Council approve the Site Purchase Agreement between the City of Safford and the Tommy and Betty Clonts.

Background:

The City of Safford continues to seek potable water sources. In 2013 the city drilled a potable water well and is currently developing the well in order to add to Safford’s water supply. This well currently tests at 500gpm and would serve as a back-up well to our Bonita source. Bonita is currently provides between 1,800 and 2,100 gpm. The maximum capacity of the Bonita Transmission Main is 2,300gpm. In the event the Bonita’s flow reduces, or if we loose the siphon upstream the Bluff Well could act as a supplement to the Bonita source.

The purchase price of the well site is \$200,000. \$25,000 is to be deposited into an escrow account and \$175,000 to be paid in annual installments over a twenty (20) year period.

Concurrent with the purchase agreement the city is in process of acquiring private easements in order to install and maintain a transmission pipeline from the well site to the Bonita Main.

Approval of this Purchase Agreement would add additional potable water to the city’s water supply.

Analysis:

PURCHASE AGREEMENT
For
REAL PROPERTY
&
(Well No. 55-222392)

DATE: _____, ____, 2015

SELLER: Tommy & Betty Clonts, Co-Trustees of the
Clonts Living Trust dated January 24, 2007.

BUYER: CITY OF SAFFORD, a municipal corporation
717 Main Street
PO Box 272
Safford, Arizona 85548

ESCROW
AGENT: Safford Title
811 Court Street
Safford, AZ 85546
Escrow No. _____ (the "Escrow")

PROPERTY: The property (the "**Property**") is comprised of the real property more particularly described on Exhibit A to this Agreement, together with the well known as ADWR well number 55-587628 thereon (the "**Well**").

ARTICLE 1
AGREEMENT OF THE PARTIES

1.1 Agreement. In consideration of the mutual promises and covenants set forth in this Purchase Agreement (the "**Agreement**"), Seller agrees to sell and Buyer agrees to buy the Property on the terms and conditions set forth in this Agreement.

ARTICLE 2
SALES PRICE AND PAYMENT TERMS

2.1 Sales Price. The total sales price which Buyer agrees to pay for the Property is TWO HUNDRED THOUSAND DOLLARS (\$200,000). TWENTY-FIVE THOUSAND DOLLARS (\$25,000), to be deposited in Escrow on or before the Close of Escrow (as defined below). The balance of ONE-HUDRED AND SEVENTY FIVE THOUSAND DOLLARS

(\$175,000) shall be paid pursuant to a promissory note in the form attached as Exhibit B (the “**Promissory Note**”) which shall be delivered to Seller at Close of Escrow.

2.2 Payment. The sales price shall be payable as follows:

(a) On the Opening Date (defined below), Buyer shall deposit with Escrow Agent a \$1,000 cash earnest money deposit (“**Deposit**”). Said earnest money deposit shall be placed by Escrow Agent in a federally-insured money market account with a financial institution acceptable to Buyer and Seller. If Buyer cancels this Agreement as provided in Sections 3.2 or 5.1 below (any of the foregoing being hereinafter called a “**Refund Event**”), then this Agreement shall be canceled without obligation or liability on the part of either party and the Deposit and all interest thereon less Escrow Agent's fees and expenses payable by Buyer under Section 4.3 below shall be returned to Buyer. Any earnest money shall be credited towards the purchase price if Buyer purchases the Property. Any interest on the earnest money shall be treated in the same manner as the earnest money and shall be paid to Seller in addition to the purchase price if Buyer purchases the Property; and

(b) \$25,000 (inclusive of the Deposit plus interest) in U.S. funds on or before the Close of Escrow and the Promissory Note.

2.3 Nonrefundable Earnest Money. Unless a Refund Event occurs, earnest money deposits shall be nonrefundable to Buyer.

2.4 Disbursements. Upon the Close of Escrow (“**Closing**”), all amounts paid according to this Article 2, less any closing costs payable by Seller, shall be disbursed to Seller.

2.5 Deed of Trust. The payment of the Promissory Note shall be secured by a Deed of Trust in the form attached hereto as Exhibit C, signed by Buyer as Trustor, Seller as Beneficiary, and Safford Title Agency as Trustee. Such Deed of Trust shall be executed at Closing and recorded immediately after the Deed that is described in Section 3.1, below.

ARTICLE 3 TITLE MATTERS

3.1 Deed; Water Supply Reservation. At the Close of Escrow, Seller shall convey title to the Property to Buyer by special warranty deed and bill of sale (the “**Deed**”), subject to all taxes

and assessments accruing after the Closing, reservations in patents, easements, rights-of-way, streets, covenants, conditions, restrictions, declarations, obligations and liabilities of record. The Deed shall be in the form attached hereto as Exhibit D, shall include the water supply provisions set forth therein, and shall be executed by Seller.

3.2 Preliminary Title Report.

(a) Promptly following the Opening Date (as defined below), Escrow Agent shall cause Title Insurer (as defined below) to issue a preliminary title report for a standard coverage owner's title insurance policy on the Property (the "**Report**"). A copy of the Report and copies of all items shown as exceptions therein shall be delivered to Buyer and Seller. Buyer shall have ten (10) business days from the receipt of the Report the "**Title Review Period**") to approve or disapprove the condition of title to the Property.

(b) If Title Insurer issues a supplemental or amended title report on or before the Closing (an "**Amended Report**"), showing additional title exceptions or requirements not caused or to be satisfied by Buyer, Buyer shall have a period of time equal to five (5) business days from the date of receipt of an Amended Report and legible copies of all additional title exceptions therein in which to give Seller and Escrow Agent specific written disapproval as to any additional exceptions or requirements (a "**Supplemental Title Review Period**");

(c) If Buyer timely disapproves of any exception to title or requirement as shown in the Report or an Amended Report in accordance with this Section 3.2, Seller shall have until the Close of Escrow to eliminate the disapproved matter(s) from the Report or Amended Report, or obtain title insurance endorsements against such matters. Notwithstanding the foregoing, it is understood and agreed that Seller shall have no duty whatsoever to eliminate, or to secure a title endorsement against, any matter disapproved by Buyer pursuant to this Section 3.2. If Seller does not eliminate the disapproved matters or if Seller does not obtain title insurance endorsements against such matters on or before the Close of Escrow, Buyer's sole and exclusive remedy shall be to cancel this Agreement by giving written notice of cancellation to Seller and Escrow Agent on or before the Close of Escrow and receive its earnest money deposits and any interest thereon. If Seller gives

written notice to Buyer that Seller will not eliminate a disapproved matter, then Buyer shall elect, within ten (10) days following receipt of such notice, to either waive disapproval of such matter or to cancel this Agreement, by giving written notice of such election to Seller and Escrow Agent. If Buyer fails to make the election within the time allowed, Buyer shall be deemed to have elected to waive the disapproval. If Seller eliminates the disapproved matters and/or obtains title endorsements against such matters, the Closing will occur at the later of the established Closing Date or the date ten (10) days after Seller gives notice to Buyer that the disapproved matters have been cured;

(d) If Buyer does not object to any exceptions to title or requirements as disclosed by the Report or an Amended Report within the applicable time period, such matter shall be deemed to have been approved by Buyer;

(e) Upon a cancellation in accordance with the provisions of this Section 3.2, all documents deposited in Escrow by Seller and Buyer shall be returned to the party depositing the document, and this Agreement shall terminate.

3.3 Title Policy. At the Close of Escrow, Seller shall provide Buyer with a standard coverage title insurance policy, or at Buyer's option, an ALTA extended coverage owner's policy of title insurance (or an unconditional commitment of the Title Insurer to issue such policy) issued by Stewart Title Insurance Company ("**Title Insurer**"), in the full amount of the sales price of the Property, effective as of the Close of Escrow, insuring Buyer that fee simple title to the Property is vested in Buyer, subject only to the usual printed exceptions and exclusions contained in such title insurance policies, to the matters shown on the Report or any Amended Report approved or deemed approved by Buyer as provided in Section 3.2, and to any other matters approved in writing by Buyer.

3.4 Survey. Buyer may, at Buyer's expense, cause an ALTA survey (the "**Survey**") of the Property to be prepared for Buyer's use in acquiring the Property, which Survey shall form the basis for Buyer obtaining an ALTA extended coverage policy of title insurance at Closing.

ARTICLE 4 ESCROW; CLOSING; AND PRORATIONS

4.1 Escrow. The Escrow for this transaction shall be established with Escrow Agent, and Escrow Agent is hereby engaged to administer the Escrow. This Agreement constitutes escrow instructions to the Escrow Agent and a copy shall be deposited with Escrow Agent for this purpose.

Should Escrow Agent require the execution of its standard form printed escrow instructions, Buyer and Seller agree to execute same; however, such escrow instructions shall be construed as applying only to Escrow Agent's engagement, and if there are conflicts between the terms of this Agreement and the terms of the printed escrow instructions, the terms of this Agreement shall control.

4.2 Opening and Closing Dates.

(a) Escrow shall be deemed open on the date (the "**Opening Date**") when a fully executed original of this Agreement has been delivered to Escrow Agent. Escrow Agent shall advise Buyer and Seller in writing of the Opening Date;

(b) The closing of this transaction and Escrow (referred to in this Agreement as the "**Closing**" or the "**Close of Escrow**") shall occur on or before 5:00 p.m. of the first business day that is forty-five (45) days after the Opening Date.

4.3 Closing Costs and Prorations.

(a) Upon the Close of Escrow, Seller and Buyer each agree to pay one-half (½) of the Escrow charges;

(b) Real estate taxes and general and special assessments shall be prorated in the Escrow as of the Close of Escrow, based upon the latest available information. All insurance on the Property shall be canceled by Seller effective as of the Close of Escrow. Seller shall pay the premium for a standard owner's policy of title insurance; Buyer shall pay any additional expense associated with extended ALTA coverage. Any other Closing costs shall be paid by Buyer and Seller according to the usual and customary practice in Graham County, Arizona; and

(c) All Closing costs payable by Seller shall be deducted from Seller's proceeds at the Close of Escrow. On or before the Close of Escrow, Buyer shall deposit with Escrow Agent cash in immediately available funds in an amount sufficient to pay all Closing costs payable by Buyer.

4.4 Recording and Filing of Documents. At the Close of Escrow, the Deed shall be recorded by Escrow Agent, or such party as Escrow Agent may designate, in the Graham County Recorder's Office.

ARTICLE 5
MATTERS RELATING TO THE ESCROW PERIOD

5.1 Buyer's Investigation Contingency.

(a) Buyer shall have the right to investigate and inspect the Property, review the Report, the Survey, and any well test results and conduct further investigation it determines necessary after such review. In the event that Buyer, in its sole discretion, is unsatisfied with any such matter, Buyer may cancel this Agreement by giving written notice of cancellation to Seller and Escrow Agent on or before the expiration of the Title Review Period or (if applicable) the Supplemental Title Review Period, and this Agreement shall terminate without further obligation or liability by either party hereto. If written notice of cancellation is not given on or before the expiration of the Title Review Period or (if applicable) the Supplemental Title Review Period, Buyer shall be deemed to be satisfied with the Property and all such matters.

(b) To the extent permitted by law, Buyer agrees to indemnify Seller and to hold Seller harmless for, from and against any and all injury, loss, cost, liability or expense to person or property arising out of Buyer's exercise of the rights granted by this Section 5.1, and this indemnity shall survive the Close of Escrow or the cancellation of this Agreement.

5.2 Possession. Possession of the Property shall be delivered to Buyer upon the Close of Escrow, free of rights of any third party.

5.3 Risk of Loss. Except as provided in Section 5.1, the risk of loss or damage to the Property and all liability to third persons until the Close of Escrow shall be borne by Seller.

ARTICLE 6
DISCLOSURE AND RELEASE

6.1 Seller's Representations and Warranties. Seller represents and warrants (with the understanding that Buyer is relying on these representations and warranties) that:

(a) Seller owns the Property in fee simple.

(b) Seller has not granted any other party any license, lease, or other right relating to the use or possession of the Property.

All representations and warranties made by Seller in this Agreement (and in any instrument delivered by or on behalf of any party pursuant hereto or in connection with the transaction contemplated hereby) are true on and as of the date so made.

6.2 Acknowledgment. Buyer expressly acknowledges that Buyer has not relied on any warranties, promises, understandings or representations, express or implied, of Seller or of any agent or representative of Seller, relating to the Property which are not contained in this Agreement, and that Buyer is acquiring the Property, including the Well and related facilities, in its present condition and state of repair, "AS IS."

ARTICLE 7 BROKERAGE

7.1 Buyer and Seller represent and warrant to each other that no real estate agent or broker has been involved in the transaction. If any person shall assert a claim to a finder's fee, brokerage commission or other compensation on account of alleged employment as a finder or broker in connection with this transaction, the party under whom the finder or broker is claiming shall indemnify and hold the other party harmless for, from and against any such claim and all costs, expenses and liabilities incurred in connection with such claim or any action or proceeding brought on such claim, including, but not limited to, counsel and witness fees and court costs in defending against such claim. This indemnity shall survive the Close of Escrow or the cancellation of this Agreement.

ARTICLE 8 ADDITIONAL COVENANTS

8.1 Certification as to "Non-Foreign" Status. At the Closing, Seller shall deliver or cause to be delivered to Buyer, at Seller's sole cost and expense, a certification, signed and acknowledged by Seller under penalties of perjury, certifying that Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign person within the meaning of Sections 1445 and 7701 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder.

8.2 Seller's Cooperation Regarding Regulatory Approvals. Seller will cooperate with Buyer, at no material expense to Seller, in completing Buyer's regulatory applications for approval of the addition of the Well and related equipment to Buyer's water system. Seller will provide Buyer with access to any existing records or information in the ownership or control of Seller that is reasonably necessary or required in connection with such regulatory applications. Seller's obligations under this Section 8.2 shall survive Close of Escrow.

8.3 Post Closing Operational Covenants. Following Closing:

(a) Buyer shall keep the Property clean and free of noxious weeds and hazardous chemicals (with the exception of chlorine).

(b) Buyer shall construct a chained link fence directly around the well site for security purposes

ARTICLE 9
CLOSING DOCUMENTS

9.1 Seller's Closing Documents. By the Close of Escrow, Seller shall deposit into Escrow the following documents for delivery to Buyer at the Close of Escrow, each of which shall have been duly executed and, where appropriate, acknowledged:

(a) The Deed in the form set forth in Exhibit C executed on behalf of Seller;

(b) The Non-Foreign Affidavit required by Section 8.1;
and

(c) Such other documents as may be necessary or appropriate to transfer and convey the Property to Buyer and to otherwise consummate this transaction in accordance with the terms of this Agreement.

9.2 Buyer's Closing Documents. On or before the Close of Escrow, Buyer shall deposit into Escrow the following documents for delivery to Seller at the Close of Escrow, each of which shall have been duly executed and, where appropriate, acknowledged:

(a) The Deed in the form set forth in Exhibit C; and

(b) Such other documents as may be necessary or appropriate to consummate this transaction in accordance with the terms of this Agreement.

ARTICLE 10
REMEDIES

10.1 Seller's Remedies. Except as hereinafter set forth in this Section 10.1 and subject to all other applicable provisions of this Agreement, in the event of any breach of this Agreement by Buyer, Seller may cancel this Agreement by written notice to Buyer and Escrow Agent and retain the

earnest money as liquidated damages due to Buyer's default, which shall be paid to Seller by Escrow Agent immediately upon such cancellation without further demand by Seller. Seller's cancellation in accordance with the preceding sentence shall be without further obligation or liability for Seller or Buyer. Except as limited by any provision of this Agreement, Seller may also seek specific performance of Buyer's obligations hereunder, damages, or any or all other rights or remedies available under this Agreement or applicable law.

10.2 Buyer's Remedies. Except as hereinafter set forth in this Section 10.2 and subject to all other applicable provisions of this Agreement, in the event of any breach of this Agreement by Seller, and in the event that the Title Insurer fails to deliver the title policy required by Section 3.3 of this Agreement, Buyer shall be entitled to cancel this Agreement by written notice to Seller and Escrow Agent and receive a return of the earnest money without further obligation or liability for Seller or Buyer. Except as limited by any provision of this Agreement, Buyer may also seek specific performance of Seller's obligations hereunder, damages, or any or all other rights or remedies available under this Agreement or applicable law.

ARTICLE 11 GENERAL PROVISIONS

11.1 Binding Effect. The provisions of this Agreement are binding upon and shall inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns. Each party represents and warrants to each other party hereto that (i) the representing party is duly formed, validly existing and in good standing under the laws of the State of Arizona and has full power and authority to enter into this Agreement, and (ii) that this Agreement is binding on such party in accordance with its terms and the person executing this Agreement on behalf of such party is fully authorized to do so.

11.2 Attorneys' Fees. If any action is brought by either party in respect to its rights under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and court costs as determined by the court.

11.3 Waivers. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. Except as expressly provided for in this Agreement, no waiver shall be binding unless executed in writing by the party making the waiver. Either party may waive any provision of this Agreement intended for its benefit; provided, however, such waiver shall in no way excuse the other party from the performance of any of its other obligations under this Agreement.

11.4 Construction. This Agreement shall be construed according to Arizona law, without regard to conflicts of law. References in this Agreement to "Articles" or "Sections" are to the Articles and Sections of this Agreement, unless otherwise noted.

11.5 Time. Time is of the essence of this Agreement.

11.6 Notices.

(a) Notices shall be in writing and shall be given by personal or air courier service delivery to a responsible person or by deposit in the United States mail, certified mail, return receipt requested, postage prepaid. Notices shall be delivered or addressed to Seller and Buyer at the addresses set forth on the first page of this Agreement or at such other address as a party may designate in writing. The date notice is deemed to have been given, received and become effective shall be the date on which the notice is delivered, if notice is given by personal or air courier service delivery, or three (3) days following the date of deposit in the mail, if the notice is sent through the United States mail; and

(b) Copies of all notices shall also be given to Escrow Agent by regular mail.

11.7 Further Documentation. Each party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

11.8 Time Periods. Except as expressly provided for herein, the time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 4:30 p.m. (Arizona time) on the last day of the applicable time period provided for herein. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

11.9 Headings and Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

11.10 Entire Agreement. This Agreement, which includes Exhibit A, Exhibit B, and Exhibit C constitutes the entire agreement between the parties pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by Buyer and Seller.

BUYER:

CITY OF SAFFORD, a municipal corporation

By: _____
Chris Gibbs, Mayor

SELLER:

Tommy Clonts, Co-Trustee of the
Clonts Living Trust dated January 24, 2007.

Betty Jean Clonts, Co-Trustee of the
Clonts Living Trust dated January 24, 2007.

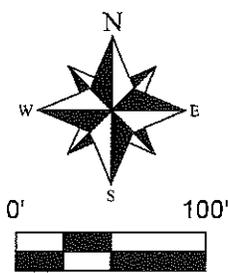
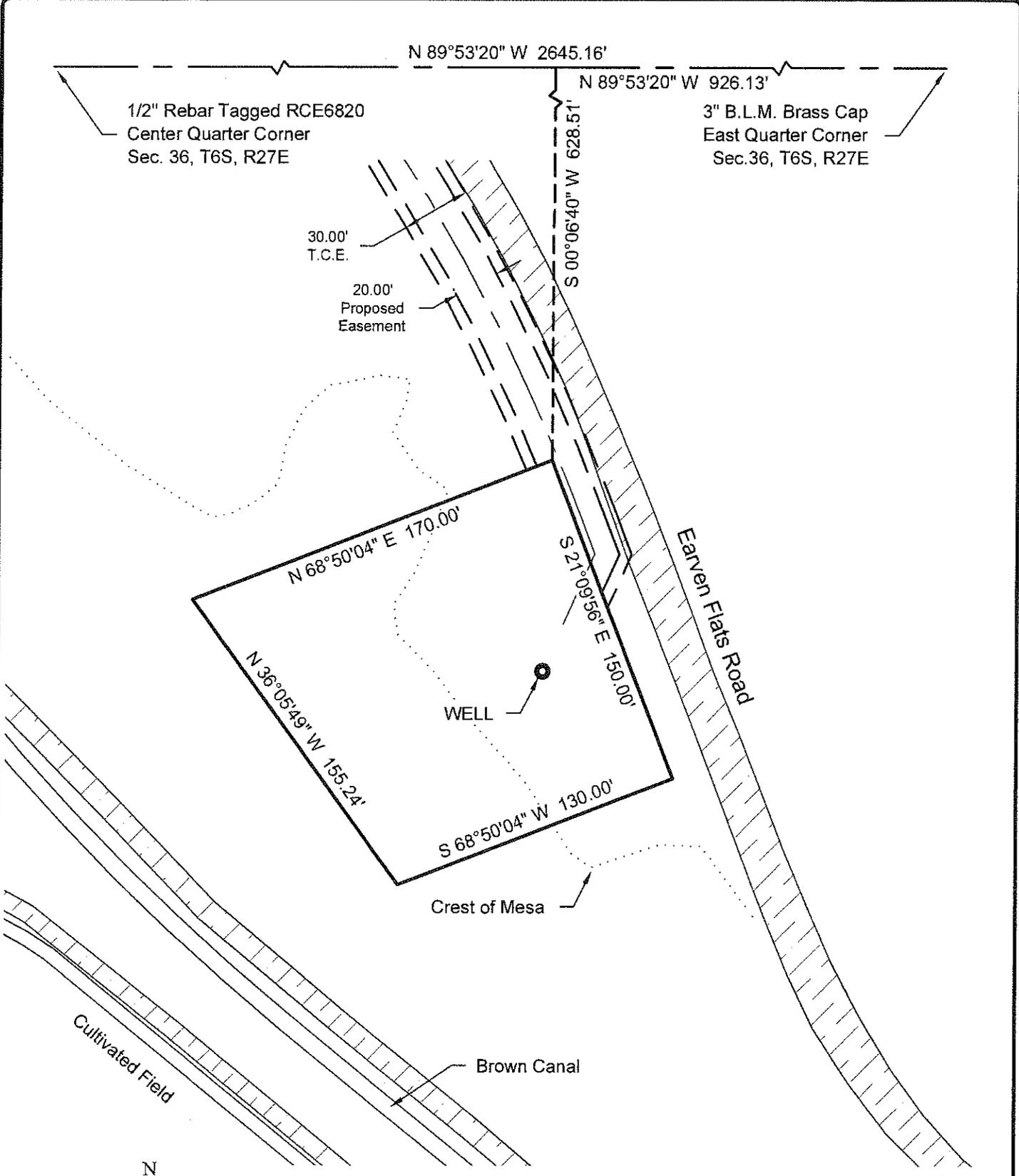
Escrow Agent hereby accepts the engagement to handle the escrow established by this Agreement in accordance with the terms set forth in this Agreement.

Safford Title Agency, Inc.

By: _____
Escrow Agent

EXHIBIT A
LEGAL DESCRIPTION

P:\5891 - City of Safford - Misc. On Call\5891-01-001 (ENG)\Engineering\Task 00001 - Clonts Well Development\Survey\5891 - Clonts Well TOP-0.dwg, 12/11/2014 1:25:42 PM



This exhibit is intended to accompany a legal description only.
It is not a results of survey drawing and should not be considered as such.

Bowman CONSULTING 305 E 4th St. Phone: (928) 428-3898 Safford, AZ 85546 www.bowmanconsulting.com	Clonts Well Site - Legal Exhibit	
	City of Safford - Clonts Well Safford, Arizona	SHEET NO. 1
JOB # 5891	FILENAME:	

LEGAL DESCRIPTION

(Well Site)

That Part of Section 36, Township 6 South, Range 27 East of the Gila and Salt River Meridian, Graham County, Arizona, described as follows:

COMMENCING at the East Quarter Corner of said Section 36, monumented by a BLM Brass Cap;
THENCE North 89°53'20" West along the East-West Mid-Section Line of said Section 36 and the Basis of Bearing, a distance of 926.13 feet;
THENCE South 00°06'40" West, 628.51 feet to the POINT OF BEGINNING;
THENCE South 21°09'56" East, 150.00 feet;
THENCE South 68°50'04" West, 130.00 feet;
THENCE North 36°05'49" West, 155.24 feet;
THENCE North 68°50'04" East, 170.00 feet to the POINT OF BEGINNING.

Having an area of 0.517 Acres, more or less.

EXHIBIT B
PROMISSORY NOTE

PROMISSORY NOTE

Principal Amount:
Arizona \$175,000

Safford, AZ
_____, 2015

1. Promise to Pay. For value received, the City of Safford, a municipal corporation (the "**Maker**"), promises to pay to the order of to the Tommy & Betty Jean Clonts Co-Trustees of the Clonts Living Trust dated Jan. 24, 2007, (the "**Holder**") or such other person or entity as Holder may designate by written notice to the Maker, in lawful money of the United States of America, the principal sum of ONE HUNDRED AND SEVENTY FIVE THOUSAND AND NO/100 DOLLARS (\$175,000.00) plus interest at the rate of four percent (4%) per annum, together with all other amounts that are the Maker's obligations under this Note.

2. Required Payments. The Principal Amount shall be paid in annual installments (collectively, the "**Installment Payments**") in an amount equal to TWELVE THOUSAND EIGHT HUNDRED SEVENTY-SIX AND 81/100 DOLLARS (\$12,876.81) in accordance with the attached schedule, Exhibit A with the first payment due on July 1, 2016 and the last payment due on July 1, 2035.

3. Application of Payments. All payments made under this Note shall be applied first to fees, costs and expenses payable by Maker under this Note and second to the Principal Amount.

4. Collection Costs. If suit or other legal proceeding or any nonjudicial foreclosure proceeding is instituted or any other action is taken by the Holder to collect all or any part of the indebtedness evidenced hereby or to proceed against any collateral for any portion of such indebtedness or against any guarantor of the payment of any portion of the indebtedness, the Maker promises to pay the Holder's reasonable attorneys' fees and other costs (to be determined by the court and not by jury) incurred thereby. Such fees and costs shall be included in any judgment obtained by the Holder, shall bear interest at the default rate set forth in Section 7, and shall be guaranteed by any guaranty securing any portion of the indebtedness evidenced hereby.

5. Acceleration. If any Installment Payment is not paid when due, and if such failure is not cured on or before the seventh (7th) day after written notice of such failure, at the option of Holder, the unpaid Principal Amount shall become immediately due and payable without further notice or demand by the Holder.

6. Late Payment Fee and Default Interest. In the event of any Installment Payment not paid prior to the expiration of the cure period set forth in Section 5 (an "**Event of Default**"), the Maker shall pay the Holder a late charge of ONE HUNDRED DOLLARS (\$100.00) per day. In addition, following an Event of Default, all amounts outstanding hereunder shall thereafter bear interest at the rate of eighteen percent (18%) per annum until paid.

7. No Waiver by Holder. Failure of the Holder to exercise any option hereunder shall not constitute a waiver of the right to exercise the same in the event of any subsequent

default or in the event of continuance of any existing default after demand for strict performance thereof.

8. Time of Essence. Time is of the essence of this Note.

9. Governing Law. This Note shall be construed according to the substantive laws and judicial decisions of the State of Arizona. Any action brought to enforce this Note may be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Maricopa. Maker and any sureties, endorsers and guarantors irrevocably consent to jurisdiction and venue in such court for such purposes.

10. Secured by Deed of Trust. The indebtedness evidenced by this Note is secured by a Deed of Trust of even date herewith, executed by Maker as Trustor and the original Holder as Beneficiary.

11. Prepayment Penalty. Provided that Maker is not in default hereunder or under the Deed of Trust given to secure payment hereof, Maker, on any installment payment date and after thirty (30) days prior written notice to Holder, may prepay all or part of the principal of the indebtedness evidenced hereby and accrued interest on the principal so prepaid; provided, however, as consideration for the privilege of making such prepayment, a prepayment premium equal to 20% of the principal amount to be prepaid shall be paid with the prepayment. Such prepayment premium shall decline by one percentage point each year of the term of the Note. So the premium will be 20% during the first year after the date of the Note and 19% during the second year after the date of the Note, and so on. A prepayment shall not suspend or reduce required installment payments. In the event of a prepayment of all or part of the principal of the indebtedness evidenced hereby as a result of a default hereunder and the acceleration of the indebtedness or the collection of such sum with or without suit or the application of the proceeds from a trustee's sale, foreclosure or other action or proceeding under any instrument now or hereafter given to secure this Note, the indebtedness due hereunder shall be increased by an amount determined as set out above for prepayment when no default exists.

IN WITNESS WHEREOF, this Note has been executed as of the date first written above.

CITY OF SAFFORD, a municipal corporation

By: _____

Name: _____

Title: _____

EXHIBIT C
FORM OF DEED OF TRUST

When recorded, mail to:

Tommy Clonts
P.O. Box 166
Solomon, AZ 85551

**DEED OF TRUST
AND
ASSIGNMENT OF RENTS**

TRUSTOR: City of Safford, a municipal corporation

TRUSTOR'S MAILING ADDRESS: 717 Main Street, PO Box 272, Safford, Arizona
85548

BENEFICIARY: Tommy & Betty Clonts, Co-Trustees of the
Clonts Living Trust dated January 24, 2007.

BENEFICIARY'S ADDRESS: P.O. Box 166 , Solomon, Arizona 85551

TRUSTEE: Safford Title Agency

TRUSTEE'S ADDRESS: 811 W. South Court, Safford, AZ 85546

PROPERTY in Graham County, State of Arizona, described as:

See Exhibit ~~A~~ attached hereto.

THIS DEED OF TRUST is made by the Trustor, Trustee and Beneficiary named above. Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, the above-described real property and all buildings, improvements and fixtures located thereon or hereinafter erected thereon, all easements and rights appurtenant thereto (all of which are referred to as the "Property") together with the leases, rents, and income thereof, (all of which are called "Property Income") (all of which shall also be included in the term "Property" as used herein); SUBJECT, HOWEVER, to the right, power and authority given to Trustor to collect and apply such property income; AND SUBJECT TO covenants, conditions, restrictions, rights-of-way, easements, and liens of record.

THIS DEED OF TRUST IS MADE FOR THE PURPOSE OF SECURING:

- (A) Performance of each agreement of Trustor herein contained.
- (B) Payment of the indebtedness evidenced by promissory note ("Note") dated _____, 201____, and any extension or renewal thereof, in the principal sum of \$_____ executed by Trustor in favor of Beneficiary or order.

(C) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note(s) reciting that they are secured by this Deed of Trust.

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

1. Maintenance of the Property. To keep the Property in good condition and repair.
2. Compliance with Law. To comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit, suffer or permit any act upon the Property in violation of law; and to comply with all laws and regulations applicable to the use and occupancy of the Property.
3. Insurance. To purchase, maintain, and deliver to Beneficiary proof of fire and casualty insurance policies satisfactory to Beneficiary, insuring the Property against loss by fire and such other hazards, casualties and contingencies commonly insured against by persons owning like properties in the locality of the Property.
4. Defense of Security. To appear in and defend, at Trustor's expense, any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee or seeking to impose any liability on Beneficiary or the Trustee because of any act or omission of Trustor with respect to the Property and to pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and reasonable attorneys' 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 to foreclose this Deed of Trust.
5. Taxes and Assessments. To pay before delinquent, all taxes and assessments accruing after the date hereof levied and assessed against and which constitute a lien upon the Property. Trustor, if requested by Beneficiary, shall at Trustor's expense provide Beneficiary with a tax service to verify payment of taxes and assessments.
6. Liens and Encumbrances. To pay when due, all encumbrances, charges and liens, with interest, on the Property (other than taxes accruing prior to the date hereof) or any part thereof which appear to be prior or superior hereto; to pay when due all claims for labor performed and materials furnished; and to pay all bills for utilities, services, and irrigation when due.
7. Costs Associated With Trust. 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.

8. Trustor's Obligation to Reimburse Monies Advanced. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from the date of expenditure at the rate provided for in the note secured by this Deed of Trust for sums not paid when due and payable. Any amounts so paid by Beneficiary or Trustee shall become part of the debt secured by this Deed of Trust and a lien on the Property and may be declared immediately due and payable at option of Beneficiary or Trustee.

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

9. Right to Cure. Should Trustor fail to make any payment or to do any act as herein provided or as provided in the note(s) secured hereby, Beneficiary or Trustee, without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same, or cause the same to be done at Trustor's expense, 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 the Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers 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 exercising any such powers, pay necessary expenses, employ counsel, and pay counsel's reasonable fees. If Beneficiary pays any prior encumbrance, Beneficiary shall be subrogated to the lien thereof, notwithstanding any release of record.

10. Condemnation or Trespass. Any award of damages in connection with any condemnation, or any such taking, or for injury to the property by reason of public use or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby but only to the extent necessary to pay the then current amount of unpaid indebtedness under the Note (reserving unto the Trustor, however, the right to sue therefor and for the ownership thereof subject to this Deed of Trust), and, upon receipt of such monies, Beneficiary shall apply it to the debt secured hereby or release the same to the Trustor.

11. Time of Essence. Time is of the essence of this Deed of Trust, and by accepting payment of any sum secured hereby after its date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

12. Actions Taken at the Request of Beneficiary. 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 note(s) for endorsement, without liability therefor, without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, without affecting the personal liability of any person, and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of said property; (b) consent to the making and recording, of either,

of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; and (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance or charge hereof. No extension of time for payment or renewal of indebtedness secured hereby, nor the release from any personal liability of any person directly or contingently liable for any indebtedness secured hereby, shall affect the lien or priority of this deed of trust unless it is accompanied by an express written agreement to subordination.

13. Release and Reconveyance Upon Full Payment. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation, 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." In lieu of execution of a reconveyance by Trustee, Beneficiary may execute a release or, on behalf of Trustee, execute the reconveyance, whereupon title shall be vested in the Trustor or other person or persons legally entitled thereto, and this deed of trust shall be void and of no further force or effect.

14. Collection of Property Income. 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 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 the Property or any part thereof, sue for or otherwise collect the Property Income in his own name, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of the 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, but all amounts collected by Beneficiary shall be credited against amounts owed by Trustor hereunder.

15. Appointment of a Receiver. After default or breach, if suit is commenced, Trustor agrees that a receiver may be appointed upon the application of Beneficiary to take charge of the Property and to do such things as shall be authorized by the court, and that any and all sums spent by such receiver, less any rents, issues and profits from the property collected by said receiver, together with such receiver's own compensation, shall be secured by this Deed of Trust.

16. Remedies Upon Default. Upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder or secured hereby, Beneficiary may declare all sums secured hereby immediately due and payable.

(a) Trustee's Sale. Beneficiary may cause the Property to be sold under this Deed of Trust by delivering to Trustee a written notice of default, specifying the nature of the default and declaring Beneficiary's election to accelerate the obligation secured hereby and have the Property sold under this Deed of Trust. Beneficiary also shall deposit with Trustee this Deed of Trust, said note(s) and all documents evidencing expenditures secured hereby. Trustee shall record and give notice of Trustee's sale and shall sell the Property at public auction, all in the manner required by law. If permitted by law, the Property may be sold, at the option of Beneficiary, as a whole or in separate parcels. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. Trustor requests that a copy of any notice of Trustee's sale be mailed to Trustor at his address set forth above, unless a subsequent request for notice of sale specifying a different address is recorded in the manner provided by law.

(b) Application of Proceeds. 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 in the manner provided by law.

(c) Foreclosure. In lieu of sale, pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property.

(d) Other Remedies. Beneficiary shall also have all other remedies available to it at law or equity. All remedies of Beneficiary may be exercised concurrently or consecutively or in proceedings whether legal or equitable, and no failure of Beneficiary to exercise any rights hereunder and no delay by Beneficiary or the Trustee in the exercise of such rights shall be a waiver thereof.

(e) Payment of Fees and Costs. After default or breach and failure to cure during the cure period provided for in the note(s), if any sale proceeding or suit is commenced, Trustor promises to pay Beneficiary's and Trustee's reasonable attorneys' fees, the Trustee's fees and its costs and expenses in connection with such proceedings, and if suit is brought, all costs of suit. In addition, Trustor shall pay a reasonable fee for title searches made in preparation for and in the conduct of any such proceedings or suit. All of the foregoing fees and expenses shall be secured by this deed of trust.

(f) Deficiency. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder.

17. Additional Security. The taking by Beneficiary of any other collateral for indebtedness secured hereby shall in no way affect or impair the lien or priority of this deed of trust, and Beneficiary may resort for the payment of indebtedness secured hereby to its several securities in such order and manner as Beneficiary may determine.

18. Resignation of Trustee and Appointment of Successors. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor. Beneficiary may, from time to time, by instrument in writing, substitute successor Trustees in the manner prescribed by law. Such a writing, upon recordation, shall be conclusive proof of proper substitution of such successor Trustee or Trustees. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers and duties.

19. Beneficiary is Holder of the Note(s). The term Beneficiary shall mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein.

20. Acceptance of Appointment as Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of a pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

21. Sale, Conveyance, or Encumbrance by Trustor. Trustor agrees that Trustor will not sell, transfer, assign, convey, encumber or in any manner dispose of any of its interest in all or any portion of the Property without the prior written consent of Beneficiary, which Beneficiary may withhold if Beneficiary in its sole discretion decides that such action will increase the likelihood of default. Trustor shall give Beneficiary prior written notice of any proposed transaction which requires Beneficiary's consent, and Trustor shall furnish to Beneficiary such information as Beneficiary may reasonably require.

22. Miscellaneous. The descriptive headings of this Deed of Trust are inserted for the convenience of the parties and shall not control or affect the meaning of any provision hereof. 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. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, personal representatives, administrators, executors, successors and assigns. This Deed of Trust is delivered in, relates to real property located in, and shall be construed according to the laws of Arizona.

DATED: _____, 2015.

City of Safford, a municipal corporation

By: _____ (Signature of Principal)

_____ (Printed name)

Its: _____ (Title)

STATE OF ARIZONA)
) ss.
County of Graham)

This instrument was acknowledged before me this _____ day of _____, 2015, by _____, the _____ of Safford, Arizona.

Notary Public

EXHIBIT D

FORM OF DEED When recorded return to:

Gale Hedges, Water Division Manager
City of Safford
PO Box 272
Safford AZ 85548

EXEMPT FROM AFFIDAVIT OF VALUE PURSUANT TO ARS 11-1134(A)(3)

**SPECIAL WARRANTY DEED AND BILL OF SALE
WITH COVENANTS**

_____ (“Grantor”), hereby grants, conveys and sells to the City of Safford, a municipal corporation, its successors and assigns (“Grantee”), all of Grantor’s right, title and interest in and to that certain real property located in Graham County, State of Arizona, and more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “Property”), together with all waters and water rights and appurtenances thereto and all personal property and fixtures located thereon, including without limitation that certain well known as Arizona Department of Water Resources Well No. _____.

This conveyance is subject to all taxes and assessments accruing after the date of this Special Warranty Deed and Bill of Sale, reservations in patents, easements, rights-of-way, streets, covenants, conditions, restrictions, declarations, obligations and liabilities of record. Grantor hereby warrants title to the Property as against all acts of Grantor and none other.

EXECUTED as of the ____ day of _____, 2015.

GRANTOR

By: _____
Name: _____
Its: _____

STATE OF ARIZONA)
) ss.
County of Graham)

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by _____, the _____ of _____, an _____, on behalf of such company.

Notary Public



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Horatio Skeete, City Manager
SUBJECT: Facts about the Central portion of the City's water system
DATE: May 11, 2015

Purpose and Recommended Action:

This is an informational item for the council to discuss and provide direction to staff.

Background:

On April 2nd I was invited to a meeting at the Eastern Arizona College with representatives from the College and the Graham County Utilities (Co-op) to discuss the possibility of selling a portion of the City of Safford's water system. At this meeting Joe Brugman and myself represented the City and were presented with a proposal of selling the section of the City's water infrastructure in "Central" to the Co-op in order to more economically facilitate the transmission of water to the College from a well west of Pima. The following is a compilation of the facts about the Central infrastructure and some Pros and Cons to consider.

General information about the system:

- The City owns and operates a water system that serves over 7,500 customers in the City of Safford, the
- Town of Thatcher and the immediate County area including "Central".
- The City's current budgeted operating cost is \$4.45 million and the five year capital budget system wide is slightly over \$12 million.
- Last year the average cost of water production was \$3.75 per 1000 gallons.
- The City owns and operates 11 wells and a gravity feed water collection system in Bonita Creek producing just over 1.2 billion gallons of water per year.
- None of the wells on our current system are located in this area.
- Over the last four years the City sold an average of 1.13 billion gallons per year with the high being in 2011 at 1.264 billion gallons.

Background/facts about the water system in Central:

- The City of Safford has been serving this area since 1955 when we purchased the Thatcher Water Company
- Central has approximately 270 residential and commercial accounts as of today.
- The Central area consumes approximately 51.5 million gallons of water in 2011 and 36.5 million gallons in 2014.

- The system consists of the following infrastructure:
 - 2,320 linear feet of 1.5–inch main line
 - 8,295 linear feet of 2–inch main line
 - 15,985 linear feet of 4–inch main line
 - 13,985 linear feet of 6–inch main line
 - 16,345 linear feet of 8–inch main line
 - 35 fire hydrants

- The age of this infrastructure ranges from 1938 to 2010 and includes a variety of piping materials.

Request:

At a meeting with the Graham County Utilities (Co-op) and the Eastern Arizona College, the City was presented with a request to consider selling the water service area known as Central to the Co-op. This request was made to help facilitate the transmission of “new found water” by the College west of the Town of Pima. Through a separate and independent agreement between the College and the Co-op, they would join resources together and bring this water to the College campus. If the Co-op owned and operated the Central network of pipes, this would make the transmission of the college water to the campus easier to facilitate. The transferring of the service area in Central to the Cooperative will minimize the number of parties involved in any such agreement.

Analysis:

I checked with the City Attorney to determine if a single customer could secede from our services at will and he advised that they can. I then put a staff team together comprising of Chief Brugman, Randy Petty, Dustin Welker, Jenny Howard and we began the review and analysis.

Facts about this request:

- a) This would reduce the total water sold by the City by approximately 80 and 100 million gallons per year and the sale of the Central portion of our system would also lend to the Eastern Arizona College leaving our system.
- b) Neither Central nor EAC is currently served by our wastewater system, therefore this transition will not have any impact on our wastewater collection system.
- c) The value of sales/revenue loss to the City from these two entities is between \$400,000-450,000/ per year.
- d) The City cannot mandate everyone in our service area to connect to our system or stay connected.

e) Anyone with the resources can isolate themselves from our system.

The team saw the following Pros to the City to selling this part of the system to the Co-op:

1. A reduction of our service area without any negative impact on our water rights or current supply.
2. Future cost avoidance as it relates to capital upgrades and maintenance
3. This area has at least one approved subdivision for 65 new homes that will not present additional demands to our water production.
4. The connection of the two utility systems allows for possible emergency assistance in the future should the need arise.
5. It would provide instant capacity to serve potential customers within the city limits without additional production or capital investment. Additionally, those potential customers would also provide effluent to the City's wastewater system.
6. Using the sale model in the most recent electrical territorial transfer agreement with the Co-op the city will receive a lump sum payment for the transfer of customers to the Co-op.

Cons:

1. Sudden reduction in cash flows of about \$450,000 per year.
2. Precedent setting for other large customers to explore similar options.
3. The loss of approximately 80-100 million gallons of water sales and 270 customers will not significantly reduce our production or operations cost per year.
4. The change in water provider may impact the Central customers fire protection rating.

Recommendation:

Staff is seeking permission to continue the conversation about the possible sale of the infrastructure within the Central service area to the Co-op which would facilitate easier transmission of the EAC well water to the campus for their use.



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Horatio Skeete, City Manager
SUBJECT: Budget Workshop (Continued)
DATE: Monday, May 11, 2015 at 6:00 p.m.

Purpose and Recommended Action:

Provide information to Mayor and Council about the remaining outstanding elements of the proposed FY 2016 budget. The following items will be presented for discussion and direction:

1. CIP Final Review	2. Fleet Capital Budget	3. HR Budget
4. Property Tax Rate	5. Debt Service	6. Fund Balance Update
7. Benefit Package and Adjustments	8. Sanitation Rates	9. Landfill Rent to the General Fund
10. Fireman's - Pay Increases and Recommendation for Retirement		

Background:

Capital Improvement Plan (CIP): Over the last two months, staff has presented various elements of the fiscal year 2016 budget. The Capital Improvement Plan (CIP) was presented first and received noted feedback from the Council. This evening we will present the revisions to the CIP budget based on that feedback along with refining of the information originally presented. Some changes to look for in this revised document includes: 1) addition of a new column to show the capital projects approved this year that will be carried forward into next year; 2) project costs were adjusted to better reflect more accurate pricing information; and 3) some new projects were added and some timelines were adjusted. The added projects are mainly grant funded projects.

Fleet Capital Budget: A review of the current vehicle replacement procedures has initiated the attached recommended changes from Fleet Staff regarding the fleet replacement schedule and inspections.

HR Budget: The information included in the package is the HR Department's operating budget for your review.

Property Tax: Staff recommends keeping the revenue collected from property tax constant. However, due to a reduction in the assessed valuation for commercial property, the tax ratio rate per \$100 of assess value must now be increased to \$0.5316 per \$100 of assessed value to keep the collected revenues the same. In short, the amount collected from each property owner will remain the same as it was for the last two years.

Debt Service: It was decided this year to consolidate all the outstanding debt of the City in one fund rather than have them tied to the individual department budgets. The benefit in doing so allows the information to be readily available in one area, and allows the Council and the public to see the debt position of the City at a glance. It also allows the Council to begin a discussion of what is an acceptable level of debt financing they are willing to encourage. The total debt service payment for the City for FY16 was reduced by \$135,729 due to a successful refinancing effort this year.

Fund balance: Last year we established a framework for a discussion on fund balance, and included in this package is a calculation reflecting the current progress towards meeting the objective of building an adequate fund balances for a sustainable organization. The Government Finance Officers Association (GFOA) recognizes each organization as unique and must include the local economy in the analysis of the appropriate level of fund balance reserves. The GFOA recommends that all organizations should have at least two months (16%) of operating revenues in an unrestricted fund balance.

Using that standard, we are able to report that the City's anticipated General Fund balance at the end of this year will represent just over three months (25%) of reserves or \$2,647,333. Staff recommends these continued efforts, and project over the next three years our fund balance reserve should be 50% of operating reserves in a non-restricted fund balance.

In alignment with maximizing and expounding the long term benefits of a strong City fund balance, we would like to introduce the following idea for consideration this year; an "***Economic Development Incentive Reserve Fund***" to be use to incentivize the growth of local businesses in our community. We would like to suggest we start this fund this year and set a maximum fund balance target of \$1 million over the next three years. If Council agrees with this initiative a full set of policies would be developed governing the fund and brought to Council for adoption. Our goal would be to set aside in the "***Economic Development Incentive Reserve Fund***" at the end of this fiscal year approximately \$250,000.

Fire Department Pay Increase and Pension Plan: After reviewing a request for an across-the-board pay increase for all fire fighters, staff is recommending that we change the current pay structure as follows:

1. The base pay of \$15 per call be kept for all training activity and canceled calls.
2. The pay per call for all those responding to a call be increased to \$20 per call.

Staff also received a request to review the current pension plan for firefighters. After checking with 16 different jurisdiction across the country we found our plan is comparable or better than others in existence, therefore we are not recommending any change at this time.

Benefit Package and adjustments: The budget for this fiscal year includes 3% for a performance merit pay increase for those employees who exceed an acceptable work performance level. Included in the package for discussion is a summary of all the employee benefits offered by the City along with recommended changes towards our goal of maintaining a sustainable organization. Staff is recommending the 3% merit pay increase be approved along with the following changes to our other benefits; sick leave payout, accumulated vacation payout, sick leave bank and insurance subsidy.

Sanitation Rates: It is recommended the sanitation rates be increase by \$1.00 rather than the 3% (or \$.57) previously proposed for this year. We are proposing to add an extra community service this year in the form of a “Household Hazardous Drop-off-day”. Additional changes we propose are for the sanitation collection services to include a curbside recycling pickup once per week, green waste collection and a once per month curb side bulk pickup for each resident in the city limits.

Landfill Rent to the General Fund: In November of 2012, staff recommended and the City Council approved the collection of a rental fee from the Landfill Fund of \$60,000 per year. This amount was paid into the General Fund. We are recommending this rental fee be discontinued and all surplus funds collected in the Landfill Fund be designated for the closure/post closure reserves. This fund is currently caring a negative fund balance in excess of \$5 million. In order to keep land fill rates reasonable, staff recommends waiving the minimum fund balance requirement for this fund at this time.



**Five-Year
Capital Improvement Projects
Fiscal Years 2016 – 2020**

MAYOR

Wyn “Chris” Gibbs

COUNCIL MEMBERS

Mary Bingham – Vice Mayor	Jim Howes
Arnold Lopez	Kenneth Malloque
Richard Ortega	Gene Seale

<i>City Manager</i>	<i>Horatio Skeete</i>
<i>City Engineer</i>	<i>Randy Petty</i>
<i>Police Chief</i>	<i>Joe Brugman</i>
<i>Fire Chief</i>	<i>Clark Bingham</i>
<i>Library Director</i>	<i>Leanne McElroy</i>
<i>Finance Director</i>	<i>Terry Quest</i>
<i>IT Manager</i>	<i>Sam Napier</i>
<i>Public Works Director</i>	<i>Jenny Howard</i>
<i>Interim Utility Director</i>	<i>Jenny Howard</i>

May 11, 2015

Table of Contents

Introduction	i
Project Summary.....	1
General Fund Project Detail	
Police.....	4
Fire Department.....	7
Library	10
Finance.....	11
Airport.....	13
Information Technology.....	16
Engineering	21
Parks	22
Sanitation.....	24
HURF Fund Project Detail	
Streets.....	26
Enterprise Fund Project Detail	
Water	40
Wastewater.....	62
Wastewater Treatment Plant.....	67
Gas	68
Electric	69
Landfill	77

Introduction

The City of Safford's Capital Improvement Plan (CIP) was developed in order to further the City's commitment to the citizens of Safford. This program works to meet today's infrastructure needs as well as those of the future.

The CIP is a long range plan that identifies capital projects and provides a planning schedule. A centralized CIP is an opportunity to foster cooperation among departments and inform other governmental entities and rating agencies of the City's priorities and future plans. The process of developing a CIP should solidify the support of the citizens of Safford and the City's commitment to carrying out these plans. The process and development of a long-term capital improvement plan can realize the following benefits:

Focus attention on community goals and needs. Capital projects can be brought into line with the City's objectives, allowing projects to be prioritized based on need.

Allow for an informed public. The CIP keeps the public informed about the future capital investment plans of the City and allows them to play a more active role in the process.

Encourage more efficient project administration. By enhancing the level of communication among the various departments implementing capital improvement projects, the City is able to better coordinate efforts, avoiding duplication of efforts and potential conflicts. Work can be scheduled and available personnel and equipment can be better utilized when it is known in advance when projects will be undertaken.

- Only the current fiscal year will be included in the annual budget thus becoming a part of the overall adopted budget
- The identification of a project in the five-year plan does not guarantee construction or purchase
- Accounts for the timely replacement of facilities and equipment
- Facilitates the effective allocation of the limited financial resources

CIP Development Process

The development of a capital improvement plan is a continual process and consequently, should be viewed as a work in progress. While this document covers a five-year planning perspective, it is revised every year in order to accommodate new projects, reflect changes in ongoing projects, and extend the plan an additional year. The first year of the plan is incorporated into the annual budget, and funds are appropriated through the budget adoption. Improvements identified in subsequent years are approved only on a planning basis and do not receive any appropriation.

City Council is able to weight citizen's input with staff recommendations to ensure that both are equally considered. The City Council, through budget workshops, reviews the proposed CIP and any recommended changes are incorporated into the final document. A final five-year CIP is then presented with the annual budget for Council consideration and approval. Upon Council adoption, the five-year CIP document is reproduced and distributed for implementation of the plan.

How to Use This Document

The Capital Improvement Plan document is organized by project type. Each project type includes information on existing projects that will carry over into fiscal year 2016, and projects that are anticipated for funding in 2016-2020. Due to the nature of capital projects, the life of a project may span across fiscal years. As funds are designated for a project, they are accumulated in the appropriate capital fund and expended as the project progresses. When the funds are not spent in one year, they remain in the fund balance to be used in the future. This is also referred to as carryover funds. As the City refines the annual CIP, these carryover projects will be redefined into areas of contractual obligation, and ongoing projects are re-appropriated in the following year to ensure full project funding. The summary section includes total uses, a list of all the projects and project numbers and amounts for each year. Detailed project descriptions and justifications follow by project type of each individual project, including the estimated project costs.

For clarification in determining project timing, each project has been assigned an alphanumeric CIP number. The first two digits identify what type of project it is:

- PD = Police Department
- AP = Airport
- SA = Sanitation
- WW = Wastewater
- LF = Landfill
- FD = Fire Department
- EN = Engineering
- ST = Streets
- GA = Gas
- MU = Municipal (Library, Finance, IT)
- PK = Parks
- WA = Water
- EL = Electric

The second two digits of the number (MU16) identify the first fiscal year in which the project is planned, and the last two digits (MU1601) assign a sequential number. If the project funding crosses multiple years, the project retains its original fiscal year designator for supplemental funding requests.

Project title provides a brief description of the project.

Individual project data sheets include:

Description/Justification: Information about the purpose and scope of the project and explanation of why the project is needed.

Project Costs/Source of Funds: Details of project expenditures and sources of funding, including prior year funding and sources for the project, FY 2016 budgeted appropriates and estimated costs for FY17-FY20 (or until project completion).

Site Information: Location map (if available) indicating the project location.

Capital Improvement Project Summary
Fiscal Years FY 15/16 - FY 19/20

General Government										
<i>Division</i>	<i>Pg.</i>	<i>CIP No.</i>	<i>Project</i>	<i>Carryover</i>	<i>FY 15/16</i>	<i>FY 16/17</i>	<i>FY 17/18</i>	<i>FY 18/19</i>	<i>FY 19/20</i>	<i>Totals</i>
141-Police	4	PD1701	New Police Facility	\$ -	\$ -	\$ 400,000	\$ 6,250,000	\$ -	\$ -	\$ 6,650,000
	5	PD1702	Taser Replacement Program	\$ -	\$ -	\$ 13,067	\$ 13,067	\$ 13,066	\$ -	\$ 39,200
	6	PD1801	Radio Replacement Program	\$ -	\$ -	\$ -	\$ 174,000	\$ -	\$ -	\$ 174,000
141-Police Total				\$ -	\$ -	\$ 413,067	\$ 6,437,067	\$ 13,066	\$ -	\$ 6,863,200
170-Fire Department	7	FD1601	Self Contained Breathing Apparatus Repl	\$ -	\$ 105,864	\$ 97,042	\$ 97,042	\$ -	\$ -	\$ 299,948
	8	FD1701	Radio Replacement Program	\$ -	\$ -	\$ 82,000	\$ -	\$ -	\$ -	\$ 82,000
	9	FD1901	Building Improvements	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 1,500,000	\$ 1,525,000
170-Fire Department Total				\$ -	\$ 105,864	\$ 179,042	\$ 97,042	\$ 25,000	\$ 1,500,000	\$ 1,906,948
133-Library	10	MU1601	Building Improvements	\$ -	\$ 21,000	\$ 60,000	\$ 200,000	\$ 200,000	\$ 800,000	\$ 1,281,000
	133-Library Total				\$ -	\$ 21,000	\$ 60,000	\$ 200,000	\$ 200,000	\$ 800,000
122-Finance	11	MU1602	Financial Software System	\$ -	\$ 25,000	\$ 250,000	\$ 225,000	\$ -	\$ -	\$ 500,000
	12	MU1603	Space Study	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
122-Finance Total				\$ -	\$ 35,000	\$ 250,000	\$ 225,000	\$ -	\$ -	\$ 510,000
045-Airport	13	AP1601	Taxiway A2 Removal/Runway 12/30	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000
	14	AP1602	Runway 8/26 Mill & Overlay	\$ -	\$ 750,965	\$ -	\$ -	\$ -	\$ -	\$ 750,965
	15	AP1603	Runway 8/26 Edge Lighting & Electrical Improvements	\$ -	\$ 1,898,000	\$ -	\$ -	\$ -	\$ -	\$ 1,898,000
045-Airport				\$ -	\$ 3,248,965	\$ -	\$ -	\$ -	\$ -	\$ 3,248,965
970-Information Technology	16	MU1604	Surveillance Cameras	\$ -	\$ 3,840	\$ 1,440	\$ 1,440	\$ 1,440	\$ 1,440	\$ 9,600
	17	MU1605	Switch Upgrade	\$ -	\$ 26,000	\$ -	\$ 26,000	\$ -	\$ -	\$ 52,000
	18	MU1701	Kiosk	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
	19	MU1702	Laserfiche	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
	20	MU2001	Server Update	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
970-Information Technology Total				\$ -	\$ 29,840	\$ 41,440	\$ 27,440	\$ 1,440	\$ 21,440	\$ 121,600
125-Engineering	21	EN1601	GIS - Receiver & Controller	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000
125-Engineering				\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000
155-Parks	22	PK1501	Erosion Control	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	23	PK1601	Swimming Pool	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	23	PK1602	Firth Park Restroom	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	23	PK1603	Park Lighting	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 30,000
	23	PK1701	Fence Play Area-Firth	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
	23	PK1702	Cemetery	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ 50,000
	23	PK1901	Farmers Market-Firth	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
23	PK1902	Event Park	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 200,000	
155-Parks Total				\$ 50,000	\$ 110,000	\$ 45,000	\$ 35,000	\$ 175,000	\$ 100,000	\$ 515,000
156-Sanitation	24	SA1601	Recycling Program	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
156-Sanitation Total				\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Subtotal:				\$ 50,000	\$ 3,593,669	\$ 988,549	\$ 7,021,549	\$ 414,506	\$ 2,421,440	\$ 14,489,713
Carryover:				\$ 50,000						
General Total:				\$ 3,643,669	\$ 988,549	\$ 7,021,549	\$ 414,506	\$ 2,421,440	\$ 14,489,713	
Grant Total:				\$ 2,954,068	\$ -	\$ -	\$ -	\$ -	\$ 2,954,068	
City Portion:				\$ 689,601	\$ 988,549	\$ 7,021,549	\$ 414,506	\$ 2,421,440	\$ 11,535,645	

HURF - Special Revenue											
<i>Division</i>	<i>Pg.</i>	<i>CIP No.</i>	<i>Project</i>	<i>Carryover</i>	<i>FY 15/16</i>	<i>FY 16/17</i>	<i>FY 17/18</i>	<i>FY 18/19</i>	<i>FY 19/20</i>	<i>Totals</i>	
031-Streets	26	ST1601	Pavement Preservation	\$ -	\$ 75,000	\$ 77,250	\$ 80,000	\$ 82,400	\$ 84,900	\$ 399,550	
	27	ST1602	Sidewalk Program	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000	
	28	ST1603	Sidewalks: HWY191	\$ -	\$ 312,543	\$ -	\$ -	\$ -	\$ -	\$ 312,543	
	29	ST1501	Sidewalks: Handicap Ramps	\$ 45,000	\$ 67,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,000
	29	ST1701	Sidewalks: 11th Street	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	
	29	ST1702	Sidewalks: Highline Canal Bridge	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000	
	29	ST1901	Sidewalks: 8th Street	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000	
	29	ST1902	Sidewalks: Relation Street	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 37,000	\$ 67,000	
	29	ST2001	Sidewalks: 10th Ave	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	
	30	ST1604	Parking Lots: Annex	\$ -	\$ 45,000	\$ -	\$ -	\$ 3,000	\$ -	\$ 48,000	
	30	ST1801	Parking Lots: MYOC	\$ -	\$ -	\$ -	\$ 32,000	\$ -	\$ -	\$ 32,000	
	31	ST1605	Improvements: Central Avenue	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000	
	31	ST1606	Improvements: 1st Street	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	
	31	ST1607	Improvements: 14th Avenue	\$ -	\$ 65,000	\$ 1,250,000	\$ 1,250,000	\$ -	\$ -	\$ 2,565,000	
	31	ST1608	Improvements: West Relation	\$ -	\$ 30,000	\$ -	\$ 750,000	\$ 750,000	\$ -	\$ 1,530,000	
	31	ST1703	Improvements: 8th Street	\$ -	\$ -	\$ 20,000	\$ 500,000	\$ -	\$ -	\$ 520,000	
	31	ST1704	Improvements: North 8th Avenue	\$ -	\$ -	\$ 13,109	\$ -	\$ -	\$ -	\$ 13,109	
	32	ST2002	Improvements: 20th Avenue	\$ -	\$ 637,954	\$ -	\$ -	\$ -	\$ 3,400,000	\$ 4,037,954	
	33	ST1609	NRCS Dam Assessment	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	
	34	ST1610	Drainage Study	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000	
	35	ST1611	Drainage: Welker Farms	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	
	35	ST1612	Drainage: Jensen Addition	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 150,000	
	35	ST1613	Drainage: Cotton Gin	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000	
	35	ST1705	Drainage: East 8th Street	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	
	36	ST1614	Drainage: Improvements	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000	
	36	ST1615	Drainage: Relation Street	\$ -	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ 14,000	
	36	ST1706	Drainage: Central Avenue	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	
	36	ST1707	Drainage: 2nd Avenue	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	
	36	ST1802	Drainage: 12th Avenue	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ 80,000	
	37	ST1616	Birdno Property Demo	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 35,000	
	38	ST1617	Sign Replacement	\$ -	\$ 76,855	\$ -	\$ -	\$ -	\$ -	\$ 76,855	
	031-Streets Total				\$ 45,000	\$ 1,888,352	\$ 1,551,359	\$ 2,777,000	\$ 940,400	\$ 3,606,900	\$ 10,732,156
	Subtotal:				\$ 45,000	\$ 1,888,352	\$ 1,551,359	\$ 2,777,000	\$ 940,400	\$ 3,606,900	\$ 10,809,011
	Carryover:				\$ 45,000						
	HURF Total:				\$ 1,933,352	\$ 1,551,359	\$ 2,777,000	\$ 940,400	\$ 3,606,900	\$ 10,809,011	
	Grant Total:				\$ 993,171	\$ -	\$ -	\$ -	\$ -	\$ 3,200,000	\$ 4,193,171
	City Portion:				\$ 940,181	\$ 1,551,359	\$ 2,777,000	\$ 940,400	\$ 406,900	\$ 6,615,840	

Capital Improvement Project Summary
Fiscal Years FY 15/16 - FY 19/20

Enterprise										
<i>Division</i>	<i>Pg.</i>	<i>CIP No.</i>	<i>Project</i>	<i>Carryover</i>	<i>FY 15/16</i>	<i>FY 16/17</i>	<i>FY 17/18</i>	<i>FY 18/19</i>	<i>FY 19/20</i>	<i>Totals</i>
660-Water	40	WA1502	BOR Water Harvesting Grant	\$ 61,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,540
	41	WA1601	Flex Net Meter Renewal: System Wide	\$ -	\$ 960,000	\$ -	\$ -	\$ -	\$ -	\$ 960,000
	42	WA1602	New Water Source Exploration	\$ -	\$ 75,000	\$ 75,000	\$ 77,250	\$ 79,568	\$ 81,955	\$ 388,773
	43	WA1501	Extension: Bluff Well	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,000
	44	WA1603	Extension: Swift Trail Pipeline	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
	45	WA1503	Renewal: Jensen Addition (CDBG)	\$ 236,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,615
	46	WA1701	Renewal: 12" AC Main	\$ -	\$ -	\$ 333,188	\$ 160,000	\$ 87,524	\$ 185,709	\$ 766,421
	47	WA1801	Renewal: Thunderbird	\$ -	\$ -	\$ -	\$ 380,000	\$ 350,000	\$ -	\$ 730,000
	48	WA1604	Upgrade: Hwy 70, Lone Star, Hwy 191	\$ -	\$ 514,800	\$ 167,000	\$ 407,880	\$ 706,860	\$ -	\$ 1,796,540
	49	WA1702	Upgrade: 20th Avenue	\$ -	\$ -	\$ 160,000	\$ -	\$ -	\$ 200,000	\$ 360,000
	50	WA1703	Upgrade: N. 8th Ave Bridge-Morris	\$ -	\$ -	\$ 388,000	\$ -	\$ -	\$ -	\$ 388,000
	51	WA1704	Upgrade: Montierth Lane	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
	52	WA1705	Upgrade: North 8th Avenue	\$ -	\$ -	\$ 25,000	\$ 247,500	\$ -	\$ -	\$ 272,500
	53	WA1706	Upgrade: East Valley, Sanchez Rd	\$ -	\$ -	\$ 25,000	\$ -	\$ 2,220,000	\$ -	\$ 2,245,000
	54	WA1802	Upgrade: Sanchez Bridge	\$ -	\$ -	\$ -	\$ 300,000	\$ 500,000	\$ -	\$ 800,000
	55	WA1803	Upgrade: Downtown	\$ -	\$ -	\$ -	\$ 75,000	\$ 420,000	\$ -	\$ 495,000
	56	WA1901	Upgrade: Church Street	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ -	\$ 450,000
	57	WA1902	Upgrade: Central Road	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
	58	WA2001	Upgrade: Webster Hill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,000	\$ 165,000
	59	WA1605	Well Rehabilitation	\$ -	\$ 50,000	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,640	\$ 259,185
	60	WA1707	Prepaid Metering: Mesa Yard	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
61	WA1903	Water Storage: Airport	\$ -	\$ -	\$ -	\$ -	\$ 46,350	\$ 1,044,657	\$ 1,091,007	
660-Water Total				\$ 563,155	\$ 1,849,800	\$ 1,573,188	\$ 1,699,130	\$ 5,113,347	\$ 1,731,961	\$ 12,530,581
670-Wastewater	62	WW1501	VAC-CON/Equipment Storage Building	\$ 50,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000
	63	WW1502	Manhole Rehabilitation	\$ 120,000	\$ 250,000	\$ 257,500	\$ 265,225	\$ 273,182	\$ 281,377	\$ 1,447,284
	64	WW1601	Prepaid Metering: WWTP	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	65	WW1503	Reclaimed Water Pipeline Project	\$ 175,000	\$ 445,000	\$ 110,000	\$ -	\$ -	\$ -	\$ 730,000
	66	WW1701	Upgrade: 20th Street	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
	670-Wastewater Total				\$ 345,000	\$ 765,000	\$ 442,500	\$ 265,225	\$ 273,182	\$ 281,377
671-Wastewater Treatment Plant	67	WW1602	Capital Maintenance	\$ -	\$ 100,000	\$ 130,000	\$ 350,000	\$ 250,000	\$ 150,000	\$ 980,000
671-Wastewater Treatment Plant Total				\$ -	\$ 100,000	\$ 130,000	\$ 350,000	\$ 250,000	\$ 150,000	\$ 980,000
680-Gas	68	GA1601	Main Renewals	\$ -	\$ 100,000	\$ 103,000	\$ 106,000	\$ 109,000	\$ 112,000	\$ 530,000
680-Gas Total				\$ -	\$ 100,000	\$ 103,000	\$ 106,000	\$ 109,000	\$ 112,000	\$ 530,000
690-Electric	69	EL1601	Rebuild: NW 70	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
	70	EL1602	Upgrade: Substation	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
	71	EL1701	Upgrade: Sunrise Village	\$ -	\$ -	\$ 320,000	\$ -	\$ -	\$ -	\$ 320,000
	72	EL1603	Attachment Inventory/Pole Testing	\$ -	\$ 61,600	\$ -	\$ -	\$ -	\$ -	\$ 61,600
	73	EL1702	Replacement & Upgrade: 8th/4th	\$ -	\$ -	\$ 50,000	\$ 270,000	\$ -	\$ -	\$ 320,000
	74	EL1703	Flex Net Meters - Coop Takeover	\$ -	\$ -	\$ 104,000	\$ -	\$ -	\$ -	\$ 104,000
	75	EL1901	Upgrade: Downtown	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 550,000	\$ 600,000
	76	EL2001	Rebuild: 8th Ave, Sub-7th	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
690-Electric Total				\$ -	\$ 561,600	\$ 474,000	\$ 270,000	\$ 50,000	\$ 600,000	\$ 1,955,600
650-Landfill	77	LF1601	Facility Plan	\$ -	\$ 200,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 300,000
	78	LF1701	Cottonwood Wash	\$ -	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,200,000
650-Landfill Total				\$ -	\$ 200,000	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 1,500,000
Subtotal:				\$ 908,155	\$ 3,576,400	\$ 4,022,688	\$ 2,690,355	\$ 5,795,529	\$ 2,875,338	\$ 19,868,465
Carryover:				\$ 908,155						
Enterprise Total:				\$ 4,484,555	\$ 4,022,688	\$ 2,690,355	\$ 5,795,529	\$ 2,875,338	\$ 19,868,465	
Grant Funds:				\$ 413,098	\$ -	\$ -	\$ -	\$ -	\$ 413,098	
City Portion:				\$ 4,071,457	\$ 4,022,688	\$ 2,690,355	\$ 5,795,529	\$ 2,875,338	\$ 19,455,367	
GRAND TOTAL				\$ 10,061,576	\$ 6,562,596	\$ 12,488,904	\$ 7,150,435	\$ 8,903,678	\$ 45,167,189	
GRANT FUNDS				\$ 4,360,337	\$ -	\$ -	\$ -	\$ 3,200,000	\$ 7,560,337	
CITY FUNDS				\$ 5,701,239	\$ 6,562,596	\$ 12,488,904	\$ 7,150,435	\$ 5,703,678	\$ 37,606,852	

General Fund

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Police		Project Location
PD1701	New Police Facility	To Be Determined

Capital Project Description

The current Police facility is no longer adequate for the growing needs of Police operations. The current building, which was not originally constructed as a Police facility, has been renovated numerous times to meet the ongoing needs of the department and of the community. Police staff recommends the construction of a new police facility on land designated for City use. The cost, over a three year period, would include; land acquisition, design and construction, site improvements & furnishings. Plans for an energy efficient facility would house all Police operations, including Administration, Patrol, Investigations, Evidence and Property storage, Records Management and storage, modern IT infrastructure, public and employee parking, a community meeting room(s), and a public lobby. There are multiple areas that the current structure is lacking and the lot size and renovation costs are prohibitive.

Notably:

The property and evidence area cannot securely contain the volume of items stored. Currently, property is having to be stored in a mobile storage unit adjacent to the building; There is no separate and secure area for the processing and interviewing of prisoners in the patrol area; There is no separate area in the building for victims or witnesses to wait that is out of view of members of the public who enter the department; The current building has insufficient patrol related work space for the officers to complete daily duties; The building does not have an area that can be used for staff or departmental meetings—optimally, a police building has one or more community rooms that can be used to enhance a police department’s relationship with the community; The lobby area cannot be secured to prohibit walk in traffic from entering into other areas of the department.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
Construction	\$ -	\$ -	\$ 6,250,000	\$ -	\$ -	\$ 6,250,000
	\$ -	\$ 400,000	\$ 6,250,000	\$ -	\$ -	\$ 6,650,000

General Fund Project Detail
Fiscal Years FY 15/16 - FY 19/20

Police		Project Location
PD1702	Taser Replacement Program	N/A

Capital Project Description

Safford Police Department officers are currently carrying the Taser X26, which has been discontinued as of January 2015. The Taser X26 typically has a life expectancy of 5 years. The Tasers are an essential piece of equipment that we issue to every sworn member of the department. Tasers have proven their value through less injuries, when a degree of force is needed, for both our officers and suspects. We will need to transition from our old X26 models to the newest Taser model available in FY 16/17. Currently, this would be the X26P or the X2, which costs approximately \$1,400 (with accompanying equipment) each. The total cost of replacing 28 units will be approximately \$39,200. We expect to be able to make this a 3 year replacement program, resulting in \$13,067 per year.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Tasers	\$ -	\$ 13,067	\$ 13,067	\$ 13,066	\$ -	\$ 39,200
	\$ -	\$ 13,067	\$ 13,067	\$ 13,066	\$ -	\$ 39,200

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Police		Project Location
PD1801	Radio Replacement Program	N/A

Capital Project Description

Safford Police Department is currently using Motorola radio equipment that has served the Department well. However, the current radio sets, both portable and in-car, are in need of replacement due to age, reparability, and functionality. The typical lifespan of radio hardware is 8-10 years, which most of our equipment is at, or past. Additionally, new systems are more rugged and much more technically advanced and will ensure our compliance with national mandates (P25, Narrow banding, etc.). The new equipment will have GPS technology which will enable us to locate the equipment and the officer at any time; this will save us from the need to purchase separate GPS equipment. The functional old equipment can be used for other City of Safford departments, saving additional funds for the City. The cost of new portable radios will be approximately \$90,000 and the cost for the in-car radios will be approximately \$84,000.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Radios	\$ -	\$ -	\$ 174,000	\$ -	\$ -	\$ 174,000
	\$ -	\$ -	\$ 174,000	\$ -	\$ -	\$ 174,000

General Fund Project Detail

Fiscal Years FY 15/16 - FY 19/20

Fire Department		Project Location
FD1601	Self Contained Breathing Apparatus Replacement Program	N/A

Capital Project Description

This capital purchase includes the replacement of 34 failing and worn out Self Contained Breathing Apparatus (SCBA) dating back to 1992. Replacement of SCBA will have a direct, positive effect on the life and safety of our firefighters and the public we serve. None of the SCBA currently in use by the SFD are up to current federal standards and are critically out of compliance with safety features that could potentially prevent or reduce the chances of a firefighter fatality. Currently, we expend \$3,000-\$4,000 annually on repairs. 40 of our air tanks will expire within four (4) years and if this project is not approved, we will have to spend approximately \$25k on replacement cylinders for out of date SCBA. The total estimated cost of the equipment is \$299,948 and we will replace the equipment over a 3-year period.

- Qty 34: 4500 psi air pak w/ built in buddy breather and integrated PASS
- Qty 68: Air cylinder/valve assembly, 30 minute
- Qty 34: Face piece w/ voice amplification system

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Equipment	\$ 105,864	\$ 97,042	\$ 97,042	\$ -	\$ -	\$ 299,948
	\$ 105,864	\$ 97,042	\$ 97,042	\$ -	\$ -	\$ 299,948

General Fund Project Detail
Fiscal Years FY 15/16 - FY 19/20

Fire Department

Project Location

FD1701 Radio Replacement Program

N/A

Capital Project Description

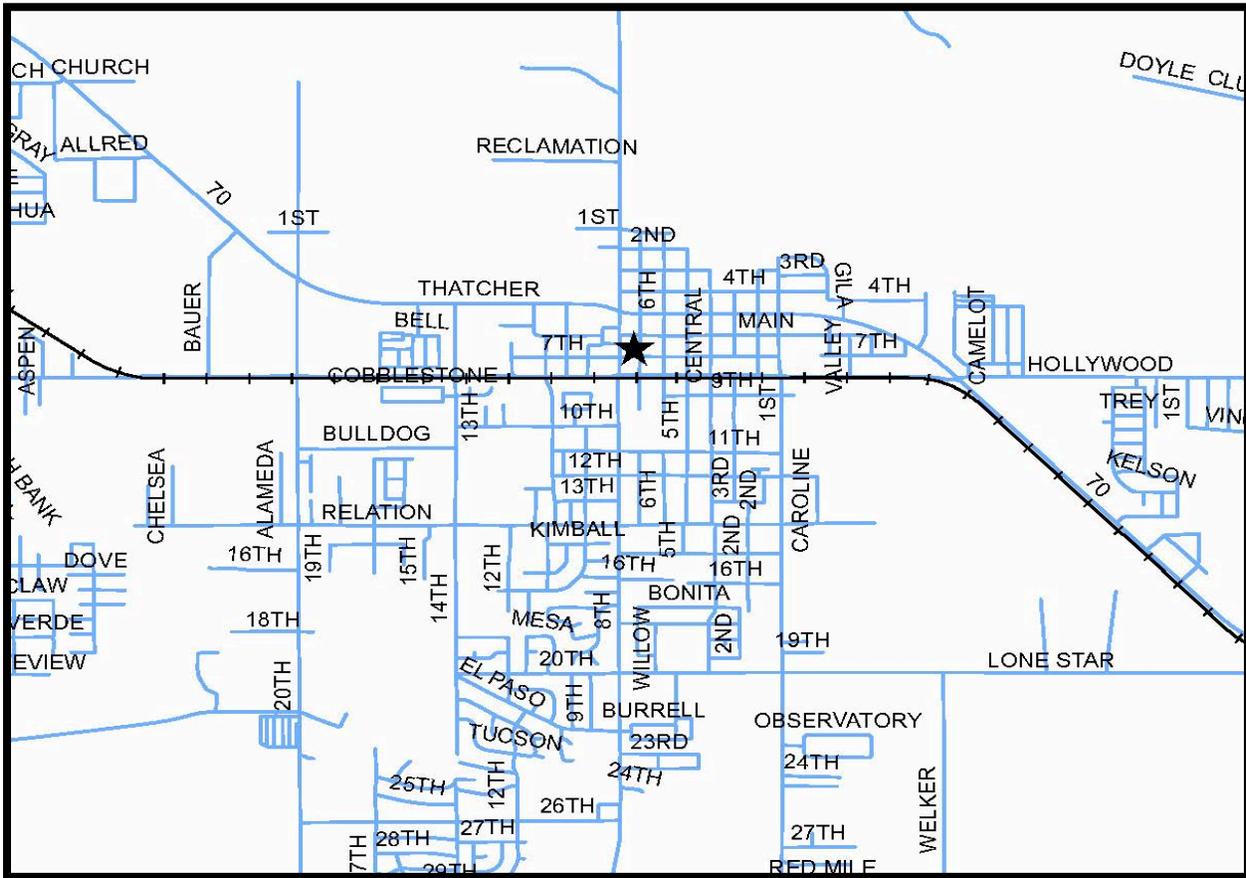
The Safford Fire Department is currently using Motorola Lexicom radio equipment that was handed down from the Police Department. The Current radio sets, both portable and in-car, are in need of replacement due to age, reparability, and functionality. The typical lifespan of radio hardware is 8-10 years, which most of our equipment is at, or past. Additionally, new systems are more rugged and much more technically advanced and will ensure our compliance with national mandates (P25, Narrow banding, etc.). The replacement cost for 32 new portable radios will be approximately \$80,000, and the cost for 9 in-car radios will be approximately \$20,000.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Radios	\$ -	\$ 82,000	\$ -	\$ -	\$ -	\$ 82,000
	\$ -	\$ 82,000	\$ -	\$ -	\$ -	\$ 82,000

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Fire Department
FD1901 Building Improvements

Project Location
650 S. 7th Avenue



Capital Project Description

The Fire Department is requesting funds for the design and improvements of the existing building. Improvements that we would like to see are the demolition of the original station that was constructed in 1953. Construct three new bays along 7th Avenue. Install restrooms, showers and lockers. We are requesting design funds in 18/19 and construction in 19/20.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
Construction	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
	\$ -	\$ -	\$ -	\$ 25,000	\$ 1,500,000	\$ 1,525,000

General Fund Project Detail
Fiscal Years FY 15/16 - FY 19/20

Library

MU1601

Building Improvements

Project Location

808 7th Ave.

Capital Project Description

Since moving in the early 90's, there have been no significant upgrades or improvements that have taken place until the carpet replacement last year. The library is long overdue for building improvements; we strongly feel that this will help to address our community's needs and to establish the positive environment our patrons seek. In FY 15/16 we propose to have an architect provide floor plans to make the most effective and efficient use of the available space. In addition, the exterior of the library will be repaired, sealed and repainted with new lettering on the building. This is a high priority project in preparation for community involvement. Private donors and the Friends of the Safford Library are currently discussing ways to add a mural and/or exterior signage to the library. In FY 16/17, using the floor plans we propose to hire an engineer to design the improvements. The improvements will be prioritized and phased over several years, the first and most important will be the public restroom remodel. Our existing restrooms do not meet ADA standards. FY 17/18, 18/19 and 19/20 will be based on the floor plan and design. The Arizona State Library has \$140,000 annual budget and library staff will begin preparing a grant application, which is due in October. If awarded, funds will be used to supplement improvement construction costs.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Floor Plan/Design	\$ 15,000	\$ 30,000	\$ -	\$ -	\$ -	\$ 45,000
Exterior Paint	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Public Bathroom	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
Construction - Phase I	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
Construction - Phase II	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
Construction - Phase III	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ 800,000
	\$ 21,000	\$ 60,000	\$ 200,000	\$ 200,000	\$ 800,000	\$ 1,281,000

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Finance		Project Location
MU1602	Financial Software System	City Hall

Capital Project Description

The goal with obtaining a new Enterprise Resource Planning (ERP) System is to replace the outdated Evolve (DataNOW) financial software system the City has been using for many years. This new system (ERP) is a business management software, a suite of integrated applications, that can be used to collect, store, manage and interpret data from many activities, such as project planning, marketing and sales, budgeting and finance, inventory management, payments, and reimbursements. Currently, Harris provides support for the system and updates. There is no indication that the vendor will not continue to support this system in the future. However, there are a few things that we feel would be beneficial with a new ERP system. The DataNOW system does not have report generator features that provide easy and user friendly access to generating various report. Overall, the system is not user friendly and it requires a lot of programmer knowledge to generate data from the system in the form of reports. Therefore, it is important that the City evaluate alternative ERP Systems which will provide the functionality and support needed to effectively and efficiently operate. During FY16, the goal is to gather more information on the needs of the City and that of various other ERP systems. We plan to hire a consultant to document the various business processes in the system, draft the Request for Proposal and selection of a software. The two consecutive years will include purchasing and implementing the new software system. Financial services are the cornerstone of our City. Implementing a new Financial Software System that is a user-friendly system will help us further enhance services, including enabling staff to be more efficient, productive and responsive to the needs of our constituents and the organization. Further, implementing a new ERP System that will be supported by the vendor is critical to the overall success of the City.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Software	\$ 25,000	\$ 250,000	\$ 225,000	\$ -	\$ -	\$ 500,000
	\$ 25,000	\$ 250,000	\$ 225,000	\$ -	\$ -	\$ 500,000

General Fund Project Detail
Fiscal Years FY 15/16 - FY 19/20

Finance

MU1603 Space Study

Project Location

City Hall

Capital Project Description

We propose to conduct an office space study at City Hall and the old City Court building. Currently there is a lot of wasted space with the existing configuration of City Hall and it may not be up to ADA standards. The space study will give us practical options to explore and possibly construct improvements in the future years. One of our main concerns is the Citizen Services area, it is very small and not very accommodating to our customers. Most of our customers stand in long lines and due to the restricted space are forced outside of City Hall and into the parking lot areas.

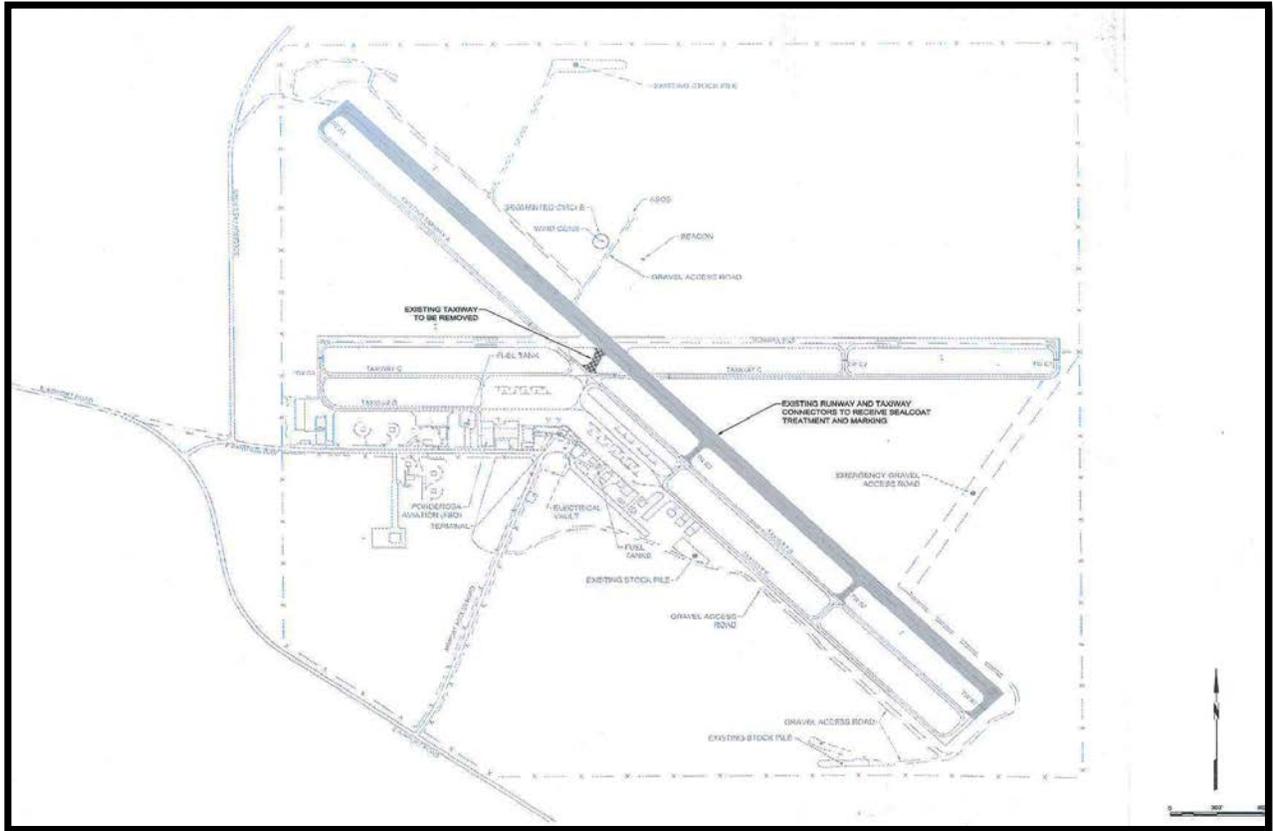
Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Space Study	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Airport
AP1601

Taxiway A2 Removal/Runway 12/30

Project Location
Airport



Capital Project Description

This project consist of the proposed removal of Taxiway A2 pavement and its edge lights and guidance signs, along with placing a seal coat on Runway 12-30 and its connector taxiways to preserve the pavement and address pavement marking improvements identified in the Runway Safety Action Plan letter dated August 19, 2009. The project cost is estimated to be about \$600,000. Of this amount, the FAA will reimburse the City for 90% of the cost and the State of Arizona will reimburse the balance at 5% or \$30,000 and the City will match at 5% or \$30,000.

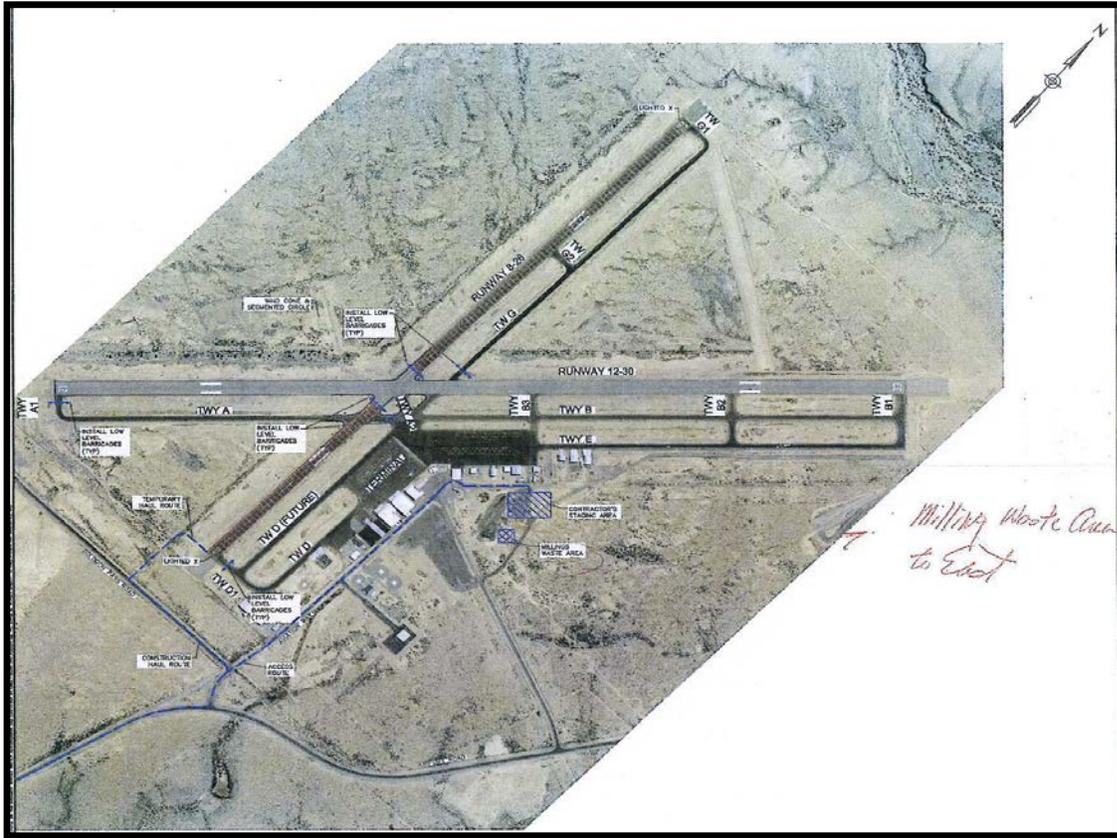
Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ -	\$ 600,000		\$ -	\$ -	\$ -	\$ 600,000
Total:	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Grant Funds:	\$ -	\$ 570,000	\$ -	\$ -	\$ -	\$ -	
City Portion:	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Airport
AP1603

Runway 8/26 Edge Lighting & Electrical Improvements

Project Location
Airport



Capital Project Description

This project will include the rehabilitation of Runway 8/26 edge lighting system (LED), the Runway End Identifier Lights (REILs), replacement of the electrical vault, and electrical improvements to include airfield signage (LED), replacement of approximately 11,000 linear feet of existing direct-bury circuit with duct-encased circuit and replacement of the home run electrical circuit. Also, the removal of the existing secondary electrical vault, relocate Automated Surface Observing Systems (ASOS) equipment to new vault, replace the Airport beacon, refurbish the existing tetrahedron and replace its light fixtures. This project has been design and is awaiting funding by ADOT. The estimated cost for this work is \$1,898,000. ADOT will fund 90% (\$1,708,200) of the cost leaving a 10% City match (\$189,800).

Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ -	\$ 1,898,000	\$ -	\$ -	\$ -	\$ -	\$ 1,898,000
Total:	\$ -	\$ 1,898,000	\$ -	\$ -	\$ -	\$ -	\$ 1,898,000
Grant Funds:	\$ -	\$ 1,708,200	\$ -	\$ -	\$ -	\$ -	\$ -
City Portion:	\$ -	\$ 189,800	\$ -	\$ -	\$ -	\$ -	\$ -

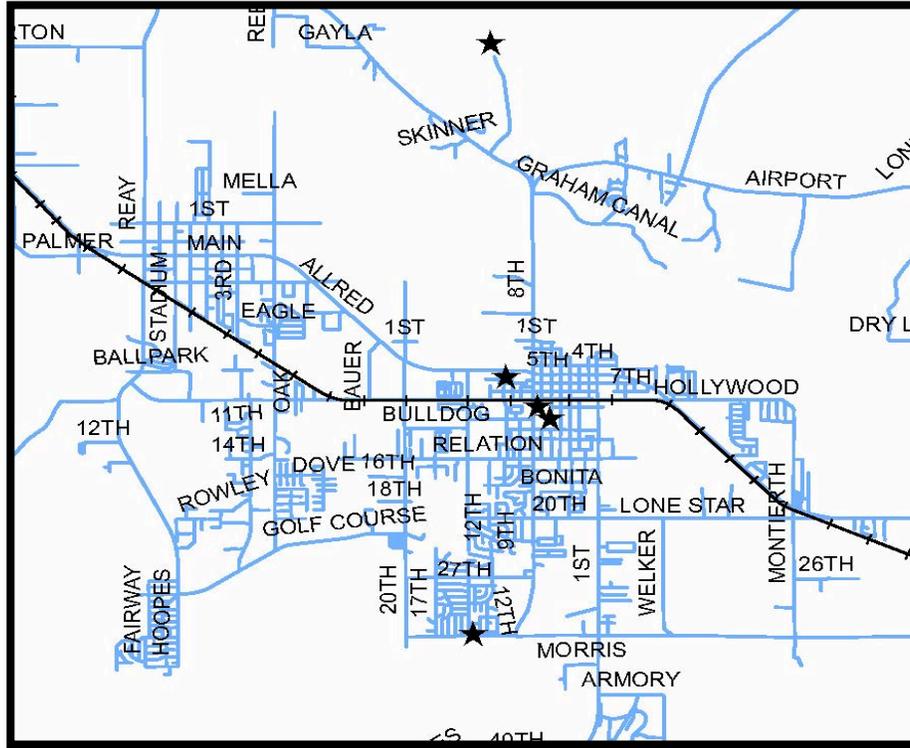
General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Information Technology

MU1604 Surveillance Cameras

Project Location

Various



Capital Project Description

Recently, we have seen an increase in vandalism to City property. We need to invest in a camera system that will be accessible to key individuals to view video from anywhere. We propose to install the surveillance cameras at Firth Park and Glenn Meadows Park. The initial hardware cost of 6 cameras would be \$2,400. A yearly hosted maintenance would need to be purchased in the amount of \$1440 per year.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Surveillance Cameras	\$ 3,840	\$ 1,440	\$ 1,440	\$ 1,440	\$ 1,440	\$ 9,600
	\$ 3,840	\$ 1,440	\$ 1,440	\$ 1,440	\$ 1,440	\$ 9,600

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Information Technology

MU1605 Switch Upgrade

Project Location

N/A

Capital Project Description

We continue to improve our IT network infrastructure to enable us to provide more throughput and manageability across the City organization. We will be replacing 4 switches per year which will upgrade our core network and outlying buildings.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Switch Upgrade	\$ 26,000		\$ 26,000		\$ -	\$ 52,000
	\$ 26,000	\$ -	\$ 26,000	\$ -	\$ -	\$ 52,000

General Fund Project Detail

Fiscal Years FY 15/16 - FY 19/20

Information Technology

MU1701 Kiosk

Project Location

To Be Determined

Capital Project Description

We are proposing to install a bill pay kiosk at City Hall. This will provide our customers an additional option for bill pay, 24 hours a day, 7 days per week. The machine will allow for credit/debit card, checks and cash payment, no change will be dispensed, any overage amount will be credited to the account. This kiosk would physically reside inside City Hall and have an outside interface providing added security from theft. The projected amount does not reflect construction cost for installation, construction costs will be covered out of the operating budget.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Kiosk	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Information Technology
MU1702 Laserfiche

Project Location
N/A

Capital Project Description

In 2013, we purchased Laserfiche Avante for use as our document retention and workflow management system. As we expand the use of Laserfiche City-wide, we plan to purchase additional modules to facilitate the usability of Laserfiche. We are in the process of purchasing the Records Management Module \$7,200 during FY14/15 which will enable us to implement an enterprise-wide records management plan and help reinforce governance, reduce risk and comply with the retention schedule of the state. In FY 16/17 we propose to purchase the Web Portal module that would enable citizens' access to public records outside our network. The funding in FY 16/17 could also be used for additional licensing or applied to an upgrade to Rio which will be determined at that time. The current number of named user license is 50 city wide. Currently we own the Laserfiche Avante suite along with the following modules: Forms, Web Access, Work Flow, Import Agent and Quick Fields.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Laserfiche	\$ -	\$ 20,000	\$ -		\$ -	\$ 20,000
	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Information Technology

MU2001 Server Update

Project Location

City Hall

Capital Project Description

Our current servers will be 7 years old by fiscal year 19/20. Depending on growth, we will evaluate server capacity and performance to determine if the servers will need to be replaced. If it is determined to replace the servers, we would start replacing them in phases - one or two per year for FY 19/20 and FY 20/21.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Server Update	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000

General Fund Project Detail
Fiscal Years FY 15/16 - FY 19/20

Engineering

Project Location

EN1601 GIS - Receiver & Controller

N/A

Capital Project Description

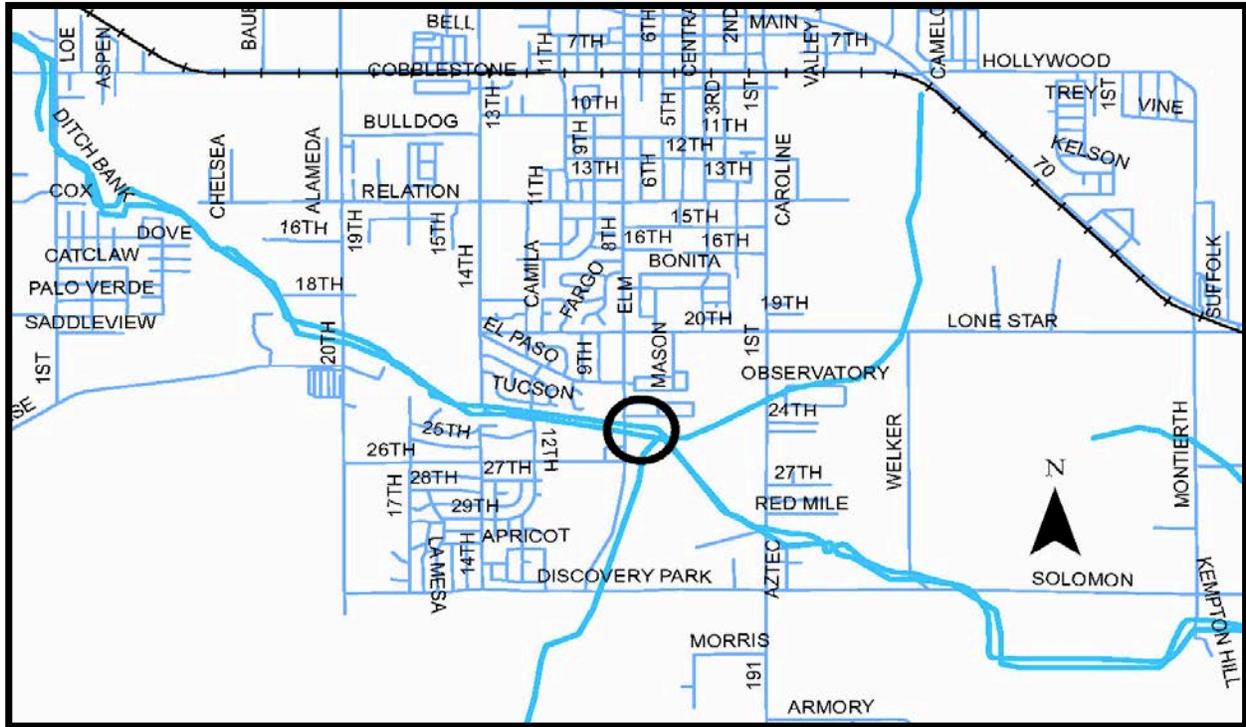
The GIS division, working under Engineering, is tasked to collect data points on all projects and maintenance activity with City infrastructure. The purpose of this collection is to capture data points for downloads into our GIS system to track real locations of our utilities and other City infrastructure. It is important to capture, especially the utilities, at the time of construction or installation prior to the infrastructures being buried to ensure the horizontal and vertical locations are gathered. Usually, when the crews are installing or repairing a buried line they will call our GIS person who then needs to drive to the location and gather the data points so the crews can complete the installation. If we cannot get to the location in a timely matter, the utility may be covered and the opportunity to gather the data would be lost. Currently, one of our receivers is non-repairable due to the age of the unit. If this receiver becomes inoperable it cannot be repaired. We have purchased used, reconditioned units in the past, and to ensure we will have a backup receiver to collect this data, we need to purchase another reconditioned unit. We are proposing to purchase a reconditioned receiver for \$18,000, the new receivers are priced as high as \$25,000.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Equipment	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000
	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Parks
PK1501 Erosion Control

Project Location
8th Avenue / Highline Canal



Capital Project Description

There is an area along 200 feet of the South bank of the Highline canal parallel to the shared use path just east of 8th Avenue that has eroded due to rains and lack of vegetation along the bank. The city will make repairs to the asphalt on the path where it has cracked and will also construct natural drainages into the canal where the surface water can be channeled.

Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Erosion Control	\$ 50,000	\$ -		\$ -	\$ -	\$ -	\$ 50,000
	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000

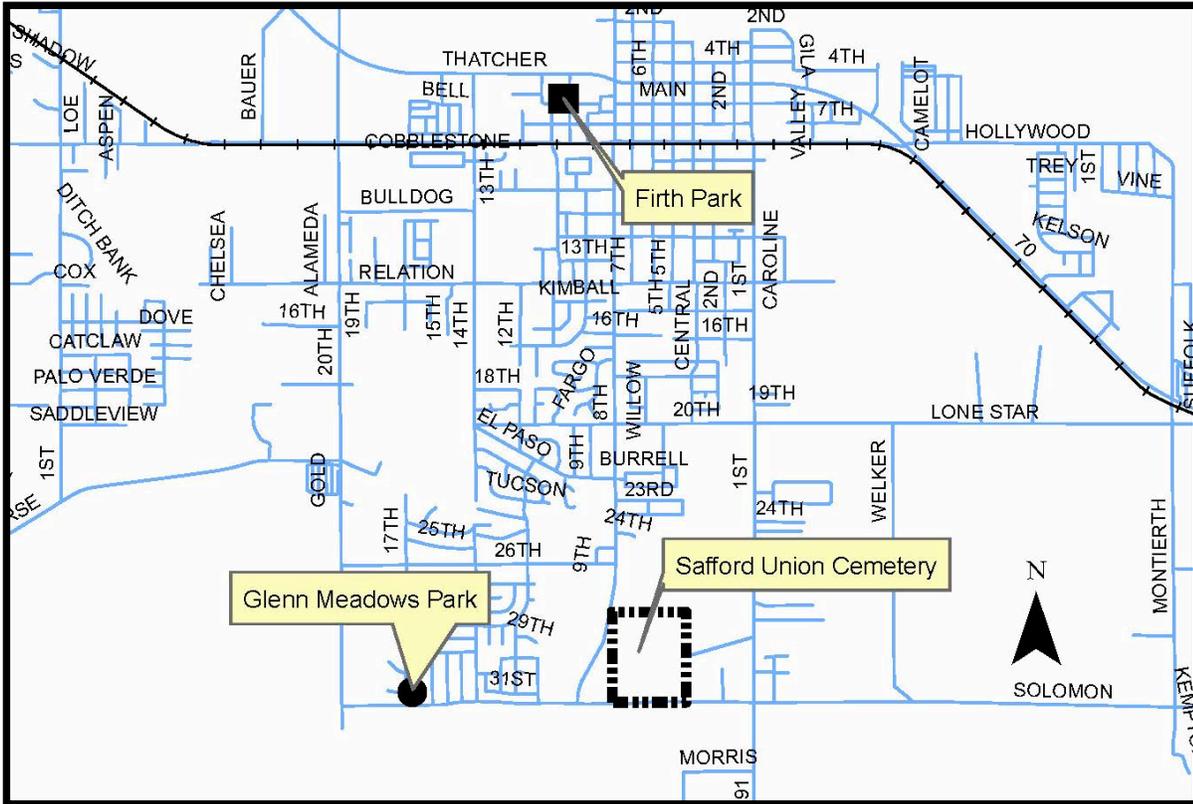
General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

Parks

Multiple Improvements & Repairs

Project Location

Various



Capital Project Description

Work will be completed in-house with a portion of the work contracted, and will improve aesthetics of our community while providing safer recreation areas. 1) Rehab and resurface pool deck; 2) Reconstruct Firth Park restroom. If Firth Park is selected as the possible location for the skate park then the restroom upgrade will be put on hold and will be incorporated into the skate park plans.; 3) Replace and add park lighting structures - Glenn Meadows and Firth Park; 4) Fence the play area at Firth Park for safety and separation.; 5) Redesign and replace cemetery water lines; 6) Improved Farmers Market public use area at Firth Park; 7) Event Park, location will be determined at a future date.

CIP No.	Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
PK1601	Swimming Pool	\$ 50,000		\$ -	\$ -	\$ -	\$ 50,000
PK1602	Firth Park Restroom	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
PK1603	Park Lighting	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 30,000
PK1701	Fence Play Area-Firth	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
PK1702	Cemetery	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ 50,000
PK1901	Farmers Market-Firth	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
PK1902	Event Park	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 200,000
		\$ 110,000	\$ 45,000	\$ 35,000	\$ 175,000	\$ 100,000	\$ 465,000

General Fund Project Detail Fiscal Years FY 15/16 - FY 19/20

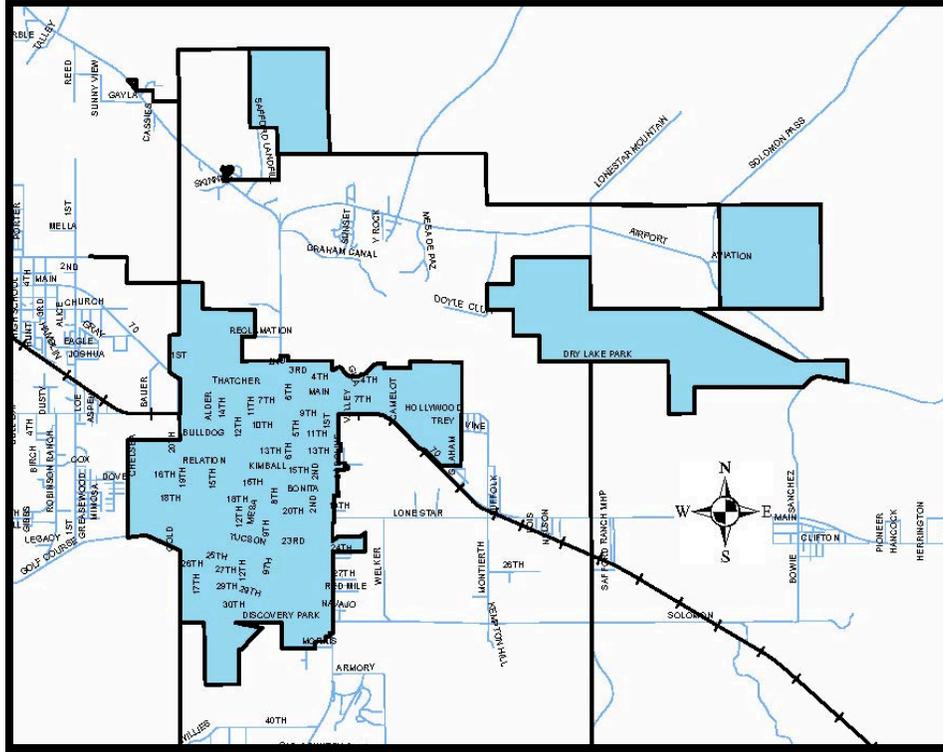
Sanitation

SA1601

Recycling Program

Project Location

City Wide



Capital Project Description

In FY 15/16 we propose to research the viability of a recycling program for our community. This research will include exploring the options of a private hauler or arranging in-house transportation of materials, and facilitating education and outreach. In addition, addressing questions and concerns from the public.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Recycling Program	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000

HURF

Public Works Project Detail Fiscal Years FY 15/16 - FY 19/20

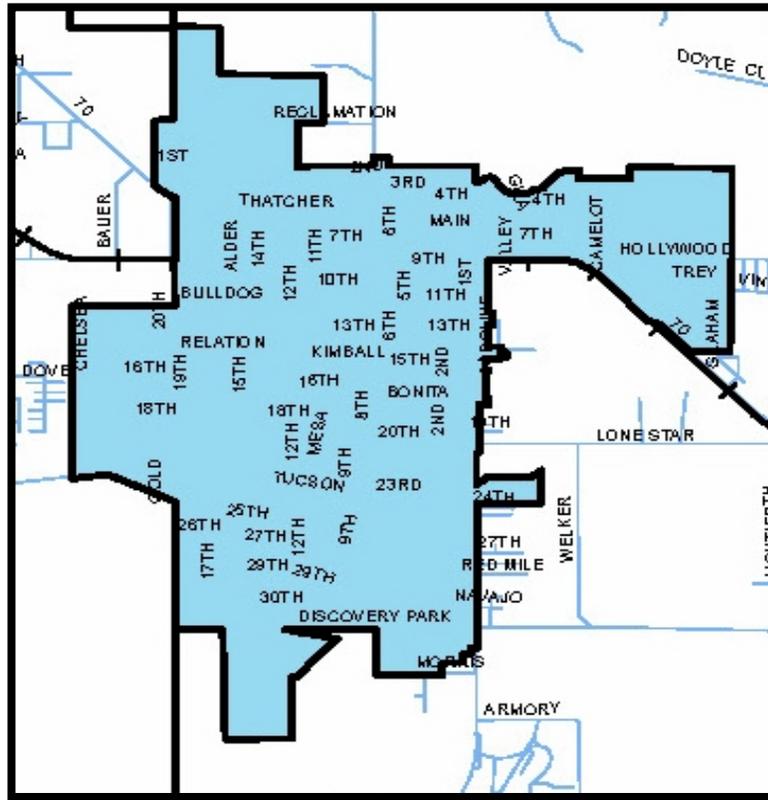
Streets

ST1602

Sidewalk Program

Project Location

Citywide



Capital Project Description

The 50/50 sidewalk program is a very effective program that assists residential property owners to construct sidewalks along their property frontage where none existed before. We are lacking an estimated 15-20 miles of sidewalks throughout the city. The program maximum is \$15k and the city matches 50% of the project costs. The city will focus on promoting areas of the community where sidewalks are needed along several adjoining properties.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000

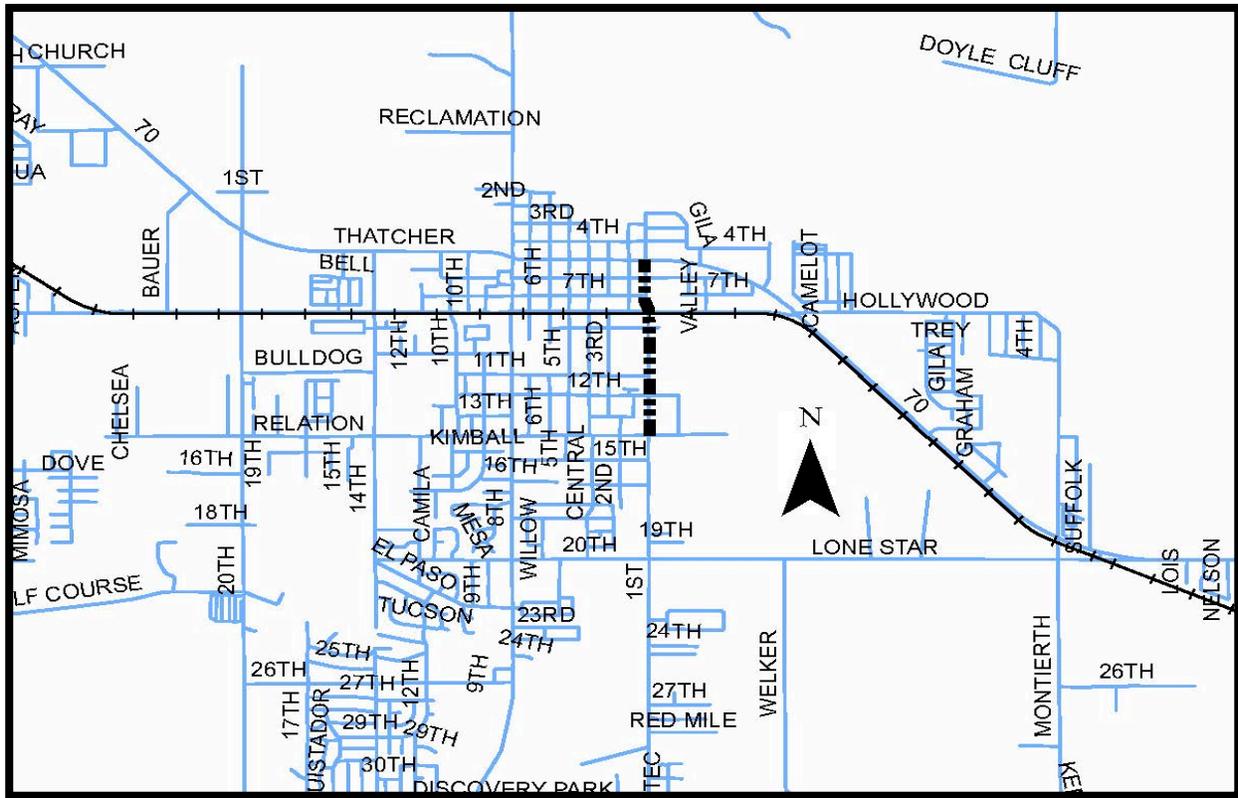
Public Works Project Detail Fiscal Years FY 15/16 - FY 19/20

Streets

ST1603 Sidewalks

Project Location

HWY 191 - Relation St to US 70



Capital Project Description

This project will install six (6) foot wide sidewalks from Relation Street, north to US 70 on the west side of US 191 (1st Avenue). The project is on State Right of Way and the project will be included in ADOT improvements to US 191. The estimated cost for this project is \$312,543 in which 94.3% (\$294,728) is paid with Federal Funds and the City Match is 5.7% (\$17,815). Construction is scheduled to occur next fall or winter.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ 312,543	\$ -	\$ -	\$ -	\$ -	\$ 312,543
Total:	\$ 312,543	\$ -	\$ -	\$ -	\$ -	\$ 312,543
Grant Funds:	\$ 294,725	\$ -	\$ -	\$ -	\$ -	\$ 294,725
City Portion:	\$ 17,818	\$ -	\$ -	\$ -	\$ -	\$ 17,818

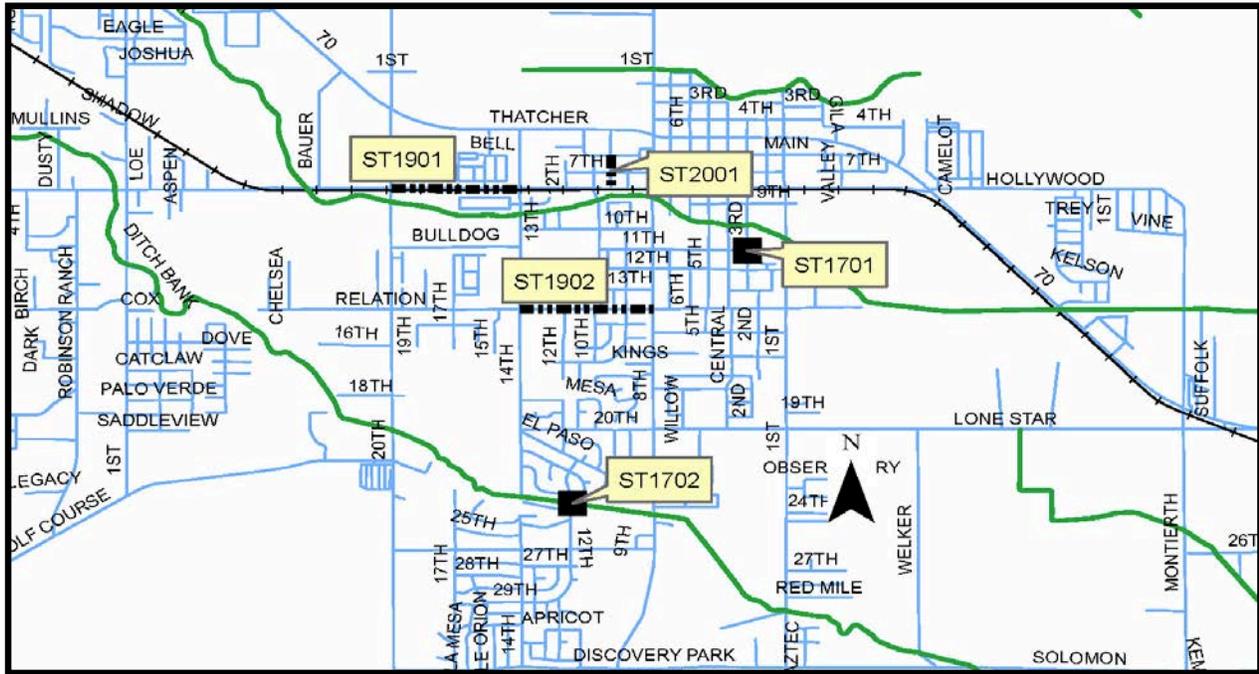
Public Works Project Detail Fiscal Years FY 15/16 - FY 19/20

Streets

Multiple Sidewalks

Project Location

Various



Capital Project Description

ST1501: Handicap ramps: A large number of handicap ramps either do not exist or are out of compliance with current ADA codes. Areas have been prioritized and the schools take top priority, work near schools will be contracted and completed during summer break - Citywide Project;

ST1701: We will mitigate drainage/flooding issues at the corner where a section of sidewalk has sunk, we will replace/upgrade a segment of existing near 11th Street & Central;

ST1702: Install a prefabricated walking bridge across Highline Canal just east of 12th Ave and pave approximately 300 feet of trail to complete a paved connection from the bridge to 12th Avenue;

ST1901: New sidewalks along north side of 8th Street between 14th Ave and Walmart.

ST1902: New sidewalks along Relation from 8th Ave to 14th Ave (school kids);

ST2001: Install sidewalks on both sides of 10th Avenue from Main Street to 8th Street;

CIP No.	Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
ST1501	Handicap Ramps	\$ 45,000	\$ 67,000	\$ -	\$ -	\$ -	\$ -	\$ 112,000
ST1701	11th Street	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
ST1702	Highline Canal Bridge	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000
ST1901	8th Street	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000
ST1902	Relation Street	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 37,000	\$ 67,000
ST2001	10th Avenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
		\$ 45,000	\$ 67,000	\$ 36,000	\$ -	\$ 70,000	\$ 87,000	\$ 305,000

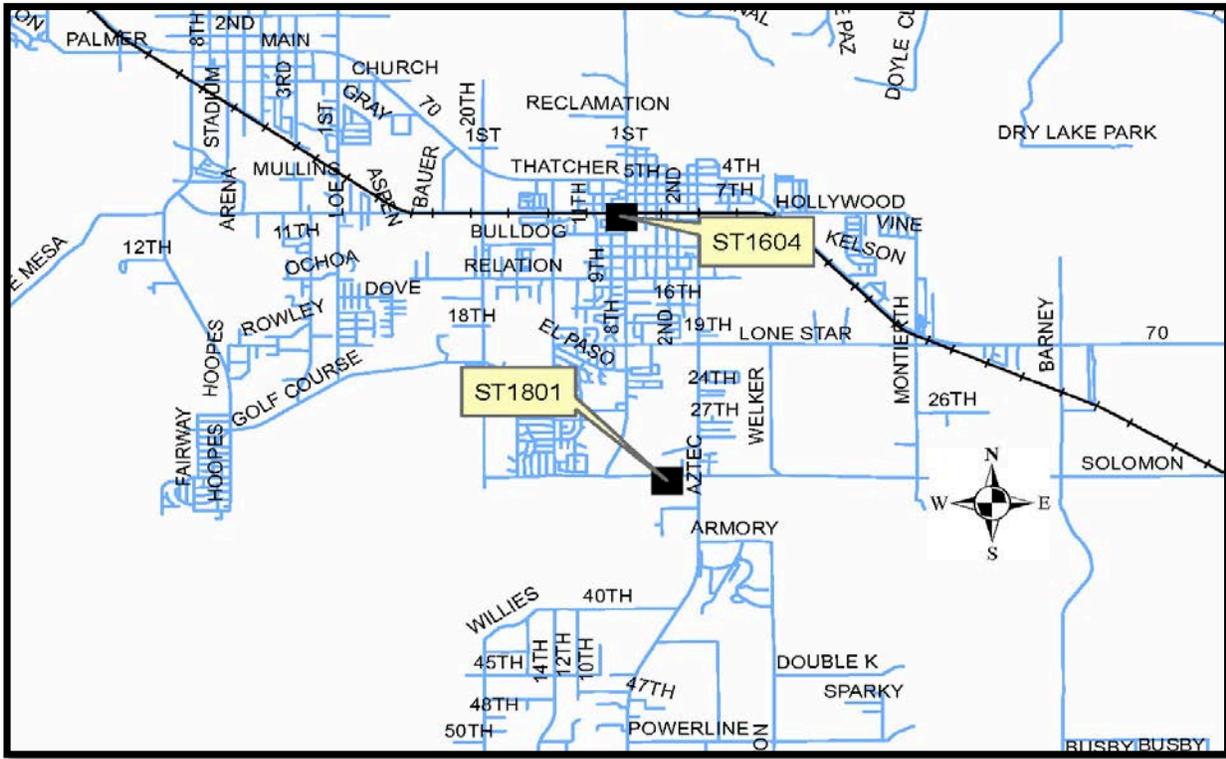
Public Works Project Detail Fiscal Years FY 15/16 - FY 19/20

Streets

Multiple Parking Lots

Project Location

Various



Capital Project Description

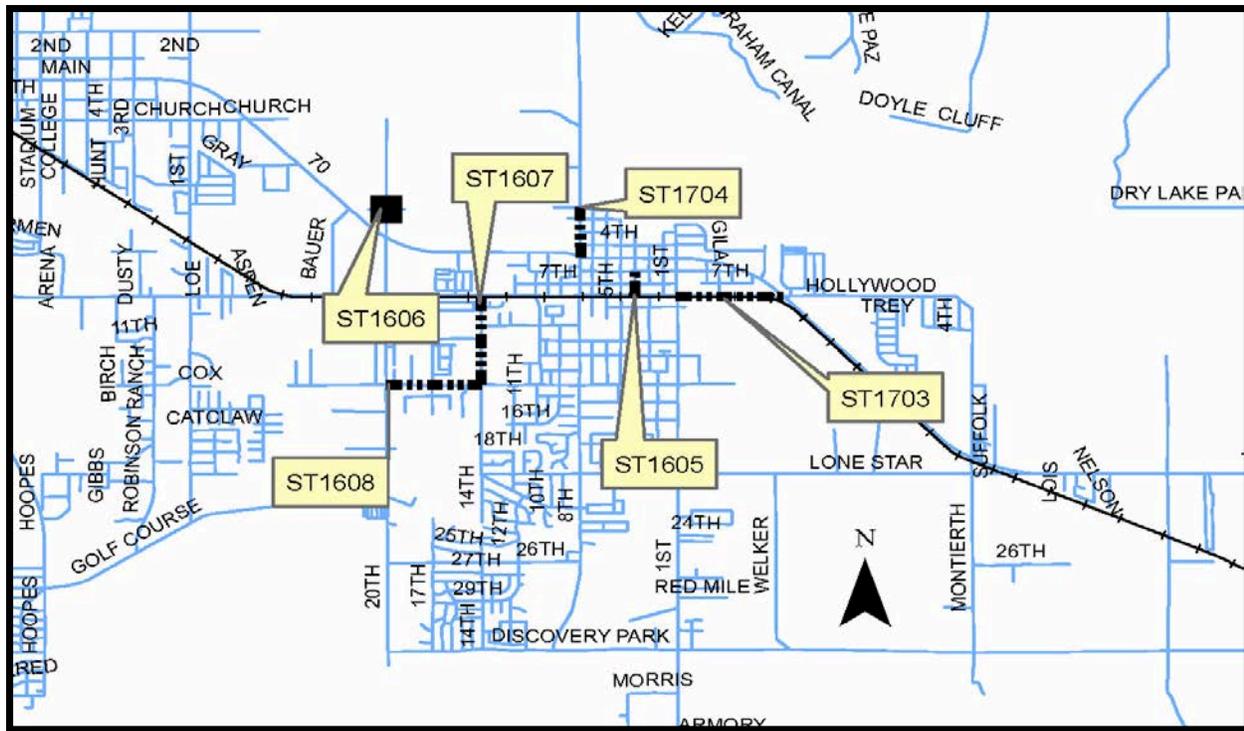
Work will be completed by a contractor, Public Works will complete any demo, removal and replacement of parking barriers and striping. Public Works will continue to seal parking lots every three (3) years or as needed. Locations are the Mesa Yard Office Complex and City Hall Annex. \$3,000 is budgeted FY 18/19 to seal/flush the Annex Parking Lot.

CIP No.	Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
ST1604	Annex	\$ 45,000	\$ -	\$ -	\$ 3,000	\$ -	\$ 48,000
ST1801	MYOC	\$ -	\$ -	\$ 32,000	\$ -	\$ -	\$ 32,000
		\$ 45,000	\$ -	\$ 32,000	\$ 3,000	\$ -	\$ 80,000

Public Works Project Detail Fiscal Years FY 15/16 - FY 19/20

Streets
Multiple Street Improvements

Project Location
Various



Capital Project Description

Various street improvements, city wide. A portion of the work will be completed with in-house personnel.

ST1605: Replace a section of Central Avenue from 8th Street to Main Street, engineering and geotech will be completed in 14/15, and the construction is slated for 15/16;

ST1606: 1st Street at 20th Avenue, mill and pave with curb and gutter at FedEx Distribution Center, on north side of 1st Street;

ST1607: New 14th Avenue North to 1st Street and rebuild 14th Avenue from Relation to 8th Street. Design in 15/16 and construction in the subsequent year. Once the project has been designed we will have a more accurate construction cost. The construction of this project will coincide with the recalimed water line project.

ST1608: Relation Street, curb and gutter between 14th Ave and 20th Ave. Design in 15/16 and construction beginning in 17/18. Once the design has been completed we will have a more accurate construction cost.

ST1703: 8th Street, rebuild and drainage, design in 16/17 and construction 17/18;

ST1704: 8th Avenue chip seal on north side of Hwy 70 to County right-of-way. Road has sustained damage from large truck traffic volumes to and from FMI.

CIP No.	Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
ST1605	Central Avenue	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000
ST1606	1st Street	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
ST1607	14th Avenue	\$ 65,000	\$ 1,250,000	\$ 1,250,000	\$ -	\$ -	\$ 2,565,000
ST1608	West Relation Street	\$ 30,000	\$ -	\$ 750,000	\$ 750,000	\$ -	\$ 1,530,000
ST1703	8th Street	\$ -	\$ 20,000	\$ 500,000	\$ -	\$ -	\$ 520,000
ST1704	North 8th Avenue	\$ -	\$ 13,109	\$ -	\$ -	\$ -	\$ 13,109
		\$ 410,000	\$ 1,283,109	\$ 2,500,000	\$ 750,000	\$ -	\$ 4,943,109

Public Works Project Detail Fiscal Years FY 15/16 - FY 19/20

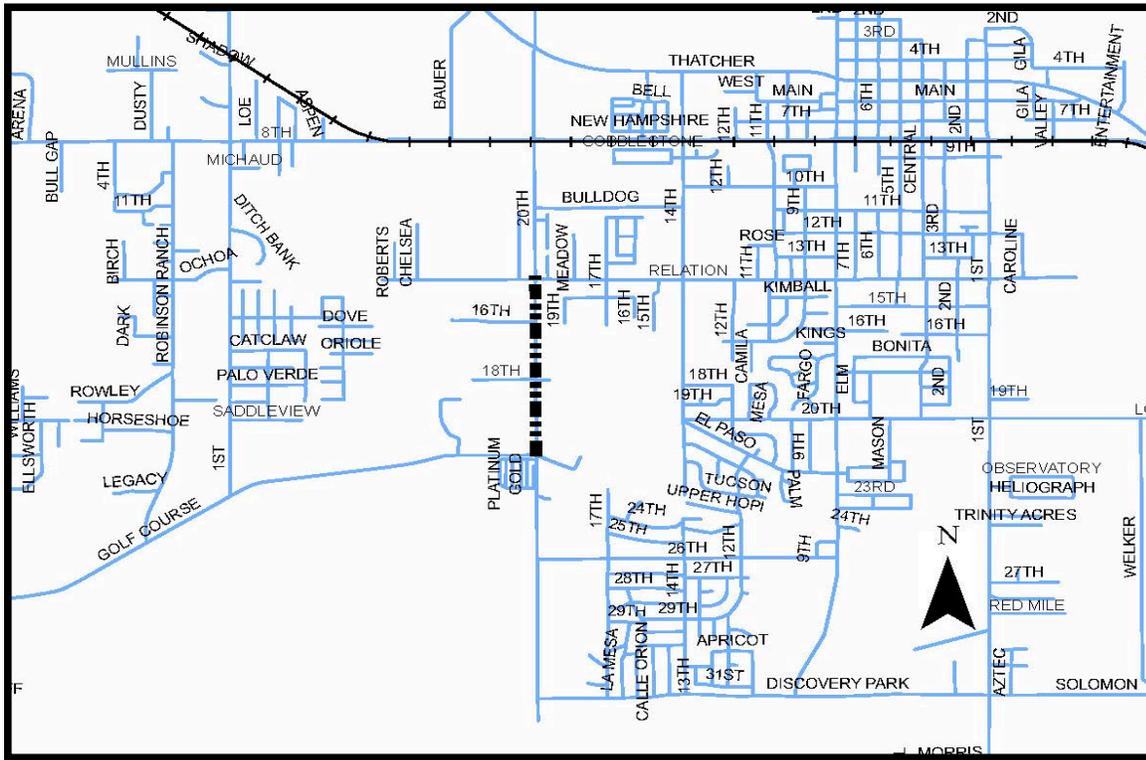
Streets

ST2002

Street Improvements

Project Location

20th Avenue (Golf Course to Relation)



Capital Project Description

This project will design the widening of 20th Avenue from Relation Street to Golf Course Road from the current width of three (3) lanes to five (5) lanes. This project will include a underground storm drain system, curbs and gutters, widening of the Concrete Crossing at the Highline Canal, sidewalks, and new pavement. This project should be completed with the Environmental Documents and the documents should be approved prior to the end of FY 2015. The cost of this project is estimated to be \$637,954. The FHWA pays \$601,591 (94.3%) of the this cost and the City matches with \$36,363 (5.7%). The City has submitted its match to ADOT and of the \$36,363, \$13,329 has been credited to the project. During this Fiscal Year (FY16), we anticipate that the design will be completed and the right of way will be obtained. Construction is slated for FY20 with an estimated cost of \$3.4m, the City's match will be 5.7% or approximately \$200k.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ 637,954	\$ -	\$ -	\$ -	\$ -	\$ 637,954
Construction	\$ -	\$ -	\$ -	\$ -	\$ 3,400,000	\$ 3,400,000
Total:	\$ 637,954	\$ -	\$ -	\$ -	\$ 3,400,000	\$ 4,037,954
Grant Funds:	\$ 601,591	\$ -	\$ -	\$ -	\$ 3,200,000	\$ 3,801,591
City Portion:	\$ 36,363	\$ -	\$ -	\$ -	\$ 200,000	\$ 236,363

Public Works Project Detail Fiscal Years FY 15/16 - FY 19/20

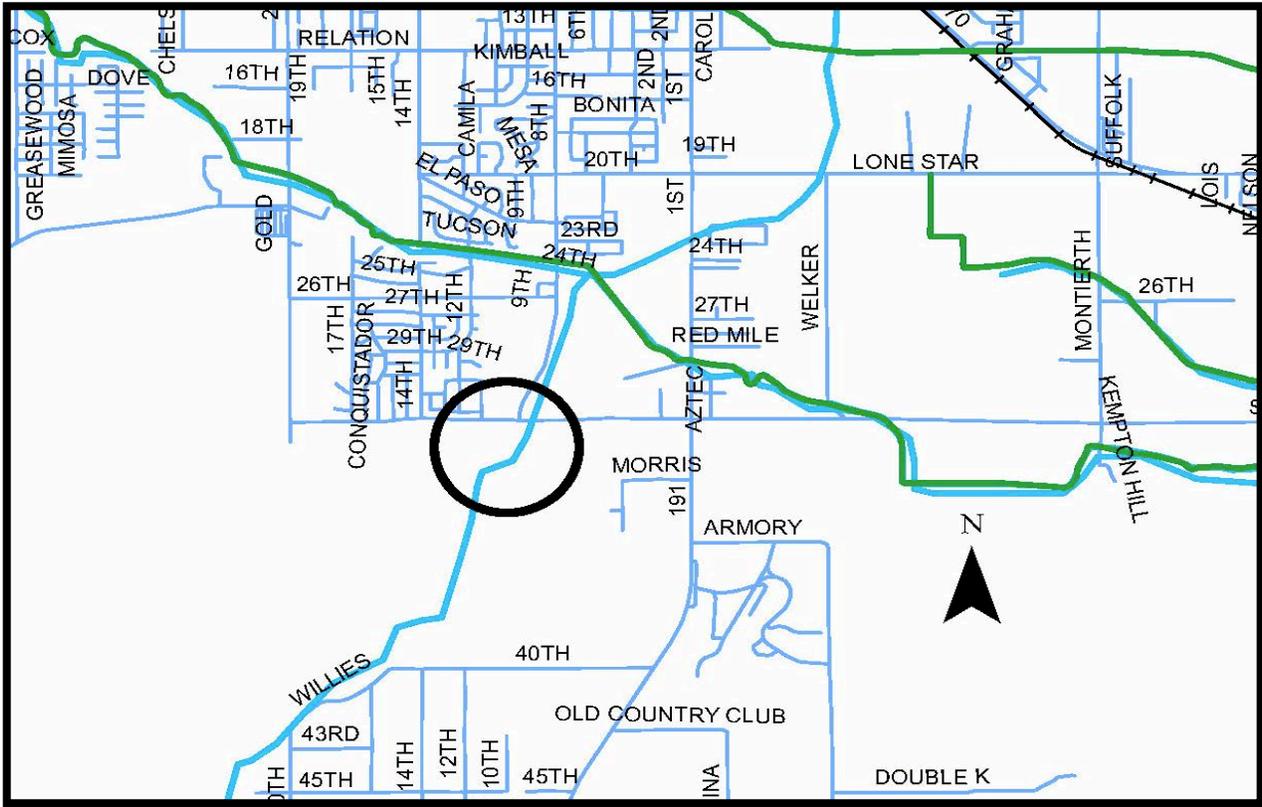
Streets

ST1609

NRCS Dam Assessment

Project Location

Graveyard Wash



Capital Project Description

NRCS Graveyard Wash FRS Assessment –

This work shall consist of an assessment, utilizing the new ADWR’s Probably Maximum Precipitation (PMP) model, for the Graveyard Wash Flood Retarding Structure (FRS). A study pay for by NRCS (Natural Resources Conversation Service) and sponsored by the City had determined possible safety deficiencies with the emergency spillway. This assessment will determine is these safety deficiencies are confirmed using ADWR’s PMP model. NRCS will conduct and pay for this study up to a maximum of \$20,000.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
FRS Assessment	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Total:	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Grant Funds:	\$ 20,000					
City Portion:	\$ 5,000					

Public Works Project Detail Fiscal Years FY 15/16 - FY 19/20

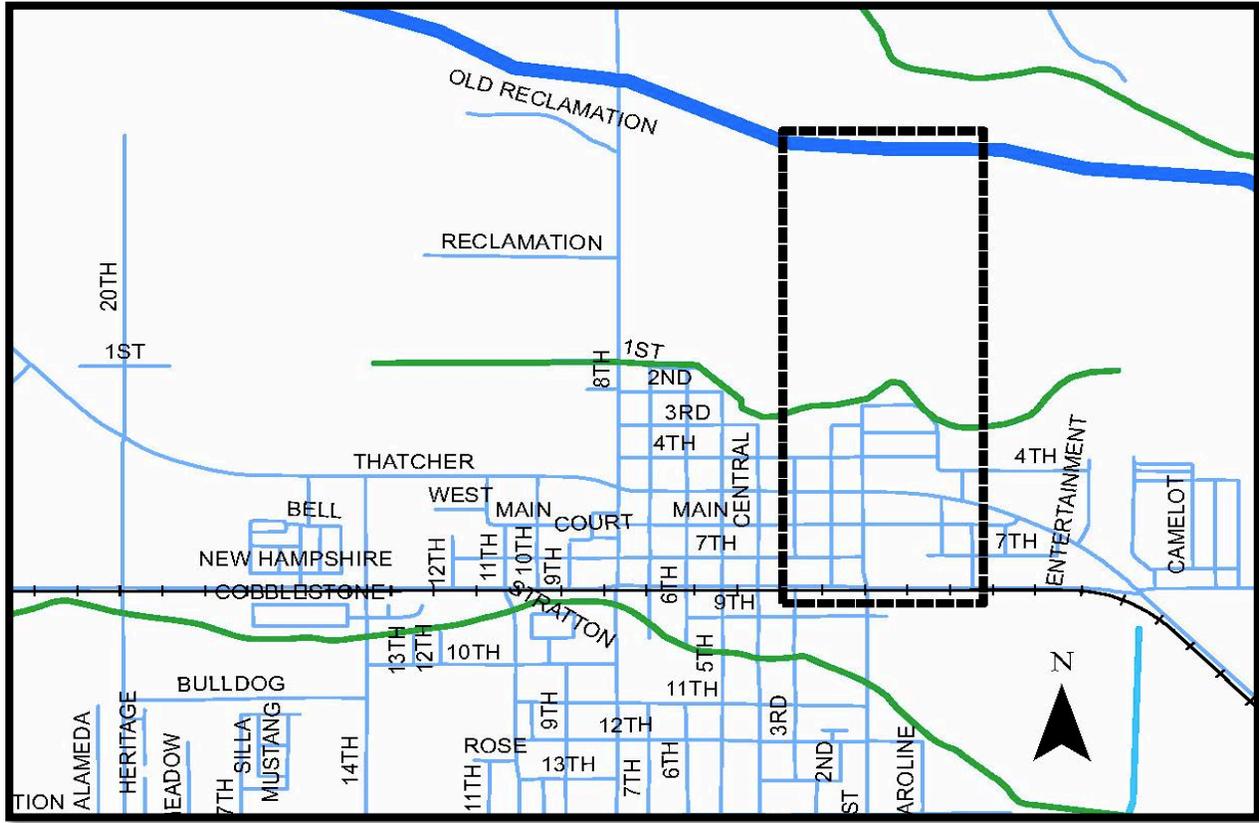
Streets

ST1610

Drainage Study

Project Location

North Section



Capital Project Description

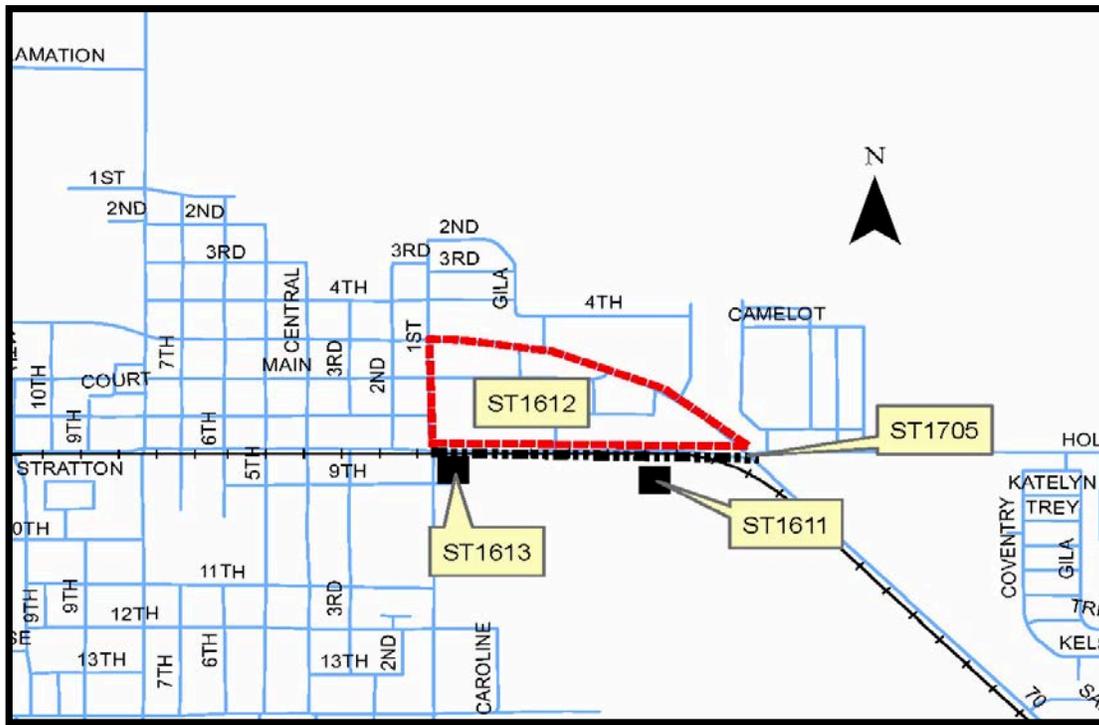
Drainage Study; Due to ongoing issues with flooding and drainage from 2nd Avenue east to Gila Avenue and 8th Street north to the Gila River it will be advantageous to conduct a drainage study to aid us in facilitating a plan to upgrade both above ground and below ground drainage infrastructures in the area to accommodate storm flows.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Drainage Study	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000
	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000

Public Works Project Detail Fiscal Years FY 15/16 - FY 19/20

Streets
Multiple Drainage

Project Location
Northeast Section



Capital Project Description

- ST1612:** Re-level Welker Farms east of the Safford Cotton Gin to cause all tail water to drain east to Graveyard wash;
- ST1613:** Upgrade drainage from 8th Street to Prina Channel, Jensen Addition;
- ST1614:** Construct Retention pond at Safford Cotton Gin;
- ST1705:** Engineering for 8th Street drainage, between US 191 and 70.

CIP No.	Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
ST1611	Welker Farms	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
ST1612	Jensen Addition	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 150,000
ST1613	Cotton Gin	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
ST1705	East 8th Street	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
		\$ 85,000	\$ 80,000	\$ 50,000	\$ -	\$ -	\$ 215,000

**Public Works Project Detail
Fiscal Years FY 15/16 - FY 19/20**

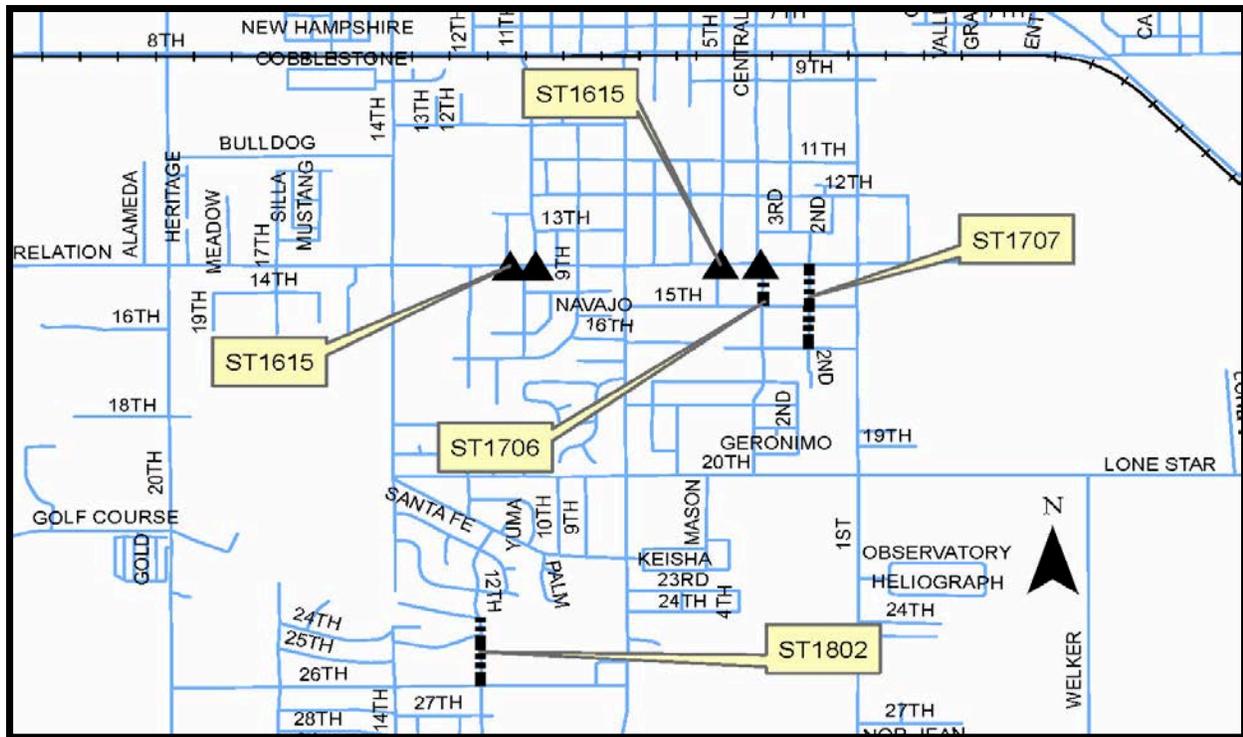
Streets

Streets

Multiple Drainage

Project Location

Central Section



Capital Project Description

ST1614: Annual funding to address citywide drainage improvements or repairs to existing drainage infrastructure on an as needed basis as identified through inspections or as identified through customer complaints.

ST1615: Reconstruction of drainage cross street gutters on Relation Street between 1st Avenue and 14th Avenue.

ST1706: Cover drainage on Central Avenue from Relation Street to 15th Street;

ST1707: Cover drainage on 2nd Avenue from Relation Street to 16th Street;

ST1802: 12th Avenue, remove bridges and cover drainage;

CIP No.	Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
ST1614	Improvements	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
ST1615	Relation Street	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ 14,000
ST1706	Central Avenue	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
ST1707	2nd Avenue	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
ST1802	12th Avenue	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ 80,000
		\$ 34,000	\$ 60,000	\$ 100,000	\$ 20,000	\$ 20,000	\$ 234,000

Public Works Project Detail Fiscal Years FY 15/16 - FY 19/20

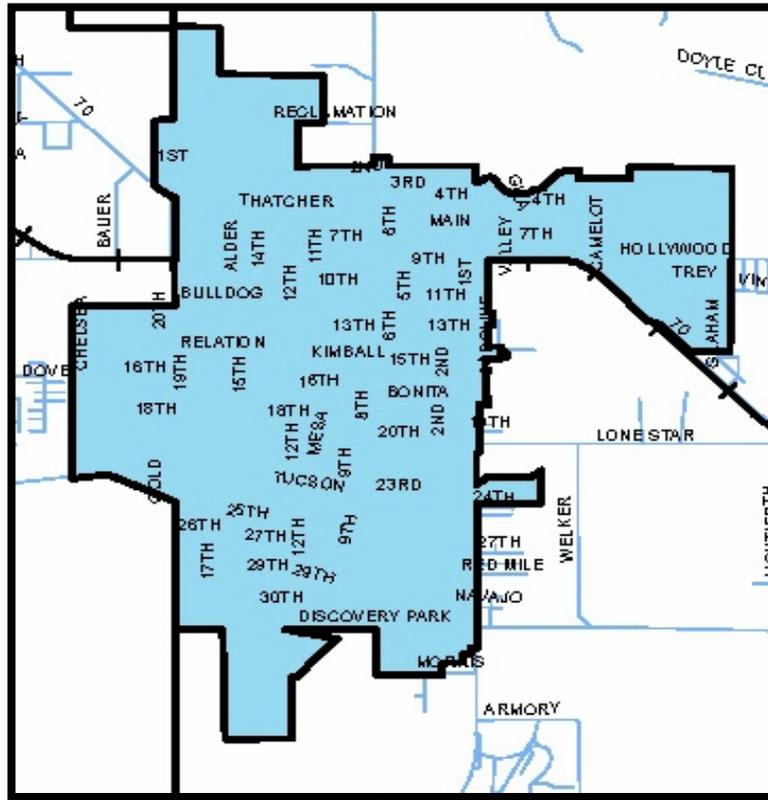
Streets

ST1617

Sign Replacement

Project Location

Citywide



Capital Project Description

This project will replace warning and regulatory signs within the City Limits of Safford. This project is a HSIP (Highway Safety Improvement Project) federally funded program in which the funds are paid at 100%. The estimated cost for these signs is \$76,855. These signs are procured by ADOT and shipped to Safford. City Crews will erect the signs.

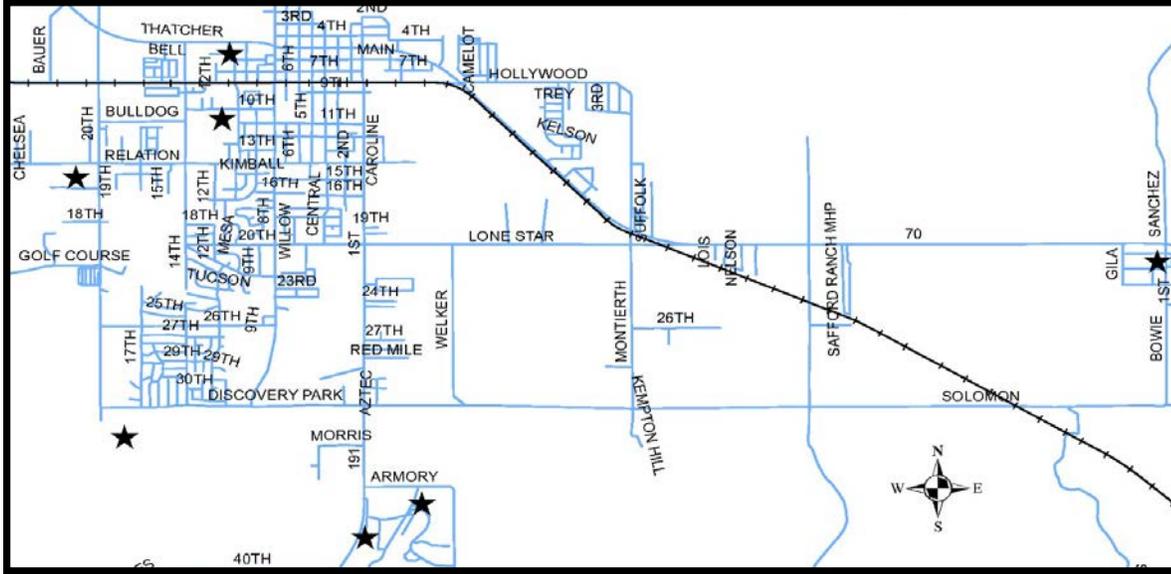
Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ 76,855	\$ -	\$ -	\$ -	\$ -	\$ 76,855
Total:	\$ 76,855	\$ -	\$ -	\$ -	\$ -	\$ 76,855
Grant Funds:	\$ 76,855	\$ -	\$ -	\$ -	\$ -	
City Portion:	\$ -	\$ -	\$ -	\$ -	\$ -	

Enterprise

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1502 Xeriscape

Project Location
Various



Capital Project Description

The City of Safford was awarded a grant from the Bureau of Reclamation, the grant is managed through the Graham County Cooperative Extension. The funds will provide design, supplies and materials to implement low water use landscape projects of difference sizes, public uses and natures at seven sites within Graham County. The projects will reduce water use at each site and serve as demonstrations to the community for more water efficient landscapes. The seven community sites are: Discovery Park Campus, Graham County Fairgrounds, Mount Graham Regional Medical Center, Chamber of Commerce, Our Neighbors Farm, Sage Store and Graham County Cooperative Extension Office.

Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Xeriscape	\$ 61,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,540
Total:	\$ 61,540	\$ -	\$ 61,540				
Grant Funds:	\$ 61,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,540
City Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water

WA1602

New Water Source Exploration

Project Location

System Wide



Capital Project Description

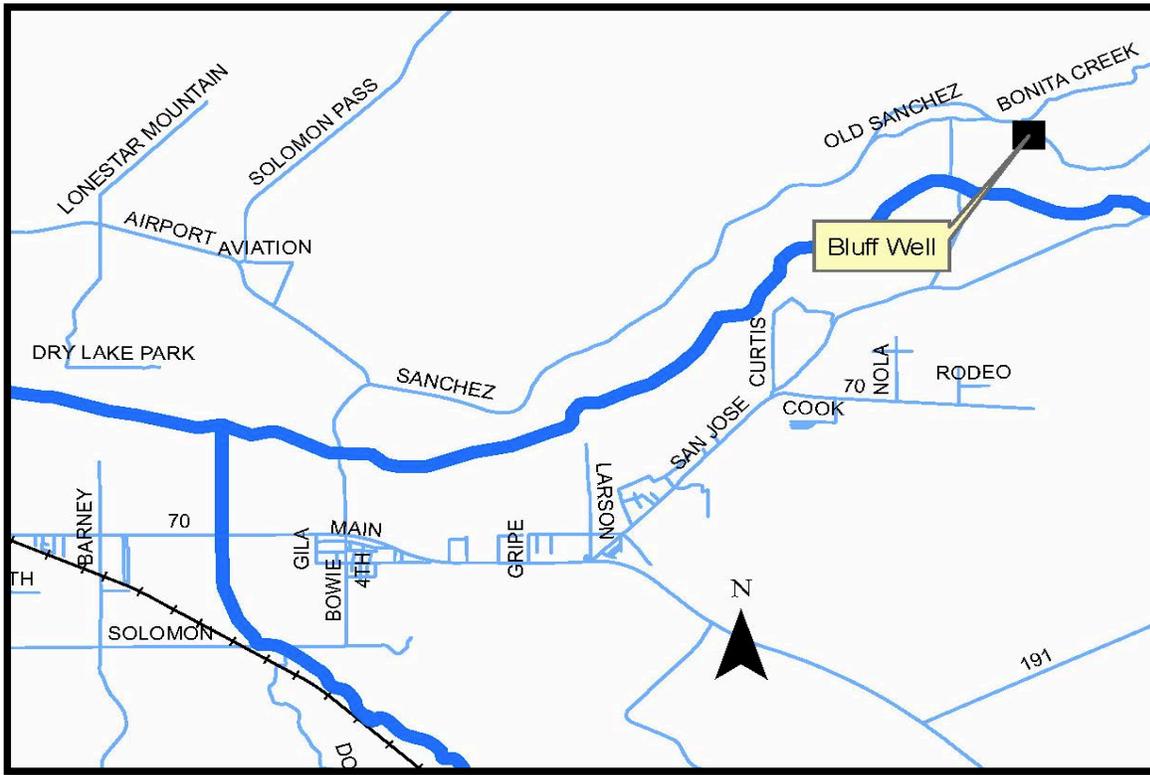
Ongoing search for new water sources. It may include exploratory drilling, flow and quality testing of existing wells, hydrogeology consulting, etc. New well site currently planned at the Carrasco well field. In FY 16/17 we would like to explore the east side of the airport property. Some of the benefits of this location; the city owns the property so we do not need to obtain easements or permits and if a good water source is discovered the water can be used for fire protection at the airport. In FY 17/18 we would like to explore the south side of the river at the 10" Bonita main. This area is within close proximity to existing mains and if a good source of water is found it will provide an additional source of water for the east valley and can be gravity fed, no booster required. Future well site locations are yet to be determined and if practical they will be outside of the bright line shown on the map. It is possible to add wells within the bright line by retiring an existing well or going through the approval process which can be quite lengthy. We have added a 3% escalator beginning in FY 17/18 to account for inflation.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Carrasco Well Site	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Airport Property	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
10" Bonita Main	\$ -	\$ -	\$ 77,250	\$ -	\$ -	\$ 77,250
Future Well Sites	\$ -	\$ -	\$ -	\$ 79,568	\$ 81,955	\$ 161,523
	\$ 75,000	\$ 75,000	\$ 77,250	\$ 79,568	\$ 81,955	\$ 388,773

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1501 Extension

Project Location
Bluff Well



Capital Project Description

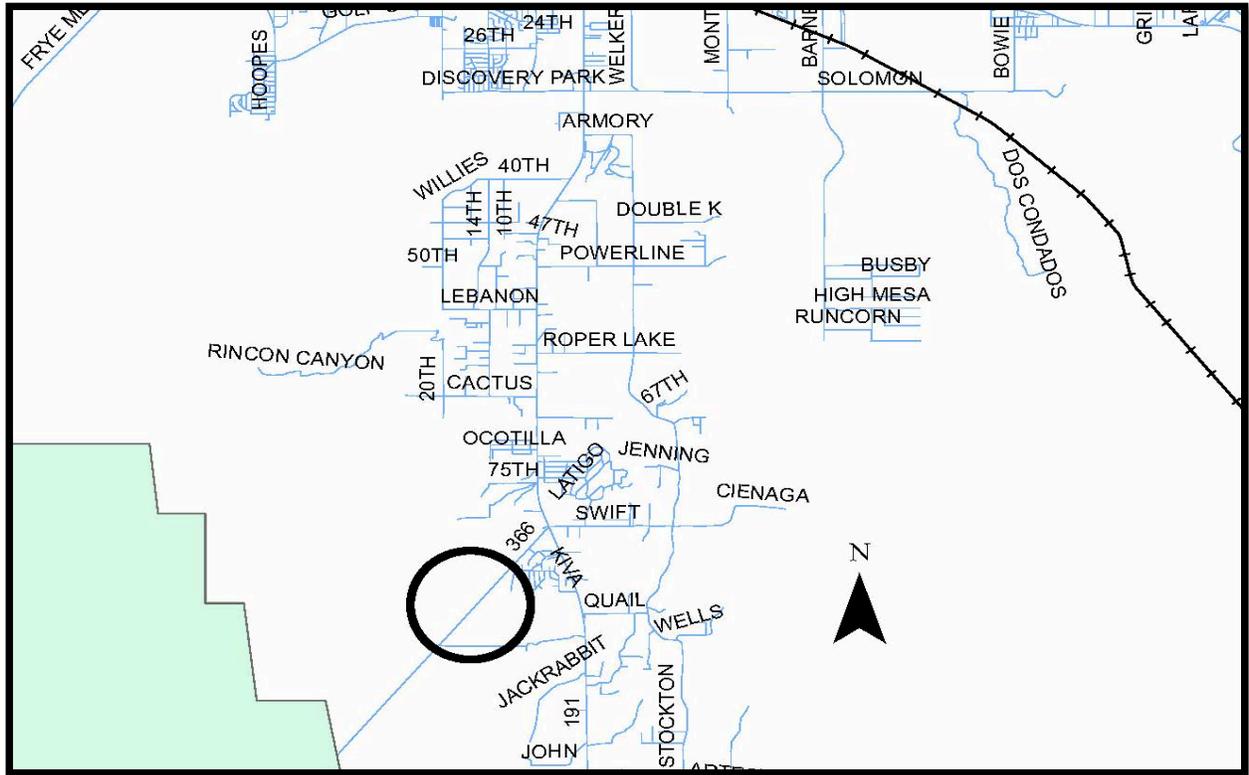
This is the construction of the water main that will connect the Bluff Well with our existing system. This pipeline is 3,530 feet in length and will require three easements from three separate property owners. We are currently finalizing the terms of the Bluff Well property and well purchase agreement. We are also working with the three property owners regarding the required easements.

Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Land	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Construction	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
	\$ 265,000	\$ -	\$ 265,000				

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1603 Extension

Project Location
Swift Trail



Capital Project Description

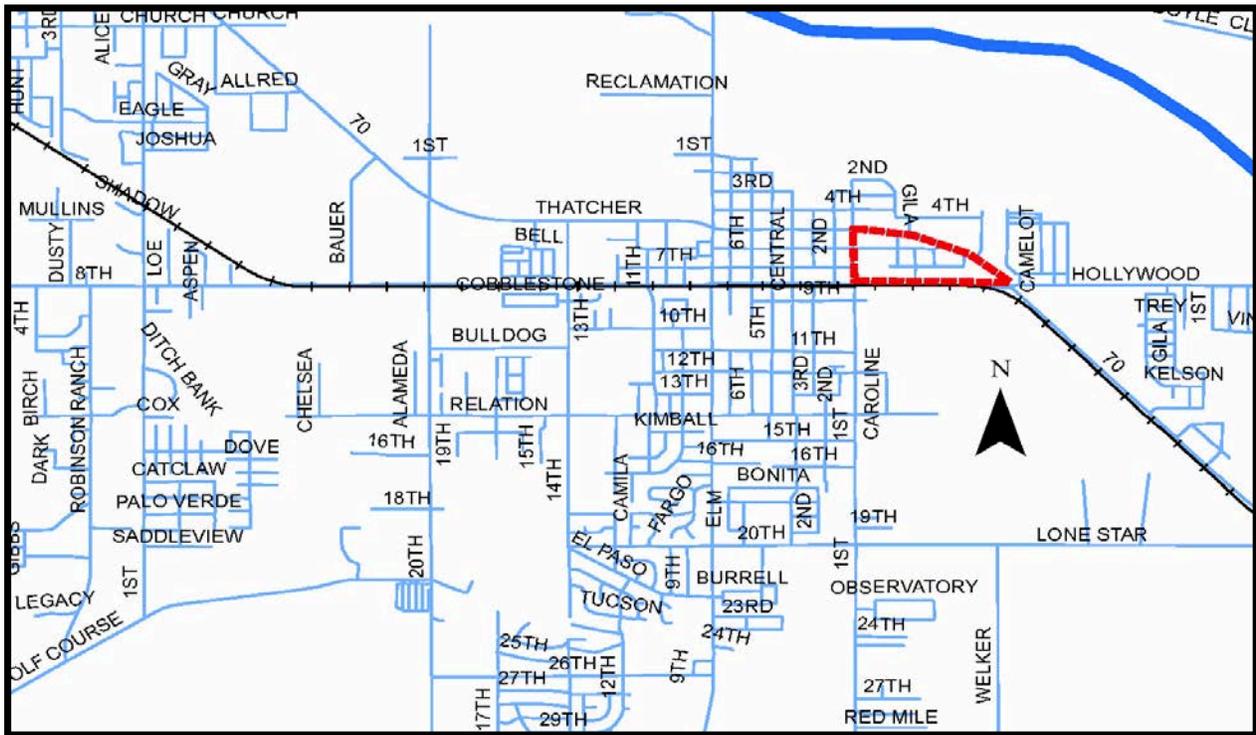
This is the ongoing Swift Trail Pipeline project. In FY16 we propose to construct two well buildings, electrical infrastructure and a 45,000 gallon water tank.

Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1503 Renewal

Project Location
Jensen Addition



Capital Project Description

The proposed Jensen Addition - Reconstruct Water Lines Project includes the renewal of forty-six (46) 3/4" steel water service lines with 1" municipex service lines and the installation of fifty nine (59) 4" PVC sewer cleanouts. The City of Safford was awarded a grant from the Department of Housing in the amount of \$186,615. The City will leverage the balance of \$50,000 to complete the project. The project will be designed in-house, design should be completed by August 2015. Construction will follow and will be completed utilizing in-house labor forces. The site work is tentatively slated to begin in April 2016 and will be completed in October 2016.

Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Construction	\$ 211,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,615
Total:	\$ 236,615	\$ -	\$ 236,615				
Grant Funds:	\$ 186,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,615
City Portion	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

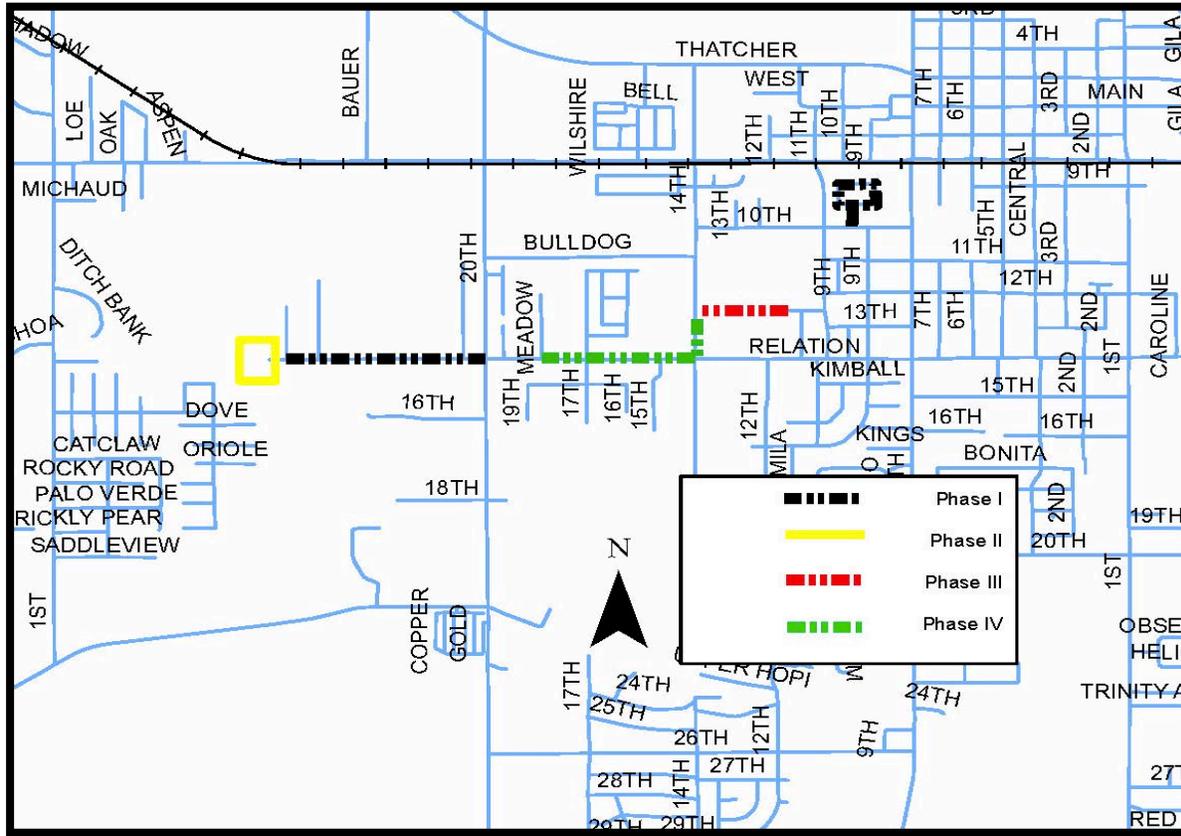
Water

WA1701

Renewal

Project Location

Various



Capital Project Description

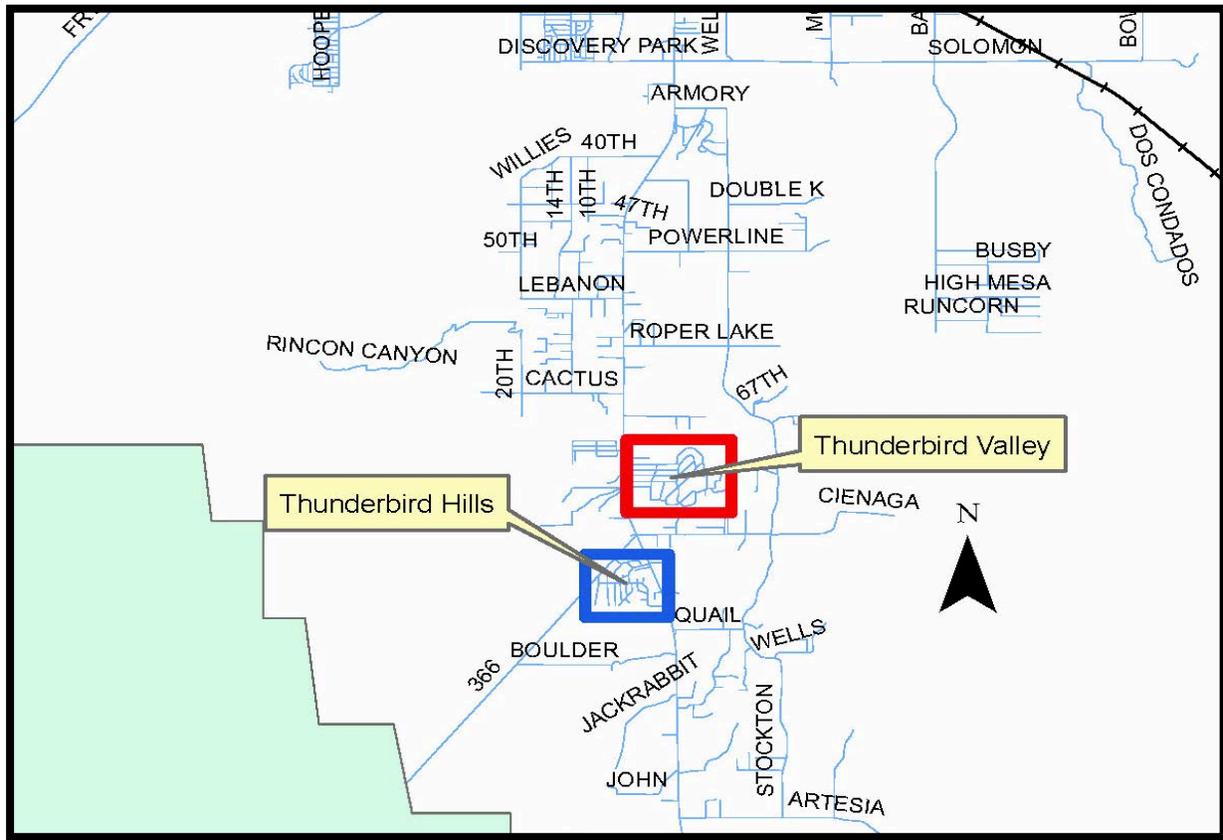
This is a four phase project that consists of replacing 12" AC main. The existing pipe is 65 years old and joint gaskets are failing. We have experienced 15 main failures in the last 2-1/2 years. The main failures require lengthy shutdowns for repair which is a huge problem for our customers. Phase I, West Relation St, approximately 0.5 miles and Stratton Dr, 0.3 miles, Engineering, ADEQ & Construction; Phase II, Hoisington, Engineering & Construction; Phase III, Rose Ln/14th Ave, 0.2 miles; and Phase IV, 14th Ave/Relation Street to Meadow Lane, 0.4 miles, this phase must coincide with 14th Avenue Street Improvements.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Phase I	\$ -	\$ 333,188	\$ -	\$ -	\$ -	\$ 333,188
Phase II	\$ -	\$ -	\$ 160,000	\$ -	\$ -	\$ 160,000
Phase III	\$ -	\$ -	\$ -	\$ 87,524	\$ -	\$ 87,524
Phase IV	\$ -	\$ -	\$ -	\$ -	\$ 185,709	\$ 185,709
	\$ -	\$ 333,188	\$ 160,000	\$ 87,524	\$ 185,709	\$ 766,421

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1801 Renewal

Project Location
Thunderbird



Capital Project Description

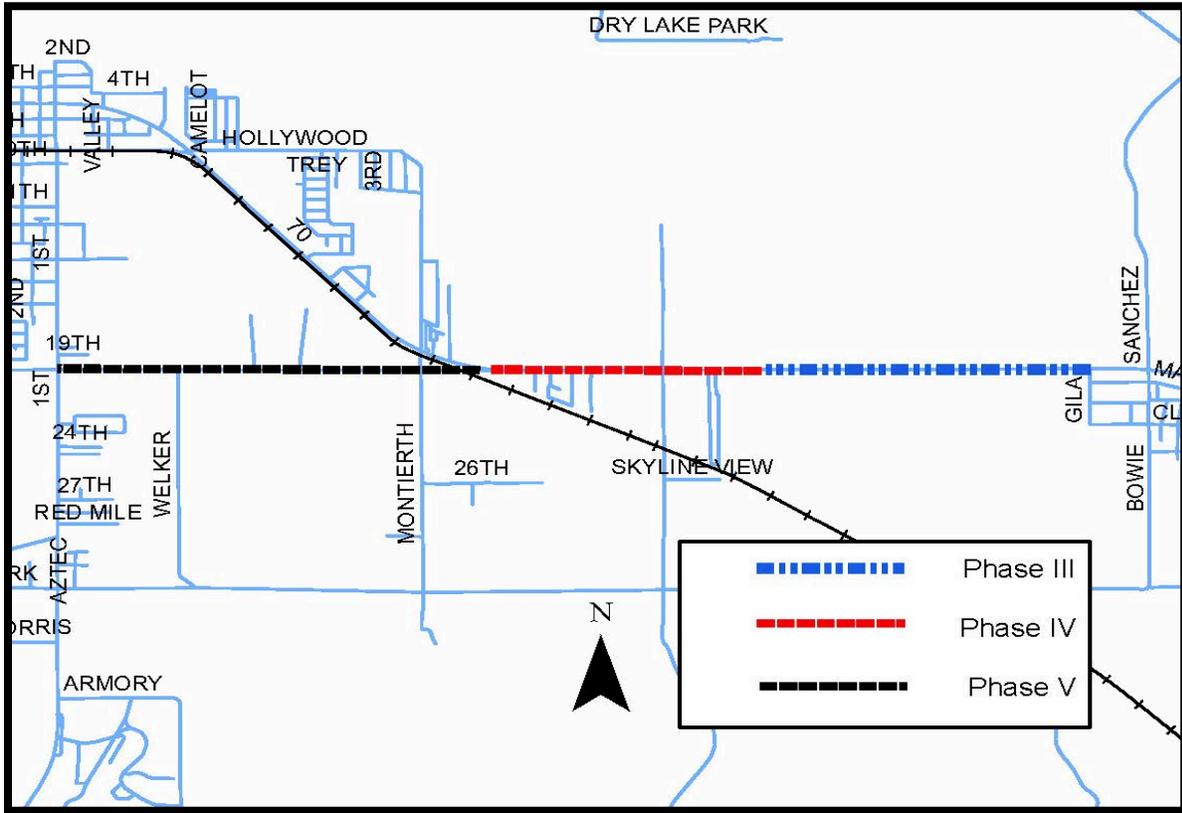
This project includes upgrading all service lines and portions of the main repairs, including the installation of isolation valves within the Thunderbird Hills and Thunderbird Valley subdivisions. This portion of the system was acquired from Rocky Lake Water Company and was not built to industry standards, the existing service lines and mains are not adequately pressure rated. Due to the substandard materials, repairs are very difficult and require extensive shut downs.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
T-Bird Hills Const	\$ -	\$ -	\$ 380,000	\$ -	\$ -	\$ 380,000
T-Bird Valley Const	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ 350,000
	\$ -	\$ -	\$ 380,000	\$ 350,000	\$ -	\$ 730,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1604 Upgrade

Project Location
Hwy 70, Lone Star, Hwy 191



Capital Project Description

This project replaces 75 year old water main that has exceeded life expectancy and is now failing. The industry standard is 50 years. The upgrade involves easement procurements, relocation and upgrading all services and all connection points. A bypass pipe is required to keep existing main in service during construction. Phases I & II of the Bonita project have been completed. Phase III has been designed and we currently have ADEQ approved plans. This phase includes upgrading approximately 1.5 miles. Phases IV and V still need to be designed and submitted to ADEQ for approval. Phase III will upgrade the main from Solomon to FMI, approximately 1.3 miles, Phase IV will upgrade from FMI to Lone Star approximately 1 mile and Phase V from Lone Star to 191, approximately 1.7 miles.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Phase III Construction	\$ 514,800	\$ -	\$ -	\$ -	\$ -	\$ 514,800
Phase IV & V - Design	\$ -	\$ 167,000	\$ -	\$ -	\$ -	\$ 167,000
Phase IV - Construction	\$ -	\$ -	\$ 407,880	\$ -	\$ -	\$ 407,880
Phase V - Construction	\$ -	\$ -	\$ -	\$ 706,860	\$ -	\$ 706,860
	\$ 514,800	\$ 167,000	\$ 407,880	\$ 706,860	\$ -	\$ 1,796,540

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

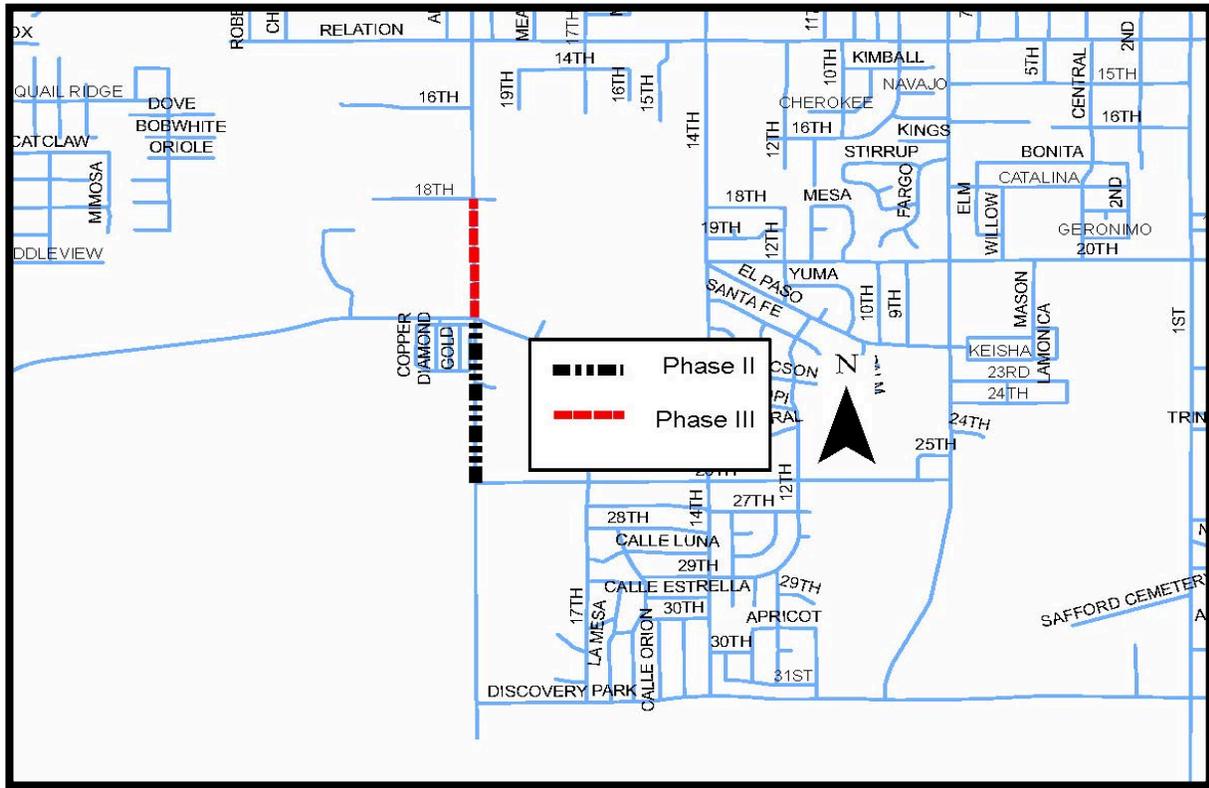
Water

WA1702

Upgrade & Extension

Project Location

20th Avenue



Capital Project Description

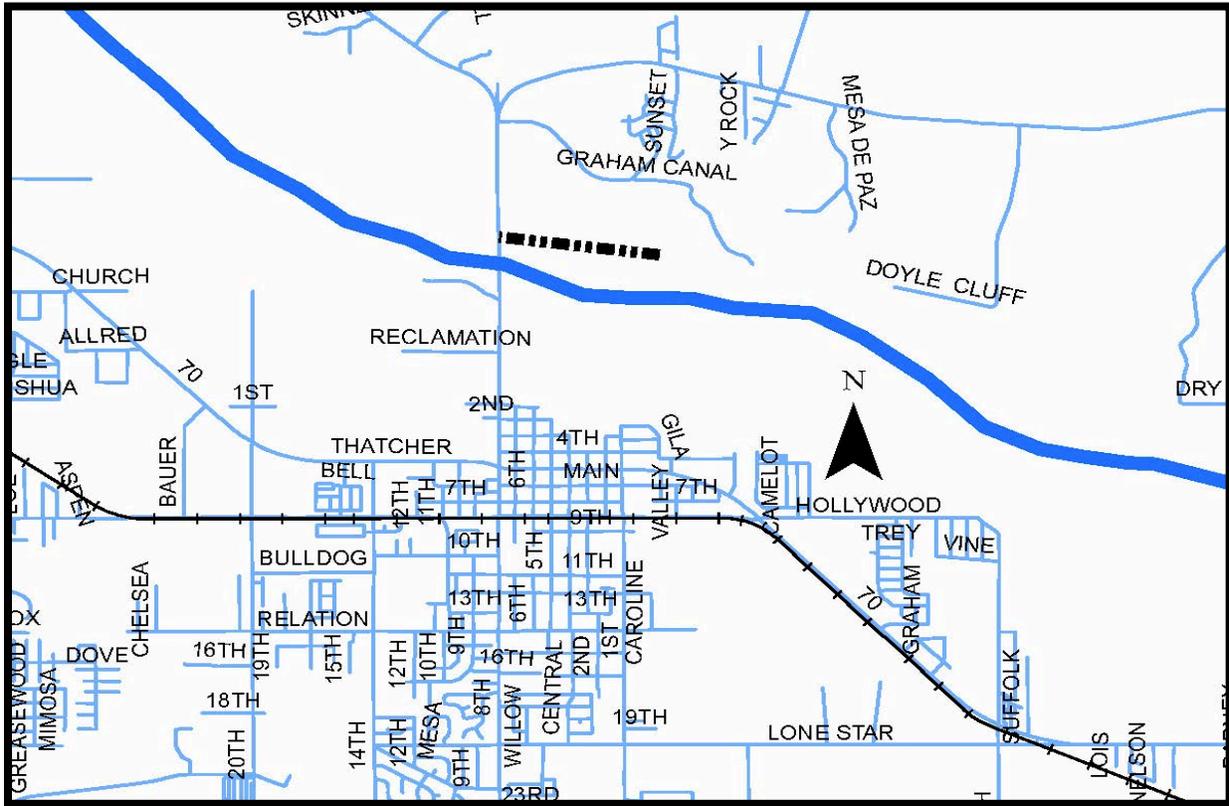
Phase I is complete. Phase II, from 26th St to Golf Course Rd, approximately 0.4 miles, will be designed in-house 15/16 and constructed in 16/17. Phase III, from Golf Course Road to 18th St, approximately 0.3 miles, (tie-ins & PRV station) will be scheduled in conjunction with ADOT funded 20th Avenue widening project. Phase III design and construction will be funded by ADOT.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Phase II - Construction	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ 160,000
Phase III - Construction	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
	\$ -	\$ 160,000	\$ -	\$ -	\$ 200,000	\$ 360,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1703 Upgrade

Project Location
N. 8th Ave. Bridge to Morris Well Field



Capital Project Description

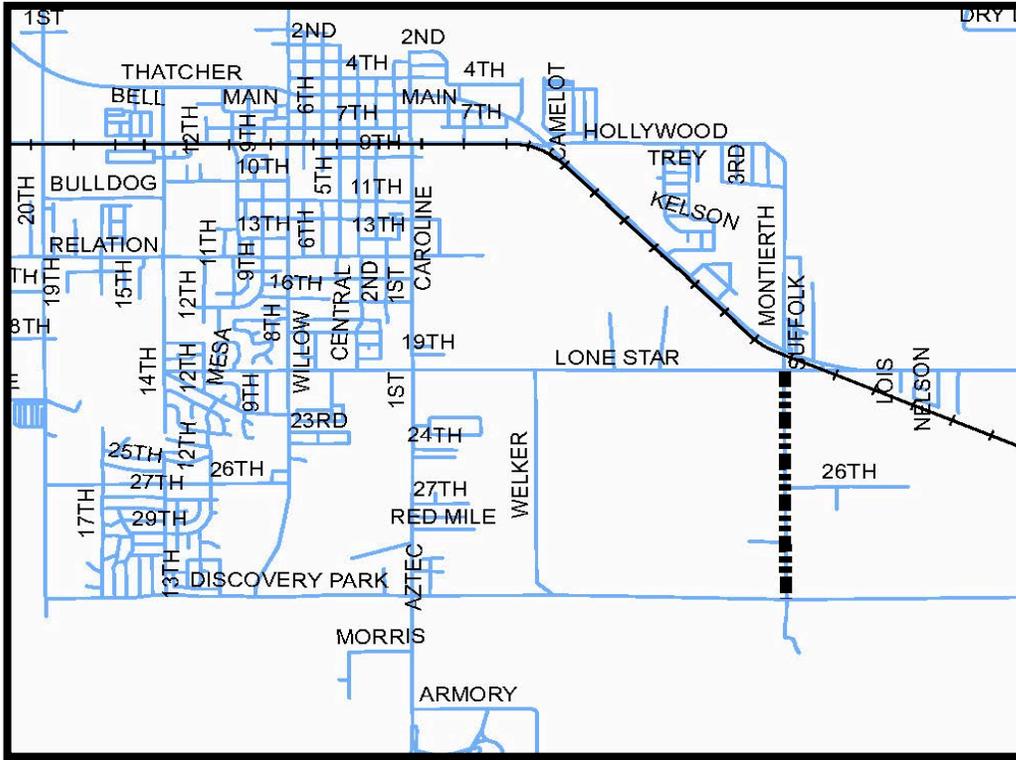
This project will replace two aging pipelines, 12" & 18" with one common pipe, 24". The 12" pipe was installed in the 1950's and the 18" was installed in 1972. We anticipate similar gasket failures that we have experienced on other portions of our system. The design is complete and construction is planned for FY 16/17. This project will increase conveyance capacity.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ -	\$ 388,000	\$ -	\$ -	\$ -	\$ 388,000
	\$ -	\$ 388,000	\$ -	\$ -	\$ -	\$ 388,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1704 Upgrade

Project Location
Montierth Lane



Capital Project Description

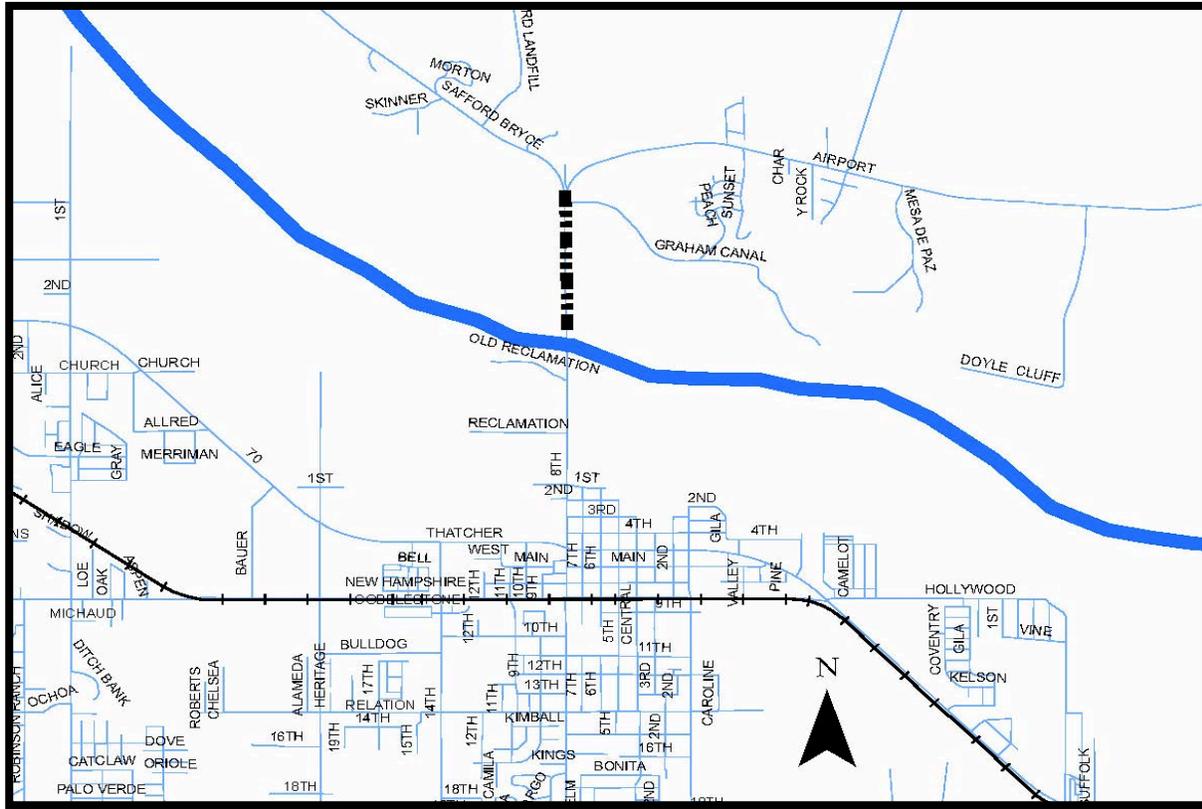
The existing pipe is beyond the life expectancy and cannot be utilized for future connections. This will upgrade a 64 year old 1-1/2" steel main with a 12" pipe, with a badly needed loop feed by connection from the Kempton transmission to the Bonita transmission. This will give us many operating options if Bonita Creek or Kempton Transmission fail.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1705 Upgrade

Project Location
N. 8th Avenue



Capital Project Description

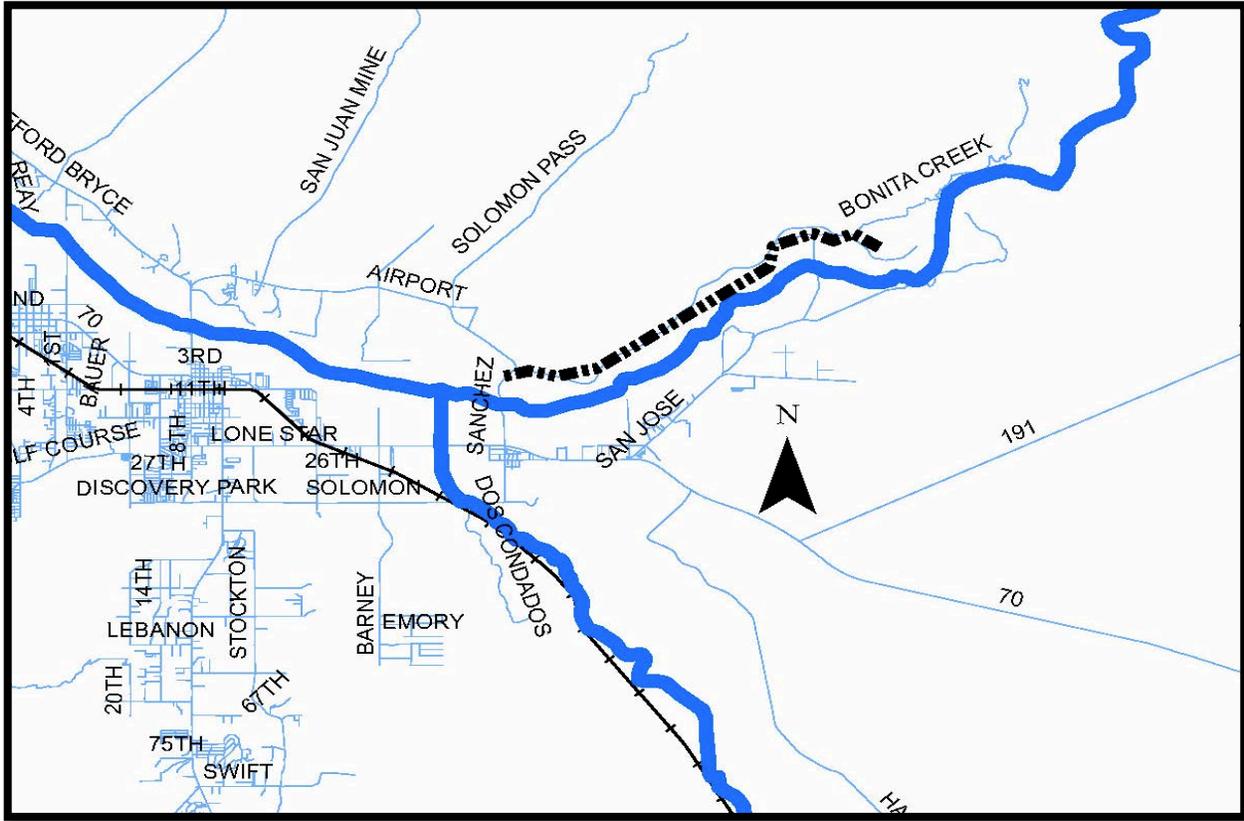
This project includes upgrading an 8" main line to a 12" line on the north side of the 8th Avenue Bridge to the existing wye. The project will be coordinated with Graham County's roundabout project and will relocate the water main outside of the roundabout construction and the new road alignment.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Construction	\$ -	\$ -	\$ 247,500	\$ -	\$ -	\$ 247,500
	\$ -	\$ 25,000	\$ 247,500	\$ -	\$ -	\$ 272,500

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1706 Upgrade

Project Location
East Valley, Sanchez Road



Capital Project Description

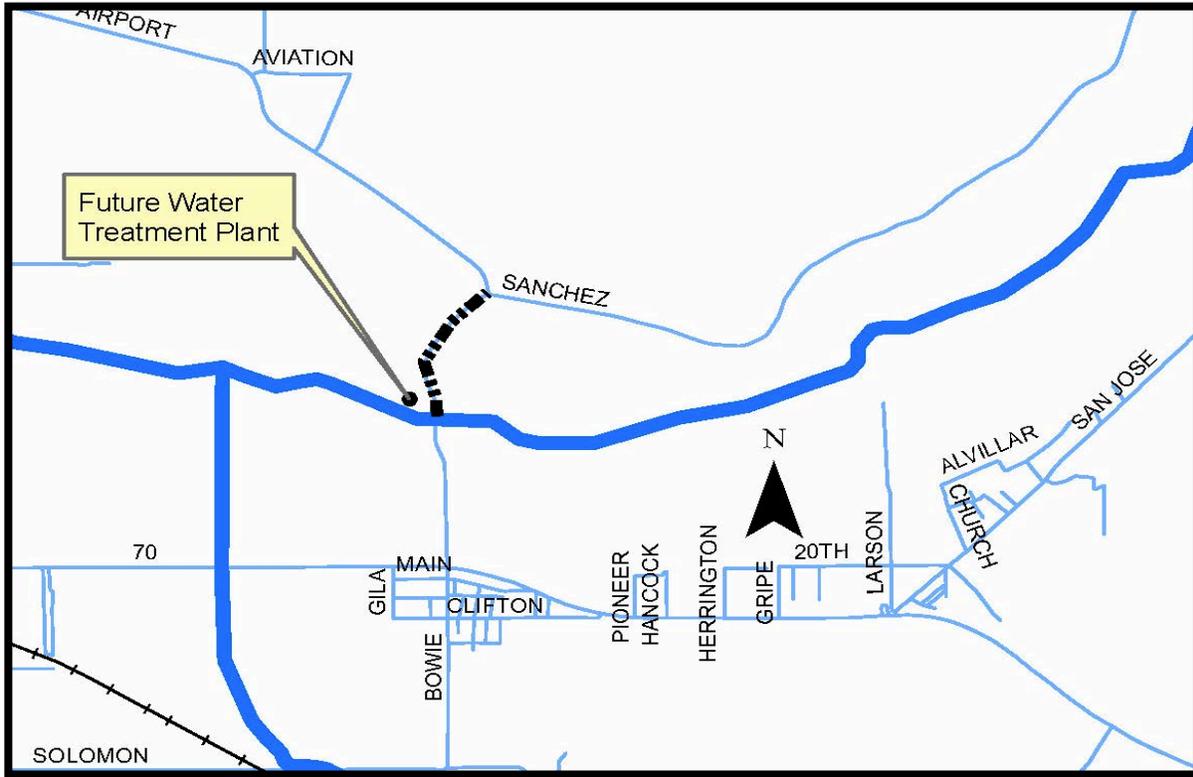
This project consists of a main upgrade from the upper Sanchez area to the Sanchez Bridge. Currently this seven mile stretch limits our conveyance capacity and coupled with the age of the existing pipe, this upgrade will increase our production capabilities from future upper valley wells. Feasibility study and design in 16/17, construction in 18/19. This will increase our conveyance and replace approximately 7 miles of 65 year old existing pipeline.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Construction	\$ -	\$ -	\$ -	\$ 2,220,000	\$ -	\$ 2,220,000
	\$ -	\$ 25,000	\$ -	\$ 2,220,000	\$ -	\$ 2,245,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1802 Upgrade

Project Location
Sanchez Bridge



Capital Project Description

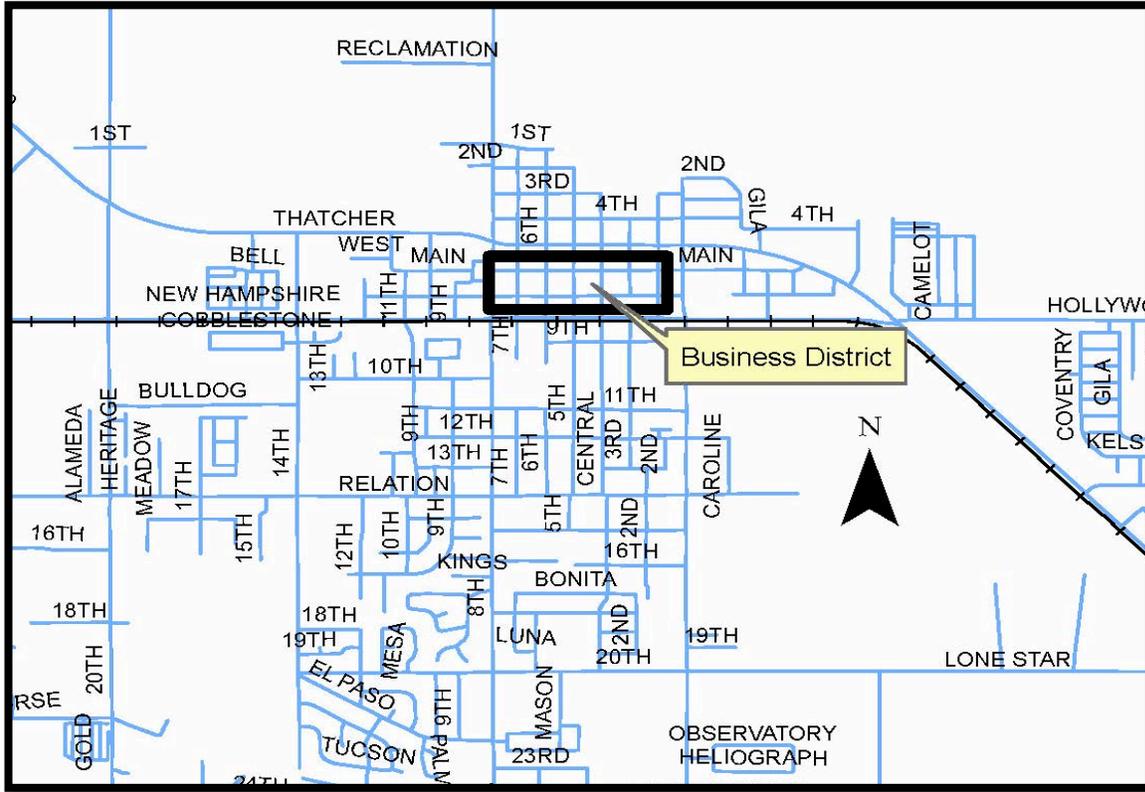
We have ADEQ approved plans for this project. The project consists of two 12" steel welded pipe lines installed under the bridge deck. This is the first of two projects to convey Bonita Creek water from the north side of the river to the Kempton Well Field; future site of our Water Treatment/Blending Plant. We will transmit high quality Bonita water to this site where it can be blended with lower quality well water. The blending process will allow us to distribute this water to our customers with confidence and assurance that it will meet EPA water standards and is aesthetically desirable.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ -	\$ -	\$ 300,000	\$ 500,000	\$ -	\$ 800,000
	\$ -	\$ -	\$ 300,000	\$ 500,000	\$ -	\$ 800,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1803 Upgrade

Project Location
Main Street



Capital Project Description

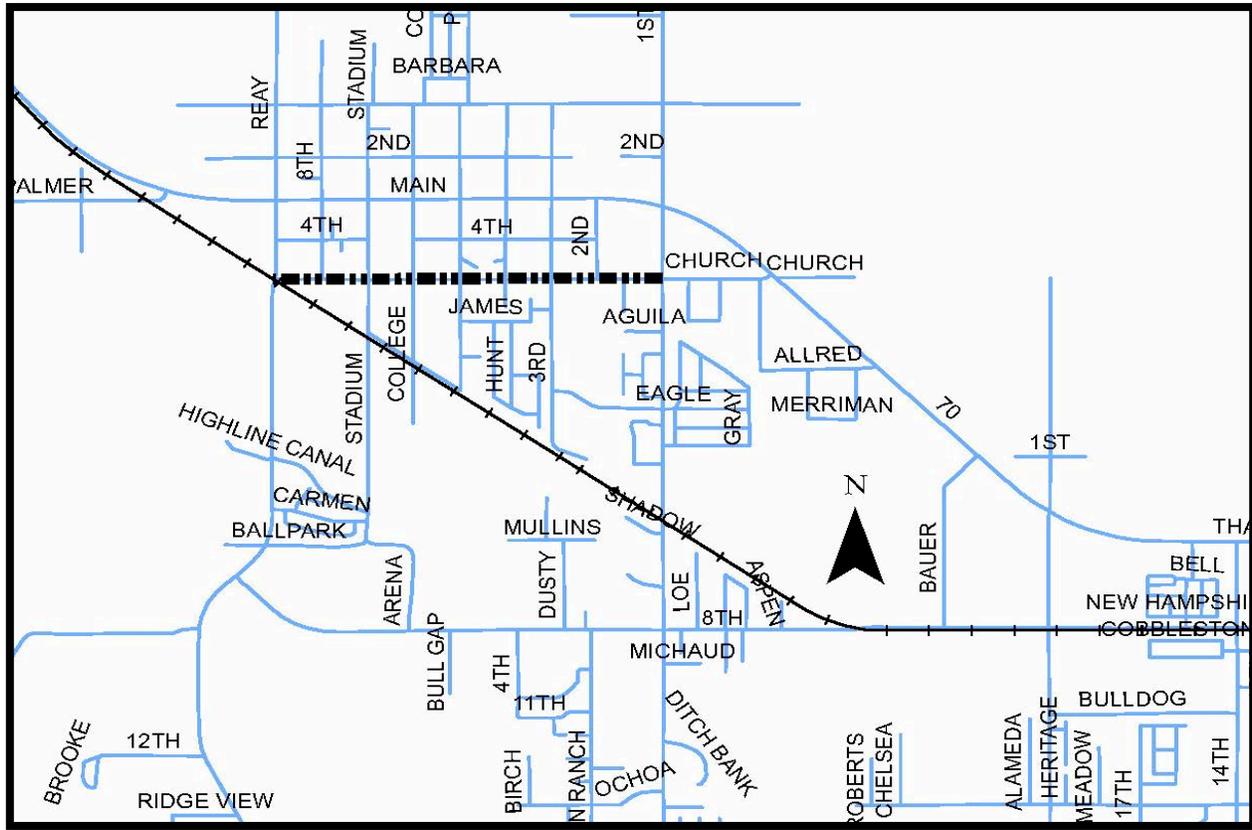
The original system was installed in the 1920's, the current main runs in alleways and in some instances the water main is located underneath buildings. The project includes water main and service upgrade and relocation to service the south side of Main Street, from 8th Avenue to 3rd Avenue. We plan for design in 17/18 and construction in 18/19. We will continue to monitor the north side of the business district and upgrade at a later date.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000
Construction	\$ -	\$ -	\$ -	\$ 420,000	\$ -	\$ 420,000
	\$ -	\$ -	\$ 75,000	\$ 420,000	\$ -	\$ 495,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA1901 Upgrade

Project Location
Church St/1st Ave to Reay Lane



Capital Project Description

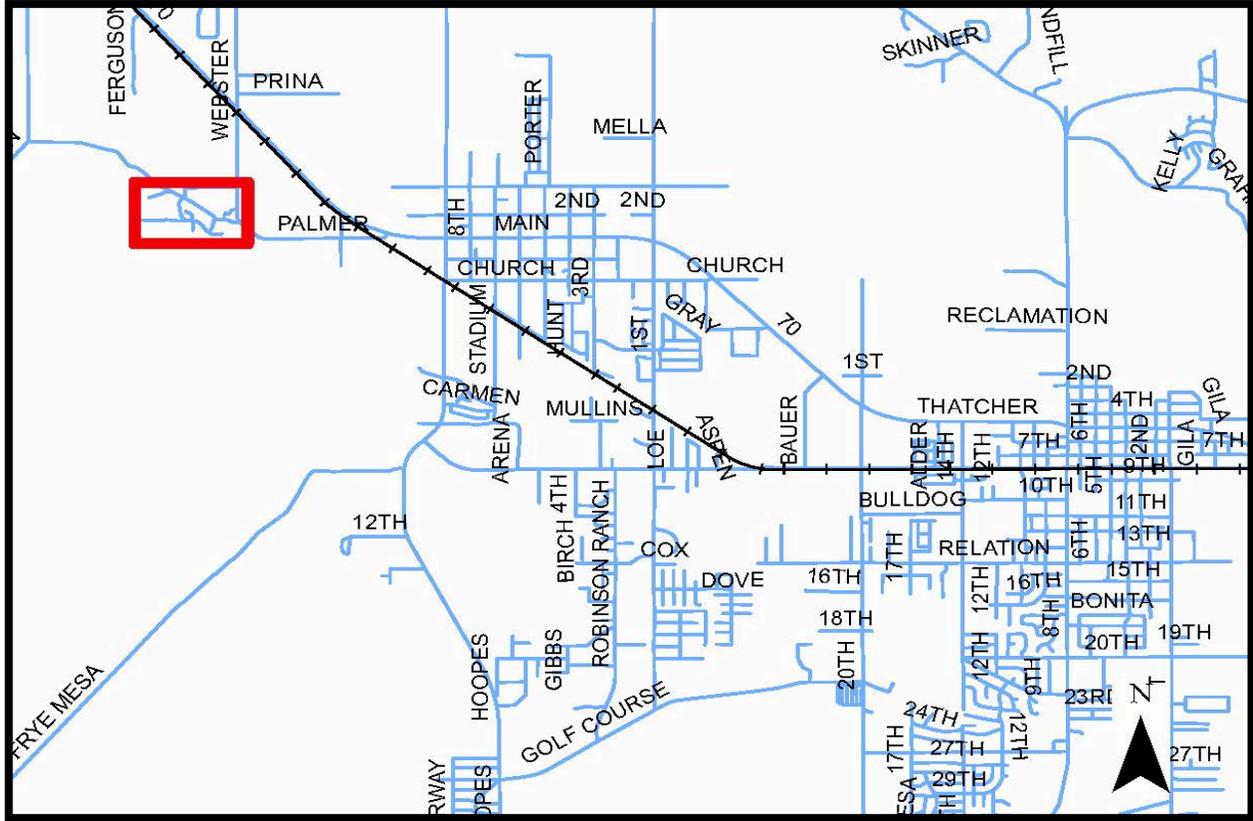
Design completed in 14/15. Construction is currently slated for 18/19, and will be coordinated with the Town of Thatcher and ADOT's road widening project and will include upgrading and relocation of mains and services.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ -	\$ -	\$ -	\$ 450,000	\$ -	\$ 450,000
	\$ -	\$ -	\$ -	\$ 450,000	\$ -	\$ 450,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water
WA2001 Upgrade

Project Location
Webster Hill, Central



Capital Project Description

This project includes a complete upgrade, replacing undersized 4" main to 6" main, approximately 5,000 feet. The existing system is not up to current industry standards. This area has had a new connection moratorium in place for 20 plus years, this upgrade will allow new connections.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ -	\$ -	\$ -	\$ -	\$ 165,000	\$ 165,000
	\$ -	\$ -	\$ -	\$ -	\$ 165,000	\$ 165,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

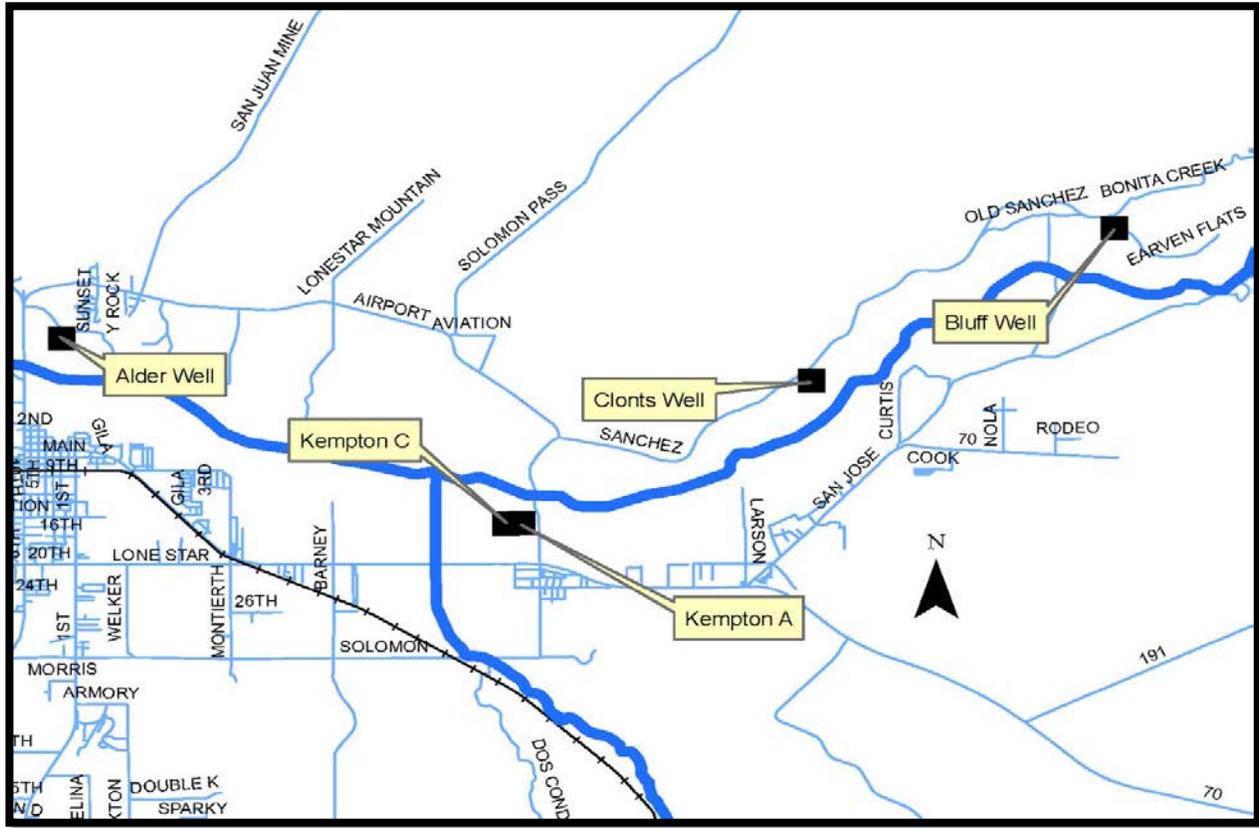
Water

WA1605

Well Rehabilitation

Project Location

Various



Capital Project Description

The rehabilitation includes a complete rehab to all of the well components, including, the building, pump, chlorine injection system and SCADA equipment to be able to operate remotely. We are standardizing all equipment as well as installing eyewash stations and exhaust fans. 15/16: Bluff Well; 16/17: Clonts Well Rehab; 17/18: Kempton A, new building; 18/19: Alder, pump renovation; 19/20: Kempton C construct building. We have added a 3% escalator beginning in FY 17/18 to account for inflation.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Bluff Well	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Clonts Well	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Kempton A	\$ -	\$ -	\$ 51,500	\$ -	\$ -	\$ 51,500
Alder	\$ -	\$ -	\$ -	\$ 53,045	\$ -	\$ 53,045
Kempton C	\$ -	\$ -	\$ -	\$ -	\$ 54,640	\$ 54,640
	\$ 50,000	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,640	\$ 259,185

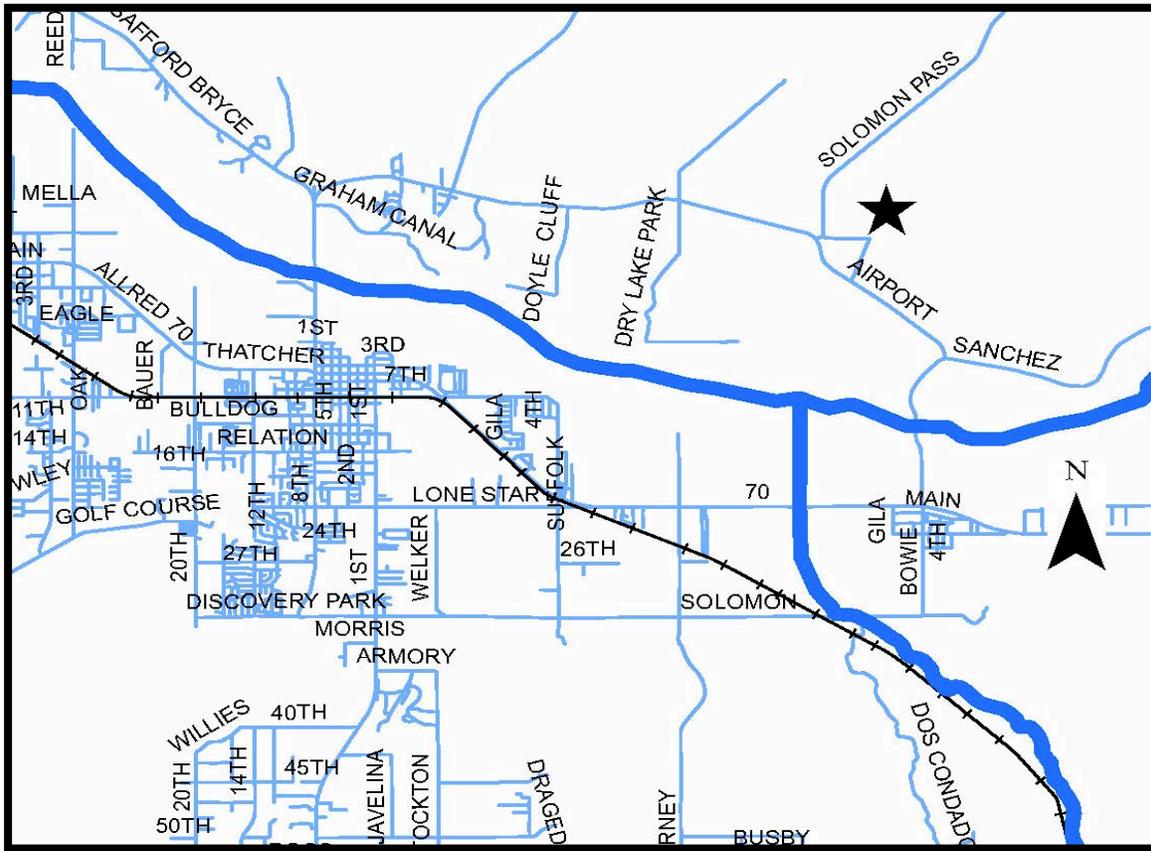
Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Water

WA1903 Water Storage

Project Location

Airport



Capital Project Description

Currently fire protection and service are provided by pump only. We need to increase fire flows at the airport. Randy Petty is working with C&S Companies to explore possible federal funding options for the design and construction of a 1-million gallon storage tank. Fire protection will have a direct effect on development at the airport. This project could also coincide with water exploration. If during the water exploration a good source of water is discovered, this water will be batched into our existing system, however, if the water quality does not meet EPA standards, the water will be utilized on a separate fire suppression system.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ -	\$ -	\$ -	\$ 46,350	\$ -	\$ 46,350
Construction	\$ -	\$ -	\$ -	\$ -	\$ 1,044,657	\$ 1,044,657
	\$ -	\$ -	\$ -	\$ 46,350	\$ 1,044,657	\$ 1,091,007

Utilities Project Detail

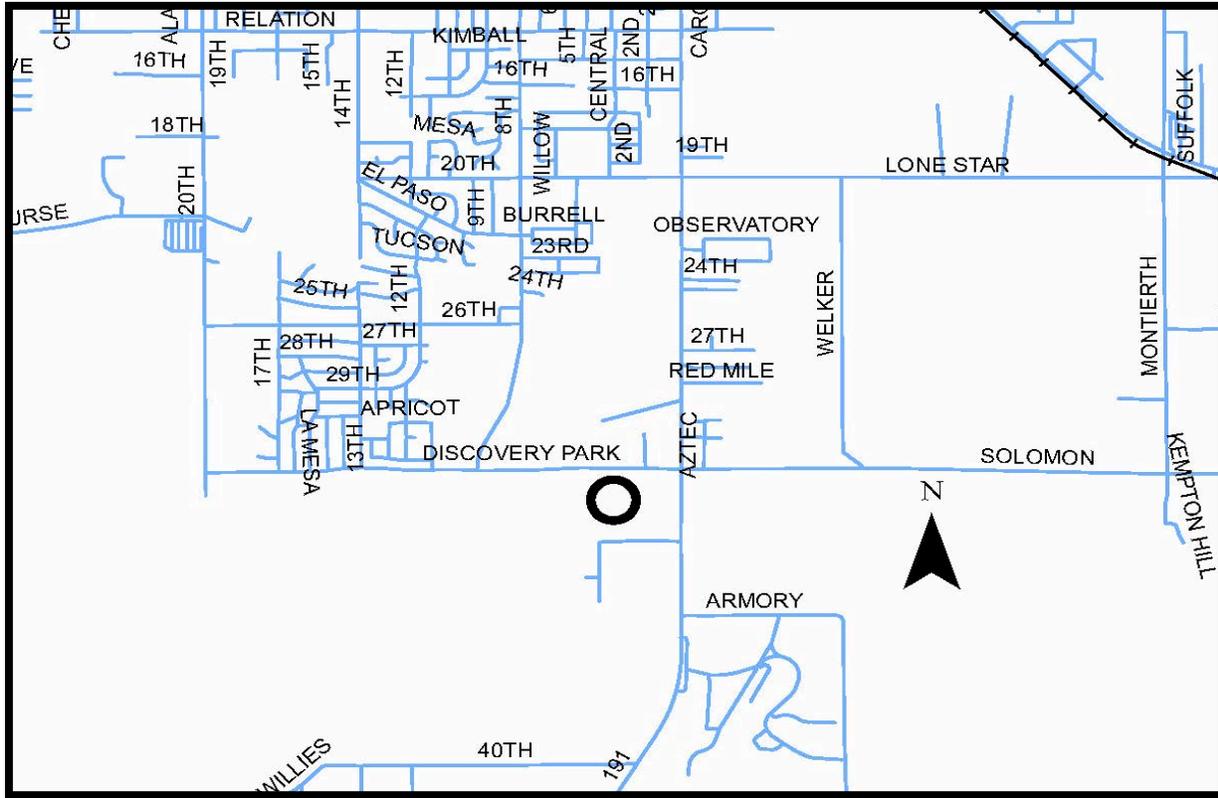
Fiscal Years FY 15/16 - FY 19/20

Wastewater

WW1501 VAC-CON/Equipment Storage Building

Project Location

Mesa Yard



Capital Project Description

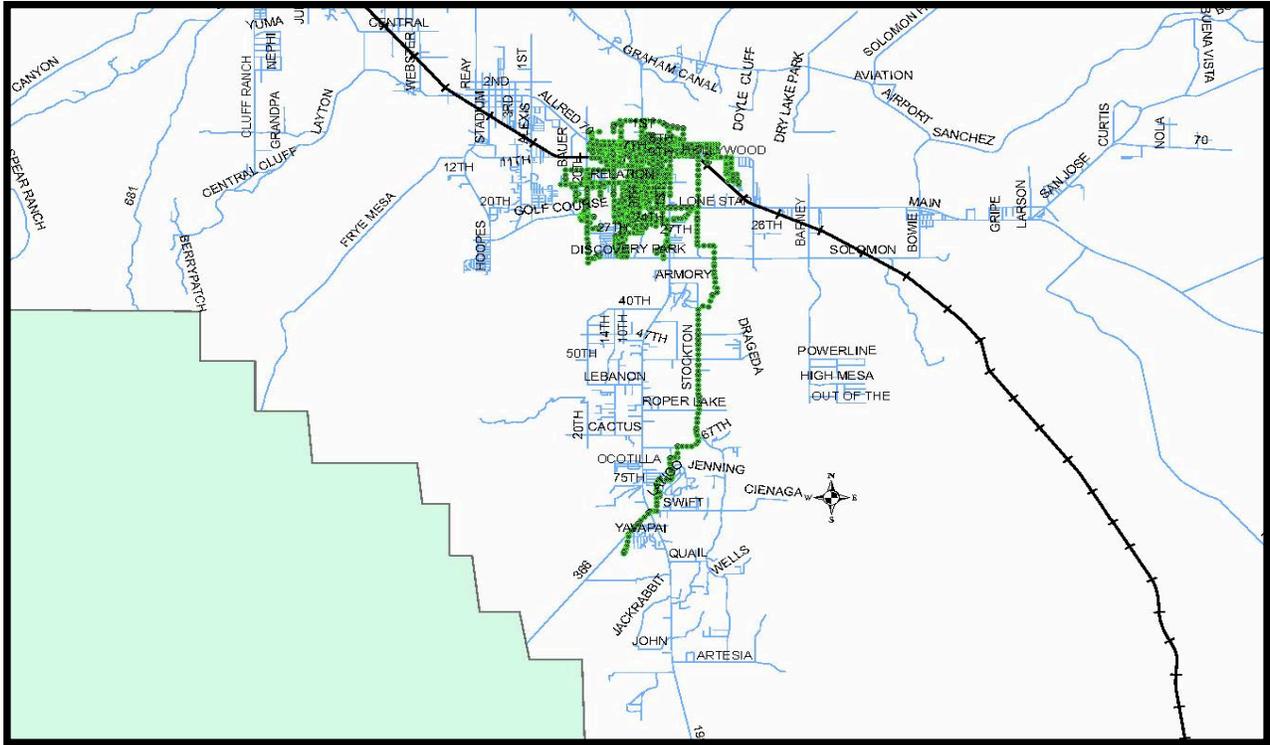
This is a pre-fabricated metal building that has already been purchased and is proposed to be built on the west side of the Mesa Yard. This building will house the VAC-CON Sewer Truck and other equipment such as our valve exerciser. Following informal bidding procedures in December 2014, we recieved two quotes, both exceeded our \$50,000 budget. In April 2015, we explored the option of job order contracting, and the quote we recieved more than doubled our original budget. We have added an additional \$20,000 making the total with carryover \$70,000 and we will formally bid in FY 16.

Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ 50,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000
	\$ 50,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Wastewater
WW1502 Manhole Rehabilitation

Project Location
System Wide



Capital Project Description

This project is the rehabilitation of approximately 100 sewer manholes annually. This consists of the contractor cleaning, re-grouting and applying an epoxy coating over the entire surface of each manhole. The contract for FY 14/15 has been awarded to Manhole Coatings, work will commence in July 2015. We have added a 3% escalator beginning in FY 16/17 to account for inflation.

Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ 120,000	\$ 250,000	\$ 257,500	\$ 265,225	\$ 273,182	\$ 281,377	\$ 1,447,284
	\$ 120,000	\$ 250,000	\$ 257,500	\$ 265,225	\$ 273,182	\$ 281,377	\$ 1,447,284

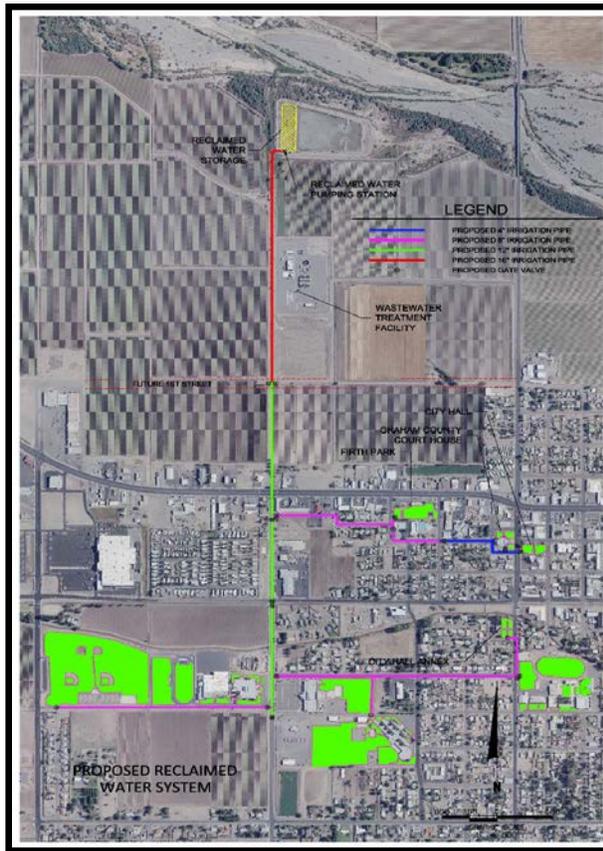
Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Wastewater

WW1503 Reclaimed Water Pipeline Project

Project Location

Various



Capital Project Description

Design: The proposed project involves the design for the expansion of the City of Safford Reclaimed Water System. Expansion of the Reclaimed Water System will necessitate modification of an existing effluent pipeline, renovation of an abandoned wastewater treatment lagoon, the addition of a new reclaimed water delivery pumping station, along with the related piping and valves. We have been awarded design funds from WIFA in the amount of \$29,943. The project does require an Environmental Assessment due to the close proximity of the Gila River. We are in the process of obtaining quotes from biological and archeological firms, and we estimate the environmental assessment could cost approximately \$15-20k.

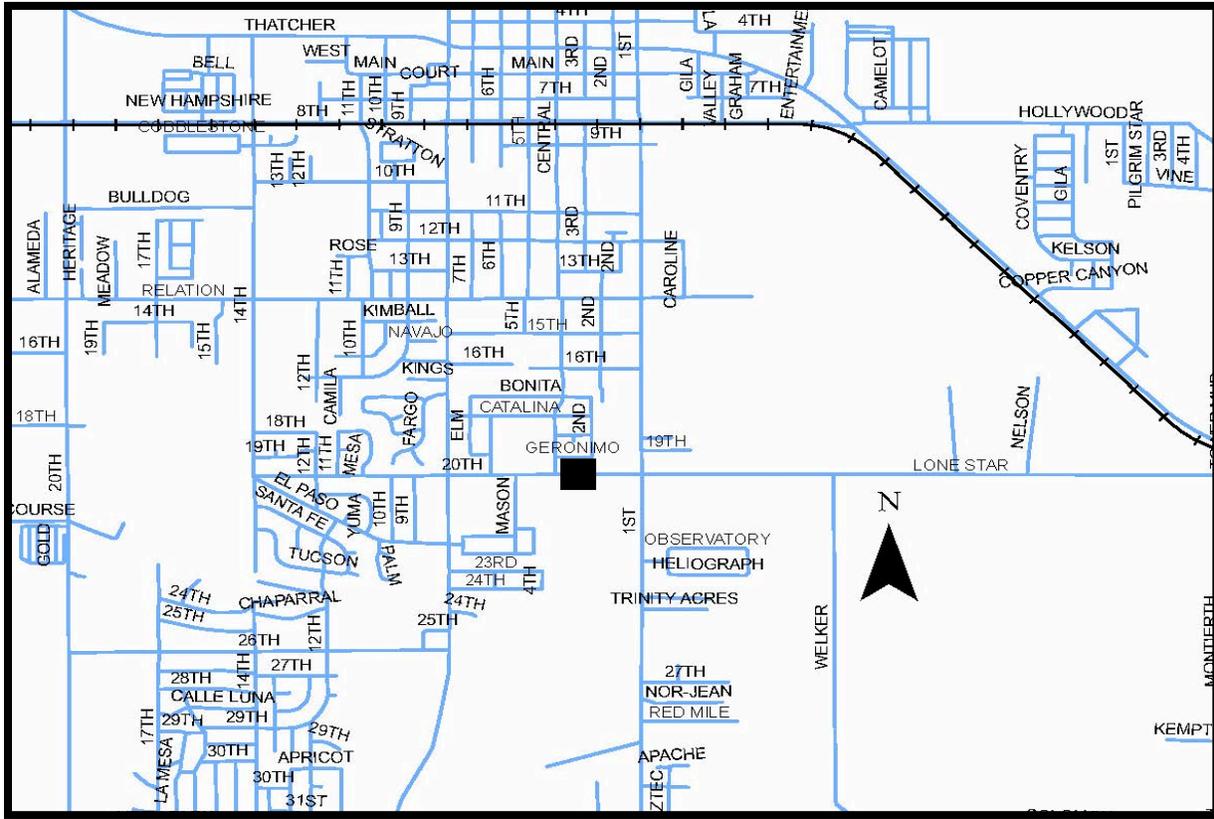
Construction: This project consists of the construction of the reclaimed water main from the old lagoon, south across Highway 70. The City of Safford was awarded a \$135,000 community/economic development grant from Freeport McMoRan. The grant funds will be used to purchase material for Phase I. City crews will build 4,300 ft. of reclaimed main water line to carry treated water from the reclamation plant, across HWY 70. Phase II includes the improvements at the old wastewater treatment pond, the estimated construction cost for the improvements, which includes an outfall turnout, pond earthwork, a pumping station, and related electrical, is approximately \$400,000. If a floating cover is included, the cost would increase by about \$1,000,000 to a total of \$1,400,000. Infrastructure will be put in place to accommodate a cover in the future. The piping for Phase II will continue east to downtown Safford and the reclaimed water will be available to Firth Park, The Chamber of Commerce, Graham County Facility Complex, City Hall and Main Street. Phase III will continue north on 14th Ave. and serve the Safford High School, Ruth Powell Elementary, Lafe Nelson Elementary, Safford Middle School and the City Hall Annex.

Phase	Carryover	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Phase I	\$ 135,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,000
Phase II	\$ 40,000	\$ 445,000	\$ -	\$ -	\$ -	\$ -	\$ 485,000
Phase III	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000
Total:	\$ 175,000	\$ 445,000	\$ 110,000	\$ -	\$ -	\$ -	\$ 730,000
Grant Funds:	\$ 164,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,943
City Portion:	\$ 10,057	\$ 445,000	\$ 110,000	\$ -	\$ -	\$ -	\$ 565,057

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Wastewater
WW1701 Upgrade

Project Location
20th Street



Capital Project Description

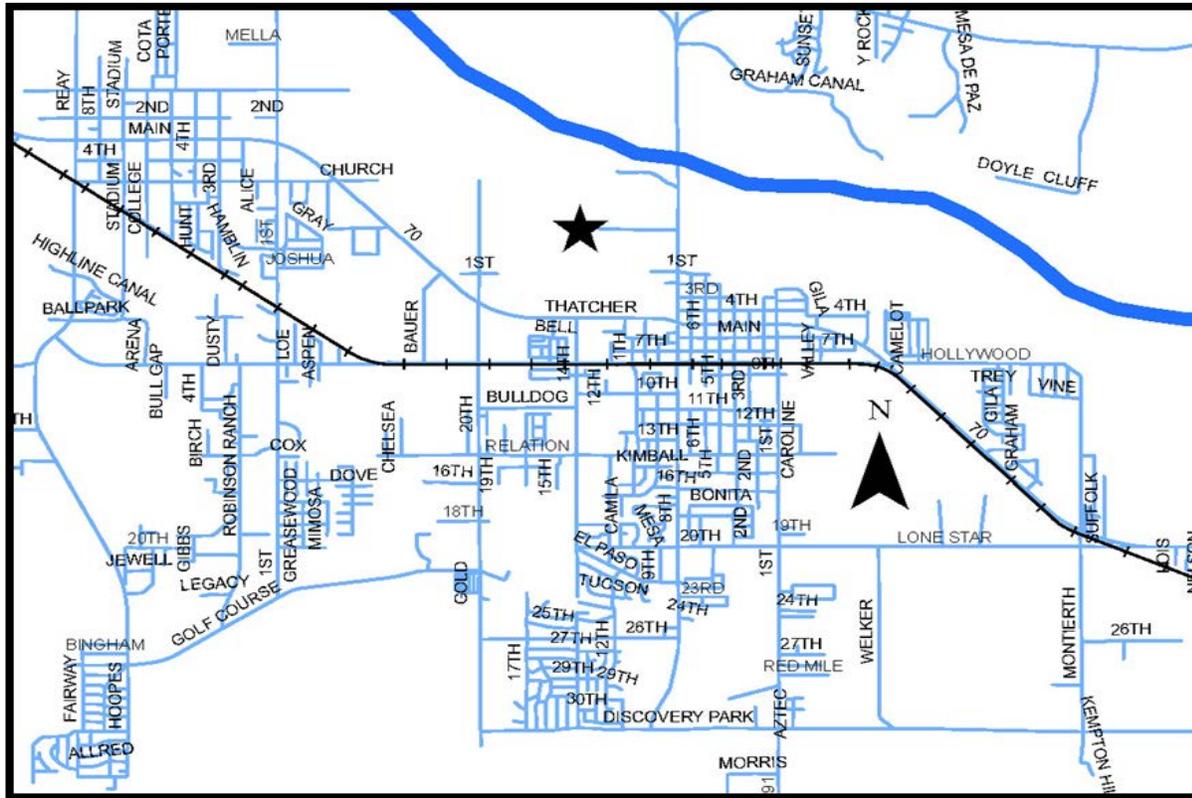
This project consists upgrading a 200ft section of 8" main in between 12" main. The constriction was discovered during the Lone Star Sewer Project and needs to be upgraded to eliminate the possibility of issues with future development. The project will be designed in-house in FY 15/16 and constructed in 16/17.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Wastewater Treatment Plant
WW1602 Capital Maintenance

Project Location
WWTP



Capital Project Description

Replace aging equipment, pumps, motors and sand in sand filters. Costs are based on Severn Trent's asset replacement plan.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Equipment, etc.	\$ 100,000	\$ 130,000	\$ 175,000	\$ 250,000	\$ 150,000	\$ 805,000
Sand	\$ -	\$ -	\$ 175,000	\$ -	\$ -	\$ 175,000
	\$ 100,000	\$ 130,000	\$ 350,000	\$ 250,000	\$ 150,000	\$ 980,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

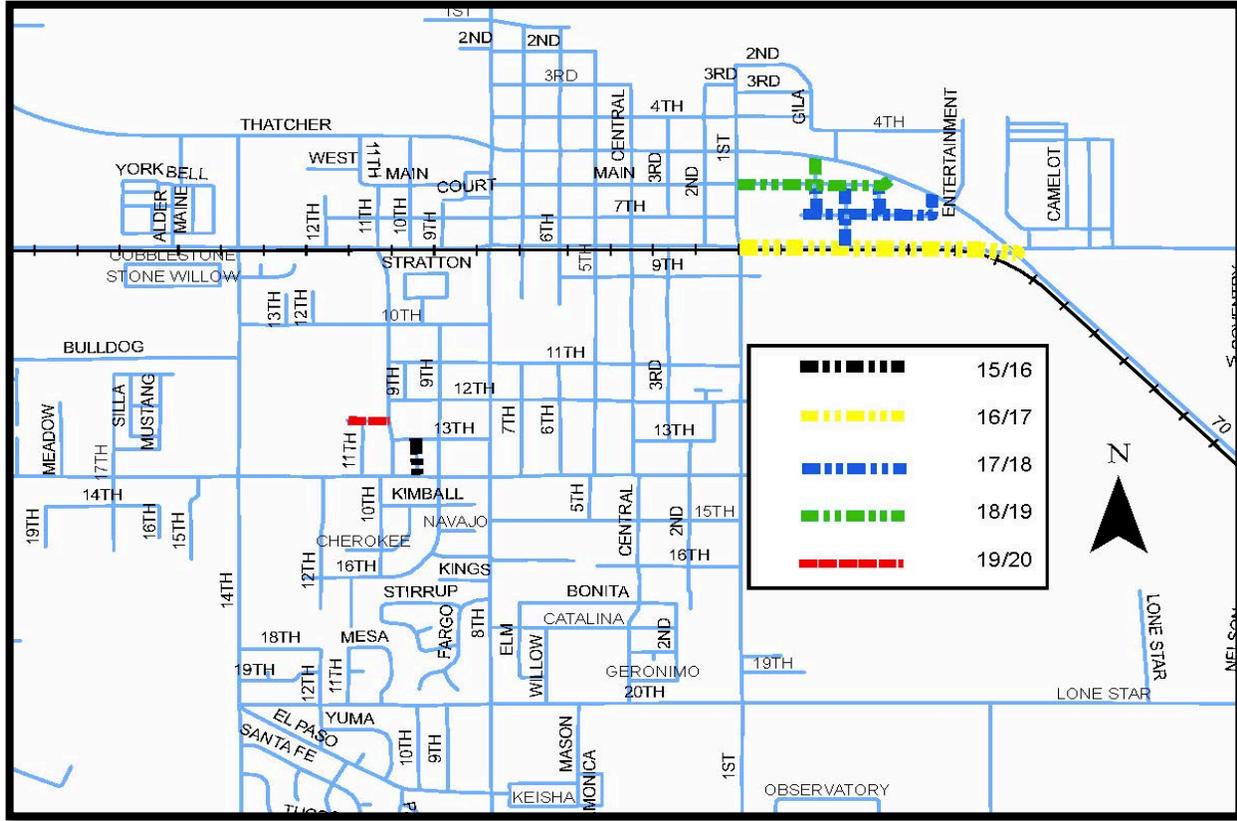
Gas

GA1601

Main Renewals

Project Location

Various



Capital Project Description

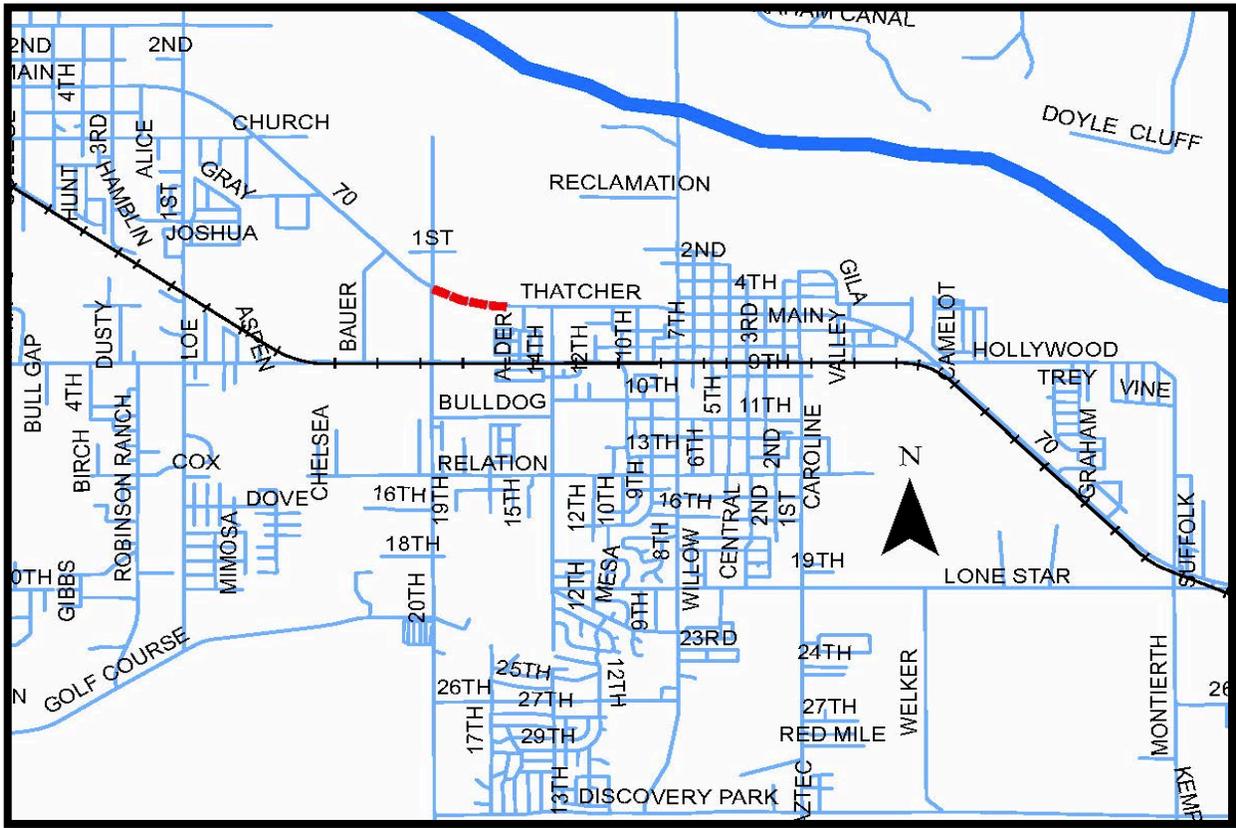
Gas renewal projects consist of replacing steel mains, which are high maintenance and subject to corrosion with polyethylene. The PE pipe requires much less maintenance and is corrosion resistant. **2015-16:** Bingham Place, 400 feet (Relation St - 13th St); **2016-17:** Jensen Addition, Phase I, 2,300 feet; **2017-18:** Jensen Addition, Phase II, 3,065 feet; **2018-19:** Jensen Addition, Phase III, 445 feet; **2019-20:** Rose Lane, 1,050 feet. The phasing is due to limited resources and labor. We have added a 3% escalator beginning in FY 16/17 to account for inflation.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ 100,000	\$ 103,000	\$ 106,000	\$ 109,000	\$ 112,000	\$ 530,000
	\$ 100,000	\$ 103,000	\$ 106,000	\$ 109,000	\$ 112,000	\$ 530,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Electric
EL1601 Rebuild

Project Location
NW Highway 70



Capital Project Description

The Northwest 70 Rebuild project consists of the replacement of eight wooden poles with steel engineered poles. The project area is located on the north side of Highway 70 from the Garden Inn Hotel west to the Mt. Graham Shopping Center. Engineering will be completed in 14/15 and construction is slated for 15/16.

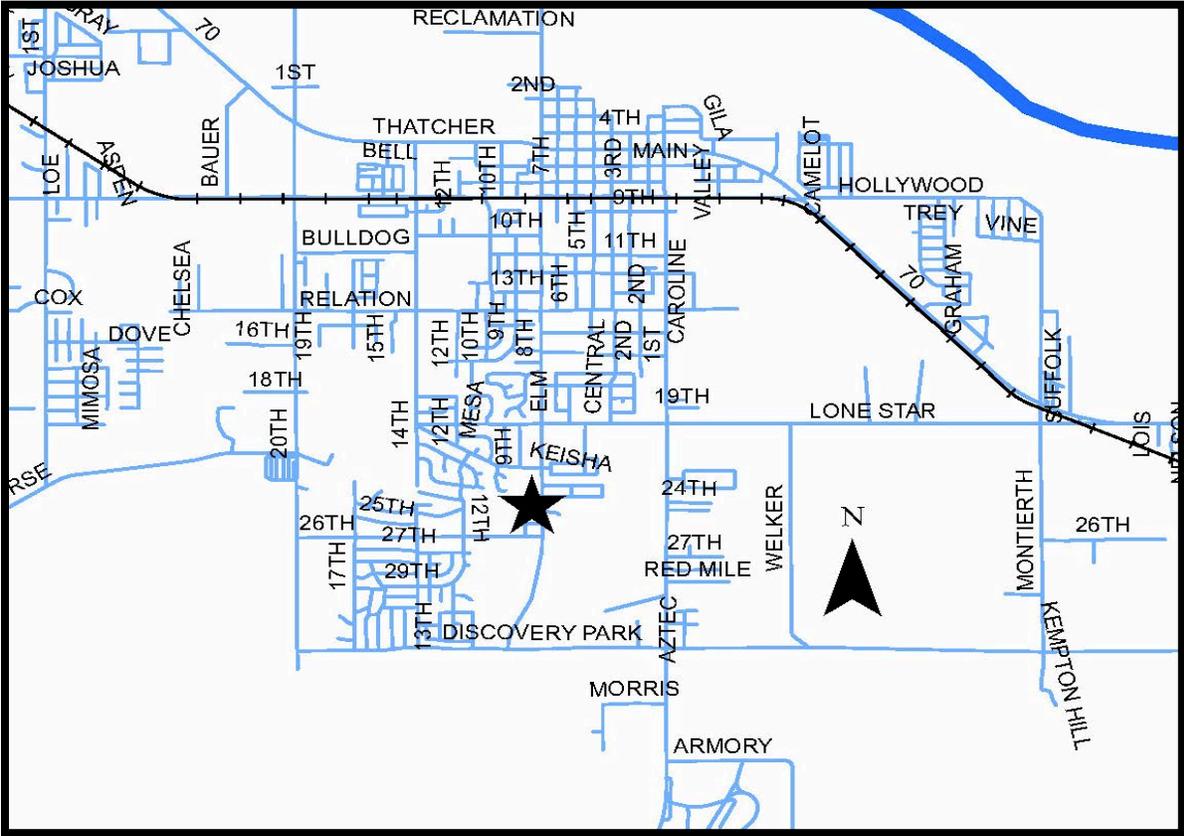
Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000

Utilities Project Detail

Fiscal Years FY 15/16 - FY 19/20

Electric
EL1602 Upgrade

Project Location
Substation



Capital Project Description

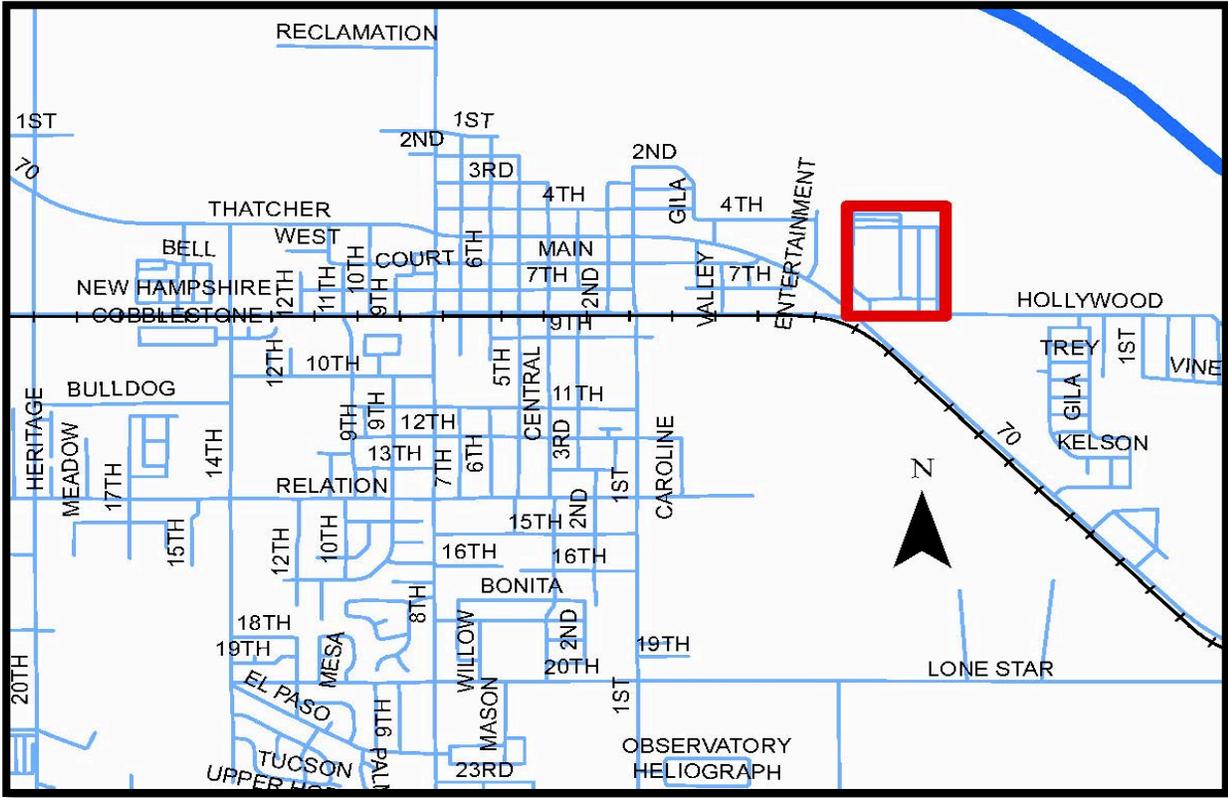
This project consists of replacing switches, old outdated portions of some underground primary and the installation of one steel pole just outside of the substation that will replace two old wooden poles. There has been a steady increase in loads and this upgrade will compensate for additional loads and redundancy. The switches are 20 plus years old and are beginning to fail and the existing underground cable is not rated to handle a combined circuit load. The steel pole will add additional switching capabilities to combine the circuits. The design will be completed 14/15. Construction and installation to take place in 15/16. This is a system improvement project and is not related to the COOP Takeover.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Electric
EL1701 Upgrade

Project Location
Sunrise Village



Capital Project Description

This project includes the installation of underground electrical conduit to replace the existing direct bury primary at the Sunrise Village Mobile Home Park. The installation of the conduit minimizes the duration of outages should a failure occur.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Construction	\$ -	\$ 320,000	\$ -	\$ -	\$ -	\$ 320,000
	\$ -	\$ 320,000	\$ -	\$ -	\$ -	\$ 320,000

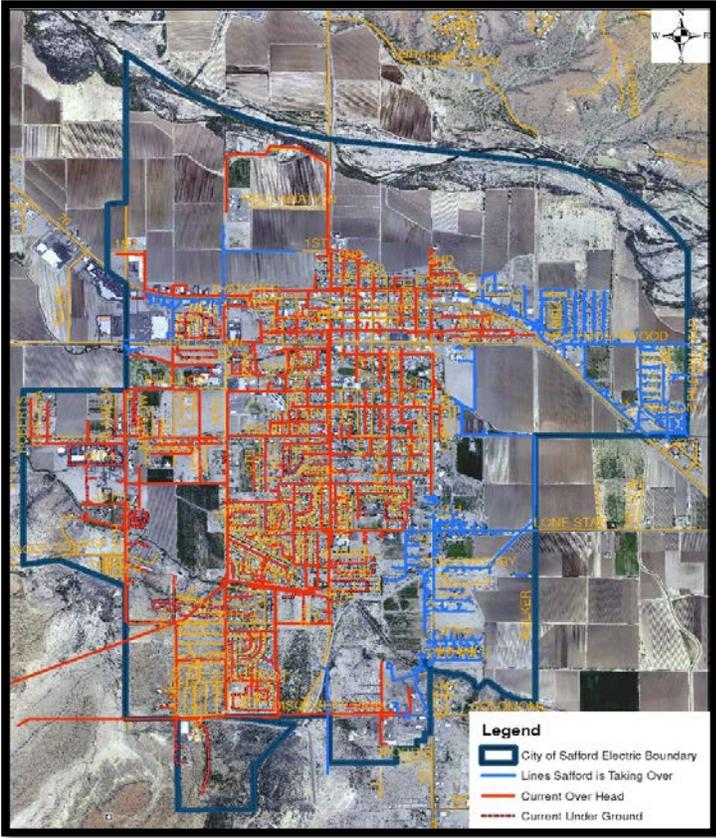
Utilities Project Detail

Fiscal Years FY 15/16 - FY 19/20

Electric
EL1603

Attachment Inventory/Pole Testing

Project Location
System Wide



Capital Project Description

This project consists of a complete pole attachment inventory, which will also include the additional area that we will be picking up with the territorial agreement. The inventory cost will be split with Century Link and CableOne per the pole attachment agreement. This will allow us to accurately bill for each attachment. This project also includes pole testing which will help us to develop and prioritize the pole replacement program.

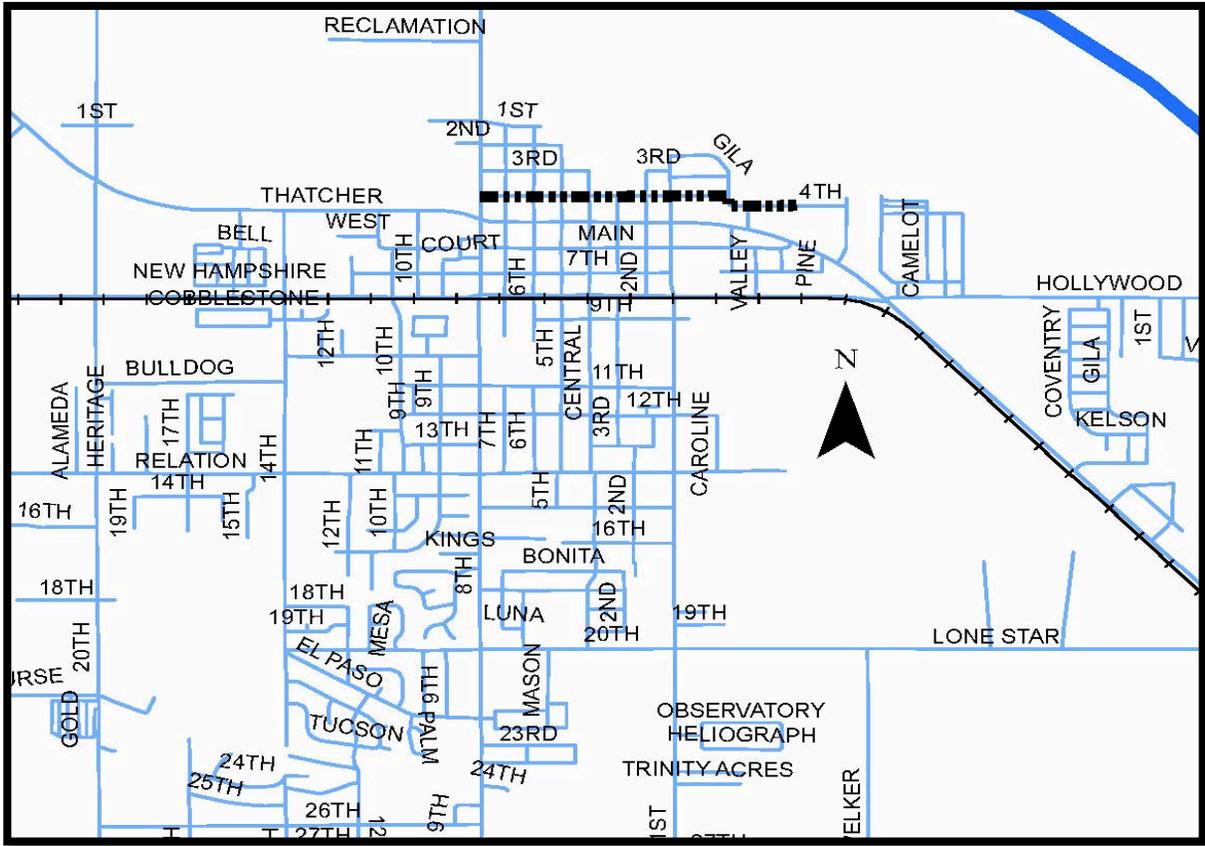
Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Inventory/Testing	\$ 61,600	\$ -	\$ -	\$ -	\$ -	\$ 61,600
	\$ 61,600	\$ -	\$ -	\$ -	\$ -	\$ 61,600

Utilities Project Detail

Fiscal Years FY 15/16 - FY 19/20

Electric
EL1702 Replacement & Upgrade

Project Location
8th Avenue/4th Street



Capital Project Description

This project consists of pole replacement and conductor upgrade at 8th Avenue and 4th Street, east to the 400 block of East 4th Street, approximately one mile. The existing conductor is undersized for the needed switching capabilities. Design will be completed in 16/17 and construction in 17/18. This project will give us an alternate feed for the new circuit system redundancy. This project is a necessary system improvement and is not related to the COOP Takeover.

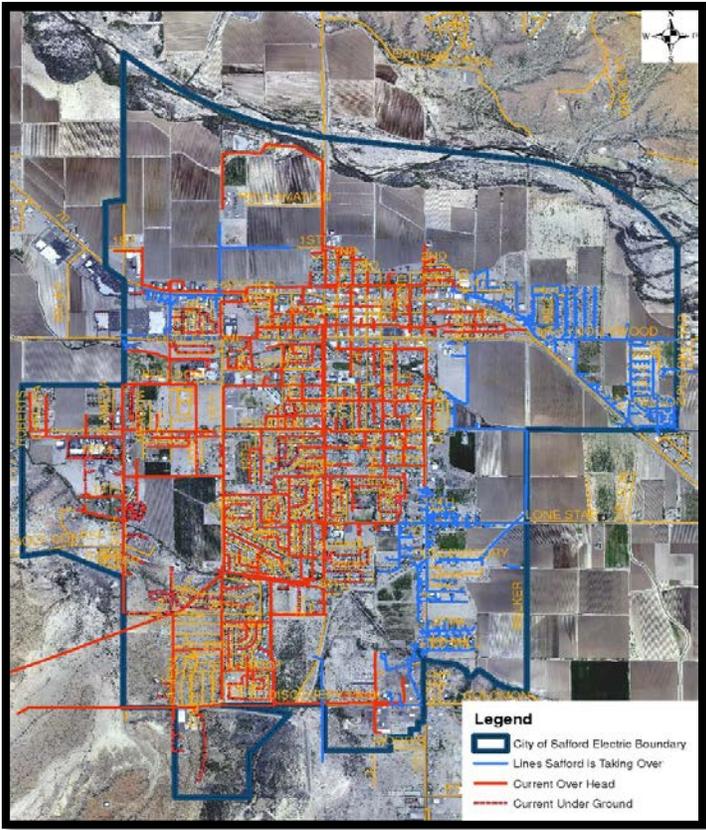
Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Construction	\$ -	\$ -	\$ 270,000	\$ -	\$ -	\$ 270,000
	\$ -	\$ 50,000	\$ 270,000	\$ -	\$ -	\$ 320,000

Utilities Project Detail

Fiscal Years FY 15/16 - FY 19/20

Electric
EL1703 Flex Net Meters - Coop Takeover

Project Location
Electric Boundary



Capital Project Description

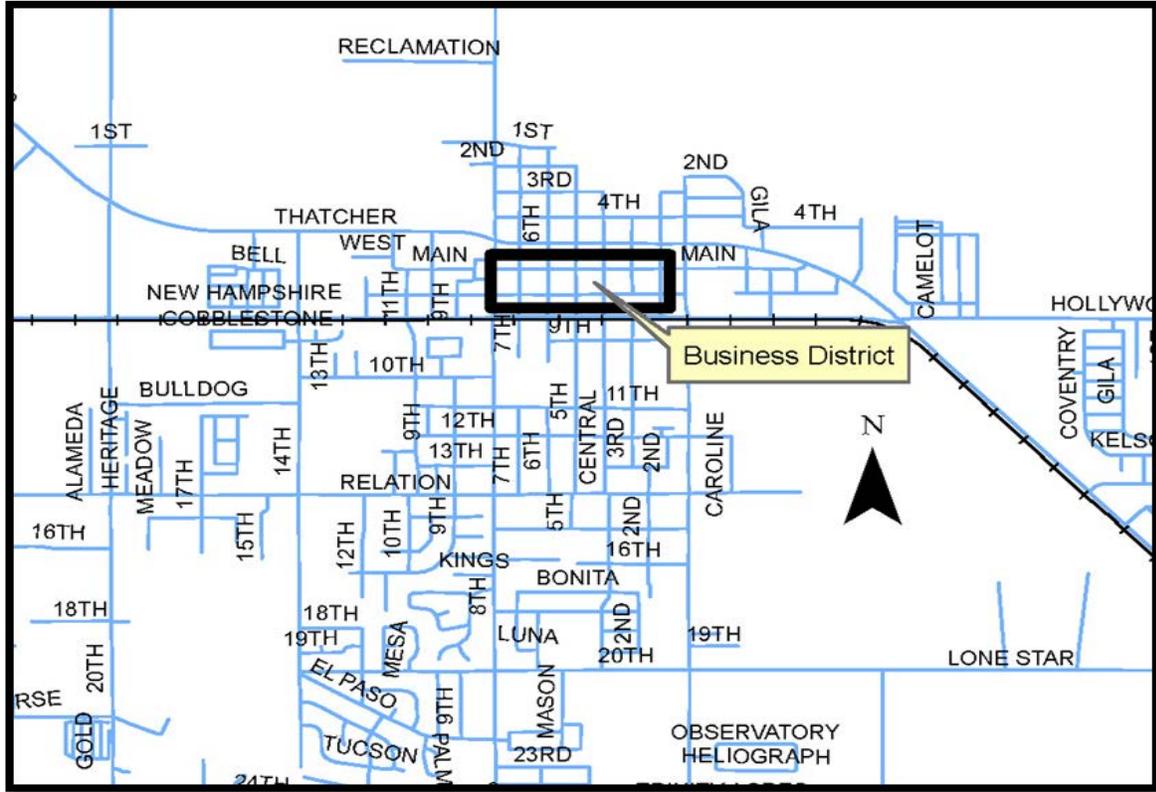
This project consists of the AMI flexnet meter renewal for the acquired customers from the Territorial Exchange with the Graham County Electric Cooperative. We anticipate approximately 800 meters.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Flexnet Meters	\$ -	\$ 104,000				\$ 104,000
	\$ -	\$ 104,000	\$ -	\$ -	\$ -	\$ 104,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Electric
EL1901 Upgrade

Project Location
Downtown



Capital Project Description

Upgrade poles and wire, design 18/19, construction 19/20. The project will replace and upgrade a 60+ year old system from 8th Avenue to Central Avenue, on both the north and south side of Main Street.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
Construction	\$ -	\$ -	\$ -	\$ -	\$ 550,000	\$ 550,000
	\$ -	\$ -	\$ -	\$ 50,000	\$ 550,000	\$ 600,000

Utilities Project Detail

Fiscal Years FY 15/16 - FY 19/20

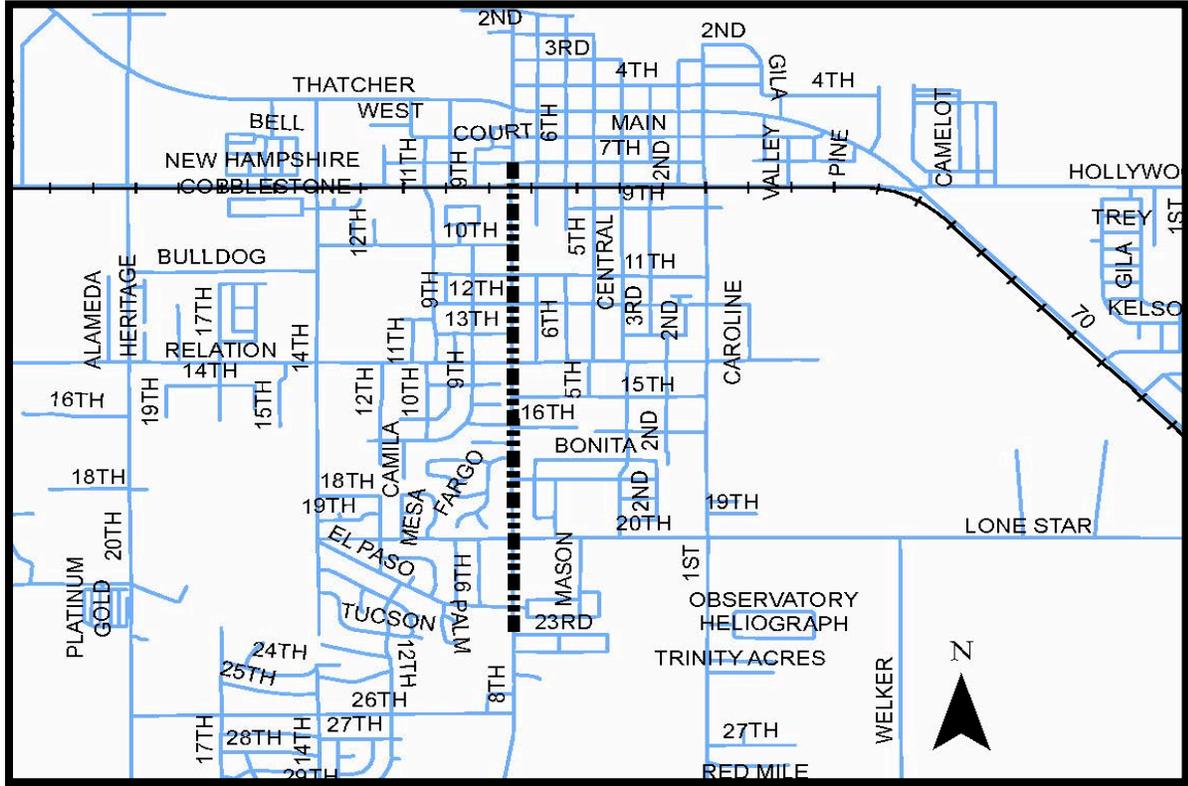
Electric

EL2001

Rebuild

Project Location

8th Ave from Substation to 7th St



Capital Project Description

This project consists of a design and rebuild of the double circuit from the Substation on 8th Avenue north to 7th Street. This line is crucial as it serves the majority of our system and the existing poles are deteriorating. Design is slated for 19/20 and construction in 20/21.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Design	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000

Utilities Project Detail

Fiscal Years FY 15/16 - FY 19/20

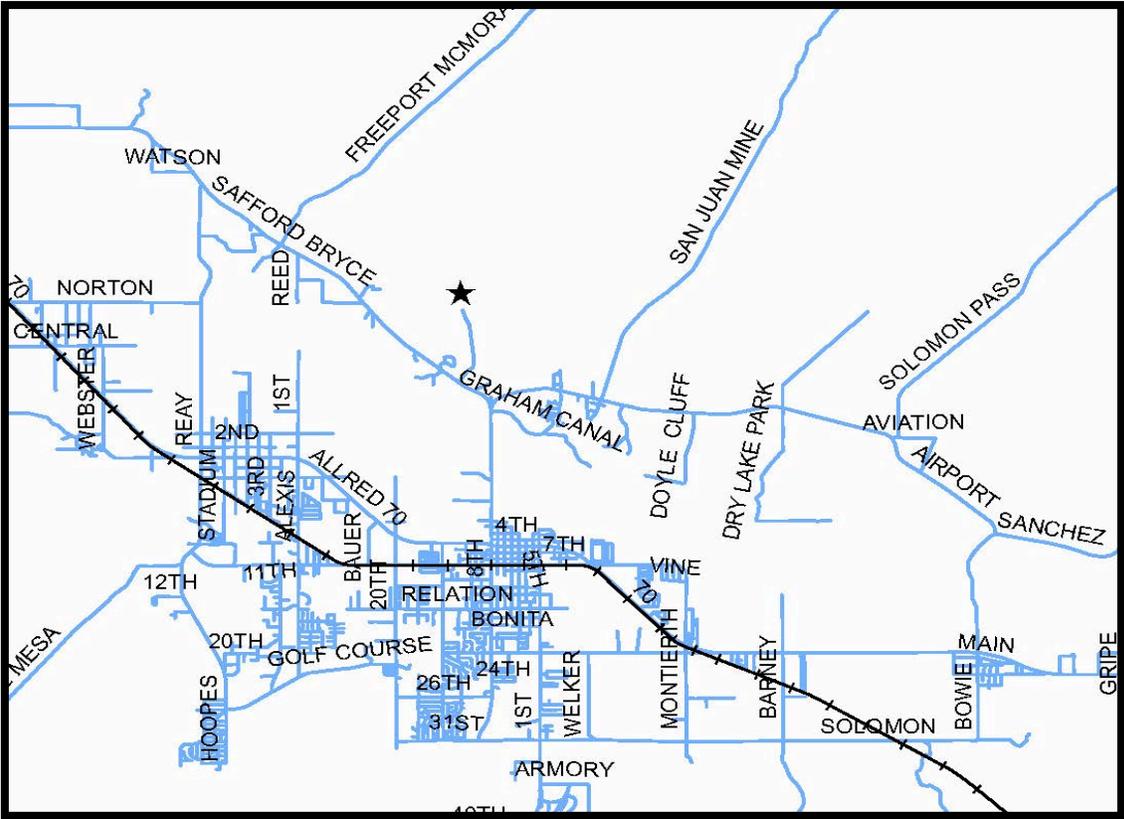
Landfill

LF1601

Facility Plan

Project Location

Landfill



Capital Project Description

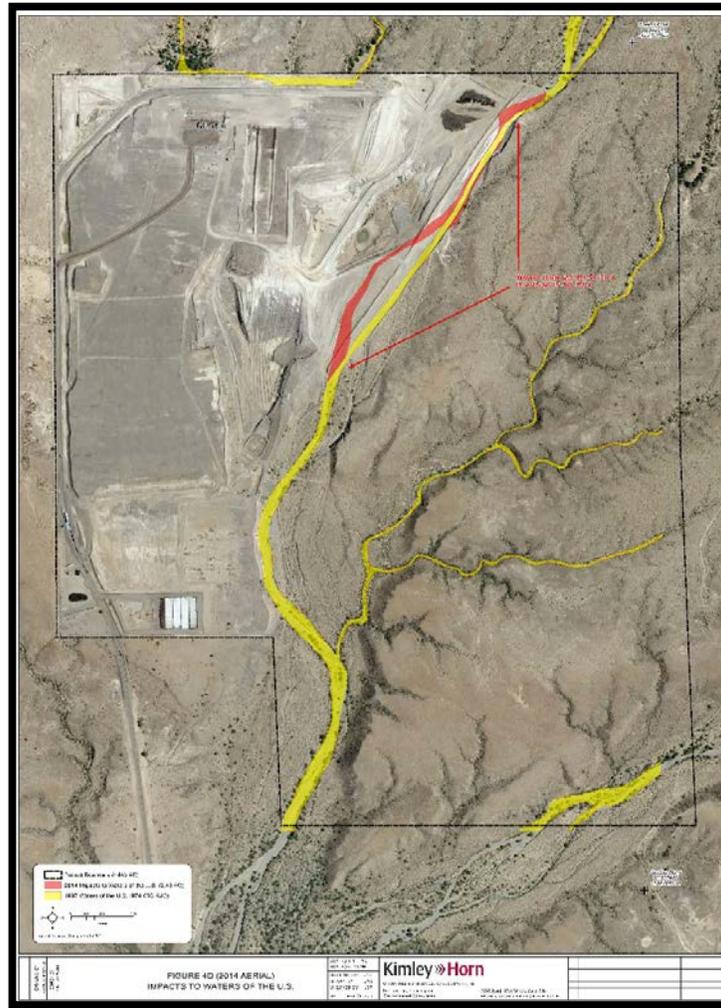
The City of Safford has hired Kimley-Horn to prepare an amendment to the Solid Waste Landfill Facility Plan (SWFP). The scope of services for the amended SWFP includes a proposed vertical expansion, operating criteria, design criteria, groundwater monitoring and closure/post closure, application for type IV change to ADEQ, data collection and review and surveying. Facility Plan Amendments will be completed in 15/16.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Facility Plan	\$ 200,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 300,000
	\$ 200,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 300,000

Utilities Project Detail Fiscal Years FY 15/16 - FY 19/20

Landfill
LF1701 Cottonwood Wash

Project Location
Landfill



Capital Project Description

In an effort to resolve the unpermitted discharges of dredged material in the Cottonwood Wash, per the Corps of Engineers Notice of Violation dated March 4, 2015, this project will restore the on-site waters of the U. S. The cost to do this work is based on the Engineer’s opinion of cost and will fortify the banks of the Cottonwood Wash through the Landfill property to protect both the wash and the landfill property.

Phase	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Totals
Facility Plan	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,200,000
	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,200,000

Fleet Capital Budget FY 16

Proposed Vehicle and Equipment Replacements

DEPT	EQUIPMENT	YEAR	AQUIRED	REPLACEMENT COST
Streets	2001 CHEVY PU STREET	2001	2/14/2005	20,000.00
Sanitation	2008 INTL HEIL REAR LOADER	2008	4/13/2007	195,000.00
Patrol	2007 CHEVROLET TAHOE	2007	8/24/2007	46,000.00
Sanitation	2009 EZ PACK HERCULES F/L	2009	7/27/2009	270,509.00
Sanitation	2011 SCORPION SIDE LOADER	2011	6/21/2010	290,000.00
Water	2006 GMC 3500	2006	3/27/2006	50,000.00
Water	2006 GMC 3500	2006	3/27/2006	34,000.00
Total Vehicle Replacements				905,509.00
RTA Fleet Management Software				16,105.00
Total Capital				921,614.00

The City's Fleet Department is in the process of implementing processes and improve control over preventive maintenance schedules, vehicle rents, fleet purchases and life cycles of all equipment and vehicles.

These new processes will reduce spending on unneeded replacements, reduce the cost of maintenance and maintain an accountability among operators of vehicles and equipment.

We are very excited about the coming year and have proposed within the Fleet Budget the purchase of the RTA Fleet Program. RTA will assist the Maintenance Shop to track warranties on vehicles, tires, and replacement components of the vehicles and equipment as well as maintain an inventory of filters and lubricants to maintain the vehicles. The RTA Program will also streamline the maintenance of automated records for each vehicle. The fleet mechanics repair all vehicles.

Currently, the City utilizes a paper system to track preventative maintenance schedules and maintenance issues with the vehicles. This process is counter-productive and there is room for error, misfiling and loss of paper documents, etc.

The RTA Program will provide us with a paperless system to track all information regarding individual vehicles and other equipment. This information travels with the vehicle no matter who is troubleshooting or making repairs. The program can also help us identify the lifecycle cost of a vehicle, identify costs associated with a vehicle to determine if the cost to maintain it and fuel it is more than the vehicle is worth, and maintain warrant replacement information. Further, Fleet staff will be able to track and identify vehicles that are exhibiting mechanical problems sooner and becoming too costly for maintaining them in a more dependable way.

City of Safford Budget FY 2015-2016

DEPARTMENT: **14 HUMAN RESOURCES**
 FUND: **GENERAL FUND**
 DIVISION: **114 HUMAN RESOURCES DIVISION**

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15	FY 15-16 BUDGET	% Change from 14-15 Budget
			Estimated Expenditure		
61110 PER. SVC. - SALARIES - REG. PA	125,933	128,574	101,781	109,530	-14.81%
61210 EMPL. BNFT.	20,919	31,880	25,238	49,754	56.07%
61110 PERFORMANCE/MERIT INCREASE	-	-	-	3,303	100.00%
PERSONNEL TOTAL	146,852	160,454	127,019	162,586	1.33%
62100 PROFESSIONAL SERVICES	-	-	-	5,000	100.00%
66210 COMMUNIC - TEL. & TEL.	559	1,000	376	680	-32.00%
66300 ADVERTISING	-	-	599	5,276	100.00%
66500 TRAINING/TRAVEL	394	1,500	602	1,582	5.47%
66650 EDUCATION ASSISTANCE	-	50,000	1,876	30,000	-40.00%
66900 DUES, SUBS. & MEMBERSHIPS	669	1,500	-	190	-87.33%
67270 OPERATING SUPPLIES - OTHER	1,393	2,000	699	1,200	-40.00%
69180 OTHER EXPENSE - EMPL. XMAS PRT	4,248	5,000	7,026	8,000	60.00%
OPERATIONAL EXP TOTAL	7,263	61,000	11,179	51,928	-14.87%
68133 INTRL SRV CHRGES I.T./COMMUN	40,236	38,414	27,840	25,820	-32.78%
INTERNAL SERVICES TOTAL	40,236	38,414	27,840	25,820	-32.78%
APPROPRIATIONS	194,351	259,868	166,037	240,334	-7.52%

Budget comments

The reduction of 7.52% is due to reducing Education Assistance based on current usage and predicted usage for next fiscal year.

Total change to the department budget \$ (19,534)

2 FTE POSITIONS

HUMAN RESOURCES SPECIALIST
 HUMAN RESOURCES OFFICER

RETIREMENT SUBSIDY

1 RETIREMENT SUBSIDY

DEPARTMENT EXPENSE DETAIL- HUMAN RESOURCES

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
61110 PER. SVC. - SALARIES - REG. PA	43,208	128,374	51,126	108,330	-15.61%
61120 PER. SVC. - SALARIES - O.T. PA	85	200	1,981	1,200	500.00%
61170 PER.SVC.-SALARIES BONUS	254	-	316	-	0.00%
61190 SMARTWRKSPLUS SALARIES	82,386	-	48,358	-	0.00%
TOTAL SALARIES	125,933	128,574	101,781	109,530	-14.81%
61210 EMPL. BNFT. - GROUP INS.	8,588	27,380	10,908	23,386	-14.59%
61220 EMPL. BNFT. - FICA	2,892	-	3,539	8,641	100.00%
61230 EMPL. BNFT. - REG. RETIREMENT	5,025	-	6,197	12,956	100.00%
61270 EMPL. BNFT. - WRKRS. COMP.	138	-	109	271	100.00%
61400 RETIREMENT INS SUBSID	4,275	4,500	4,485	4,500	0.00%
TOTAL BENEFITS	20,919	31,880	25,238	49,754	56.07%
TOTAL SALARIES & BENEFITS	146,852	160,454	127,019	159,284	1.33%

Explanation:

There is a reduction in salary as a result of HR Director leaving the organization, however there is an increase in overall Personnel expenses due to HR Director Benefit Subsidy and the new HR Officer's benefits.

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
61110 PERFORMANCE/MERIT INCREASE	-	-	-	3,303	100.00%

Explanation:

The merit increase is calculated from the current base rate of the current employees in Human Resources. The increase is 3% of their current wages and will be given at the discretion of management based on performance.

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
62100 PROFESSIONAL SERVICES	-	-	-	5,000	100.00%

Explanation:

Comprehensive Salary survey

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
66500 TRAVEL	477	1,500	602	1,582	5.47%
66550 TRVL- SAME DAY MEALS	(83)	-	-	-	0.00%
TOTAL	394	1,500	602	1,582	5.47%

Explanation:

Travel for two trainings per year to Phoenix for both HR employees.
Annual RAGHT meeting

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
66650 EDUCATION ASSISTANCE	-	50,000	1,876	30,000	-40.00%

Explanation:

We currently have two employees participating in the education assistance program. One is working on their Associates Degree and the other is working on their BA in Homeland Security and Emergency Preparedness. We have others that are working on their water certifications. We will be promoting the program again this year.

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
66900 DUES, SUBS. & MEMBERSHIPS	669	1,500	-	190	-87.33%

Explanation:

SHRM Membership

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
69100 OTHER EXPENSE	3,882	5,000	6,876	-	-100.00%
69180 OTHER EXPENSE - EMPL. XMAS PRT	366	-	150	8,000	100.00%
TOTAL	4,248	5,000	7,026	8,000	60.00%

Explanation:

Employee appreciation and wellness incentive program

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
67100 OFFICE SUPPLIES	79	-	76	200	100.00%
67270 OPERATING SUPPLIES - OTHER	1,314	2,000	623	1,000	-50.00%
TOTAL	1,393	2,000	699	1,200	-40.00%

Explanation:

Day to day operational supplies, including new hire paperwork, ID badges, welcome bag, brochures and pamphlets, etc.

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
66300 ADVERTISING	-	-	599	5,276	100.00%

Explanation:

Advertising for recruiting

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
62200 TESTING AND CERTIFICATION	-	-	33	-	0.00%
66210 COMMUNIC - TEL. & TEL.	559	1,000	343	680	-32.00%
TOTAL	559	1,000	376	680	-32.00%

Explanation:

NTS Communications- long distance
Cell Phone

OBJECT	FY 13-14 Actual	FY 14-15 BUDGET	FY 14-15 Estimated Expenditure	FY 15-16 BUDGET	% Change from 14-15 Budget
68100 INTRNL SERV WAREHOUSE	36	-	24	-	0.00%
68133 INTRNL SRV CHRGES I.T./COMMUN	40,200	38,414	27,816	25,820	-32.78%
TOTAL	40,236	38,414	27,840	25,820	-32.78%

Explanation:

10 computers (half of the PCs in the training lab), 2 phones, and 1 printer

Property Tax Rate

Calculation Pursuant to A.R.S. § 42-17107

Actual current primary property tax levy:	\$	230,465
Net assessed valuation:	\$	44,386,775
Value of new construction:	\$	1,037,168
Net assessed value minus new construction:	\$	43,349,607
MAXIMUM TAX RATE THAT CAN BE IMPOSED WITHOUT A TRUTH IN TAXATION HEARING:	\$	0.5316
Growth in property tax levy capacity associated with new construction:	\$	5,514
MAXIMUM PRIMARY PROPERTY TAX LEVY WITHOUT A TRUTH IN TAXATION HEARING:	\$	235,960
Proposed primary property tax levy:	\$	-
Proposed increase in primary property tax levy, exclusive of new construction	\$	(235,960)
Proposed percentage increase in primary property tax levy:		-100.0%
Proposed primary property tax rate:	\$	-
Proposed increase in primary property tax rate:	\$	(0.5316)
Proposed primary property tax levy on a home valued at \$100,000	\$	-
Primary property tax levy on a home valued at \$100,000 if the tax rate was not raised:	\$	53.16
Proposed primary property tax levy increase on a home valued at \$100,000:	\$	(53.16)



INTRODUCTION

Due to the scale and cost associated with capital projects, debt is commonly incurred by cities to finance their projects. Cities utilize various debt instruments to raise funds needed to complete their respective capital projects through an obligation to repay lenders. The City of Safford has acquired debt to provide for the funding of some of its larger capital projects.

Capital projects represent the majority of the City's long-term financing requirements and require a substantial commitment of organizational time and resources. Capital projects can include facilities, infrastructure, equipment and networks that enable the delivery of public sector services. These capital assets are essential to the health, safety, economic development and quality of life for the citizens of our City.

DEBT SERVICE REFINANCING

During FY2014-15, the City took advantage of declining interest rates by refinancing approximately \$6.385 million of debt into three series of excise tax revenue obligations. The financings, executed on March 11, 2015 effectively reduced the average interest rate for a number of outstanding bonds and leases.

For the Tax-Exempt Series 2015A (GADA refunding), the average interest rate was reduced from approximately 5.00% to approximately 2.30% while extending the debt approximately 4 years to reduce the annual payment amount. The debt service savings to be realized for FY16, for the Tax-Exempt Series 2015A is approximately \$84,970.

For the Tax-Exempt Series 2015B, the average interest rate was reduced from approximately 6.25% to approximately 2.00% and shortened the payment of some of the leases by up to a year. For the Tax-Exempt Series 2015B, the debt service is approximately \$2,672 more for FY16.

For the Taxable Series 2015C, the average interest rate was reduced from approximately 7.5% to approximately 2.75% and shortened the payments for some of the leases by up to six years. The City realized a debt service savings to be realized for FY16, for the Taxable Series C of approximately \$53,431.

As a result of the City's debt refinancing effects, the overall savings for FY16 to be realized is \$135,729.

DEBT SERVICE FUND

To facilitate the disclosure of the City's long-term obligations, a Debt Service Fund has been established. The Debt Service Fund will account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs. Therefore, all outstanding debt of the City will be consolidated into one fund rather than having them accounted for in individual department budgets.

The benefits associated with a Debt Service Fund are: 1) allows information to be readily available in one area; 2) allows the Council and the public to review the City's debt position at a glance; and 3) encourages discussions related to acceptable debt service levels.

City of Safford
Long-Term Debt Outstanding
All Funds

	Budget 2015-16	Budget 2016-17	Budget 2017-18	Budget 2018-19	Budget 2019-20	Final Payment Date
General Fund						
Series 2015-B Airport Hangars	18,999	64,257	63,069	56,931	45,941	2020
Series 2015-C Industrial Park & Airport Hangars	52,170	80,716	79,645	251,168	249,989	2020
Total General Fund	71,168	144,973	142,714	308,099	295,930	
HURF/Street						
Series 2015A Refunding Obligation, Tax-Exempt	180,672	179,960	168,934	514,032	515,026	2029
Series 2015-D ROW Birdno Property	12,268	74,591	78,259	81,822	80,331	2025
Total HURF/Streets	192,940	254,551	247,193	595,854	595,357	
Enterprise Funds						
Water						
Loan Number # 920119-08B	155,576	155,534	155,492	-	-	2017
Loan Number #920119-08A	436,861	436,733	436,602	436,467	436,328	2028
Loan Number #910095-08B	171,506	171,456	-	-	-	2016
Loan Number #910095-08A	136,532	136,488	136,442	136,394	136,346	2028
Total Water	900,475	900,211	728,535	572,861	572,673	
Landfill						
2014 Landfill Compactor	84,180	84,180	84,180	84,180	42,090	2019
D7R11 Dozer	81,158	-	-	-	-	2016
Total Landfill	165,337	84,180	84,180	84,180	42,090	
Total Debt Service All Funds	1,329,921	1,383,914	1,202,622	1,560,993	1,506,049	

City of Safford
Bond Debt Service
Excise Tax Revenue Refunding Obligation, Tax-Exempt Series 2015A
(Streets)

Date of Issue: 3/11/2015
Date of Maturity: 07/01/2029
Original Amount: \$5,800,000
Interest Rate: 2.28%

Fiscal Year	Principal Payment	Interest Payment	Annual Debt Service
FY2015-16	\$ 75,000.00	\$ 105,671.67	\$ 180,671.67
FY2016-17	\$ 50,000.00	\$ 129,960.00	\$ 179,960.00
FY2017-18	\$ 40,000.00	\$ 128,934.00	\$ 168,934.00
FY2018-19	\$ 390,000.00	\$ 124,032.00	\$ 514,032.00
FY2019-20	\$ 400,000.00	\$ 115,026.00	\$ 515,026.00
FY2020-21	\$ 440,000.00	\$ 105,450.00	\$ 545,450.00
FY2021-22	\$ 440,000.00	\$ 95,418.00	\$ 535,418.00
FY2022-23	\$ 450,000.00	\$ 85,272.00	\$ 535,272.00
FY2023-24	\$ 465,000.00	\$ 74,841.00	\$ 539,841.00
FY2024-25	\$ 475,000.00	\$ 64,125.00	\$ 539,125.00
FY2025-26	\$ 495,000.00	\$ 53,067.00	\$ 548,067.00
FY2026-27	\$ 500,000.00	\$ 41,724.00	\$ 541,724.00
FY2027-28	\$ 515,000.00	\$ 30,153.00	\$ 545,153.00
FY2028-29	\$ 525,000.00	\$ 18,297.00	\$ 543,297.00
FY2029-30	\$ 540,000.00	\$ 6,156.00	\$ 546,156.00
Total	<u>\$ 5,800,000.00</u>	<u>\$ 1,178,126.67</u>	<u>\$ 6,978,126.67</u>

Explanation:

The Series 2015A (Tax-Exemp) bonds were issued to refund outstanding Greater Arizona Development Authority (GADA) Revenue bonds series 2006A. The 2006A series bonds were used to construct and repair streets through the City of Safford. The City has pledged excise tax revenues to repay thses bonds.

City of Safford
Bond Debt Service
Excise Tax Revenue Refunding Obligation, Tax-Exempt Series 2015B
(Airport Hangars)

Date of Issue: 3/11/2015
Date of Maturity: 07/01/2020
Original Amount: \$260,000
Interest Rate: 1.98%

Fiscal Year	Principal Payment	Interest Payment	Annual Debt Service
FY2015-16	\$ 15,000.00	\$ 3,998.50	\$ 18,998.50
FY2016-17	\$ 60,000.00	\$ 4,257.00	\$ 64,257.00
FY2017-18	\$ 60,000.00	\$ 3,069.00	\$ 63,069.00
FY2018-19	\$ 55,000.00	\$ 1,930.50	\$ 56,930.50
FY2019-20	\$ 45,000.00	\$ 940.50	\$ 45,940.50
FY2020-21	\$ 25,000.00	\$ 247.50	\$ 25,247.50
Total	<u>\$ 260,000.00</u>	<u>\$ 14,443.00</u>	<u>\$ 274,443.00</u>

Explanation:

The Series 2015B (Tax-Exempt) bonds were issued to refund three outstanding Airport Hangar leases originally contracted in 2003, 2004, and 2006 for the construction of various hangars at the airport. The original loans carried an interest rate ranging from 3.80% to 7.25%. The City has pledged excise tax revenues to repay these bonds.

City of Safford
Bond Debt Service
Excise Tax Revenue Refunding Obligation, Taxable Series 2015C
(Old Industrial Park & Airport Hangers)

Date of Issue: 3/11/2015
Date of Maturity: 07/01/2020
Original Amount: \$845,000
Interest Rate: 1.12% - 3.10% (Varies)

Fiscal Year	Principal Payment	Interest Payment	Annual Debt Service
FY2015-16	\$ 35,000.00	\$ 17,169.76	\$ 52,169.76
FY2016-17	\$ 60,000.00	\$ 20,715.50	\$ 80,715.50
FY2017-18	\$ 60,000.00	\$ 19,644.50	\$ 79,644.50
FY2018-19	\$ 235,000.00	\$ 16,168.25	\$ 251,168.25
FY2019-20	\$ 240,000.00	\$ 9,989.00	\$ 249,989.00
FY2020-21	<u>\$ 215,000.00</u>	<u>\$ 3,332.50</u>	<u>\$ 218,332.50</u>
Total	<u><u>\$ 845,000.00</u></u>	<u><u>\$ 87,019.51</u></u>	<u><u>\$ 932,019.51</u></u>

Explanation:

The Series 2015C (Taxable) bonds were issued to refund a series of small Lease Purchase financing of hangers at the airport and an industrial building currently being rented to a local Label producing and printing company. The original loans carried an interest rate ranging from 3.80% to 7.25%. The City has pledged excise tax revenues to repay these bonds.

City of Safford
Bond Debt Service
Excise Tax Revenue Refunding Obligation, Tax-Exempt Series 2015D
(Birdno Property)

Date of Issue: 3/11/2015
Date of Maturity: 07/01/2025
Original Amount: \$715,000
Interest Rate: 2.30%

Fiscal Year	Principal Payment	Interest Payment	Annual Debt Service
FY2015-16	\$ -	\$ 12,268.21	\$ 12,268.21
FY2016-17	\$ 60,000.00	\$ 14,590.50	\$ 74,590.50
FY2017-18	\$ 65,000.00	\$ 13,259.25	\$ 78,259.25
FY2018-19	\$ 70,000.00	\$ 11,821.50	\$ 81,821.50
FY2019-20	\$ 70,000.00	\$ 10,330.50	\$ 80,330.50
FY2020-21	\$ 70,000.00	\$ 8,839.50	\$ 78,839.50
FY2021-22	\$ 75,000.00	\$ 7,295.25	\$ 82,295.25
FY2022-23	\$ 75,000.00	\$ 5,697.75	\$ 80,697.75
FY2023-24	\$ 75,000.00	\$ 4,100.25	\$ 79,100.25
FY2024-25	\$ 75,000.00	\$ 2,502.75	\$ 77,502.75
FY2025-26	\$ 80,000.00	\$ 852.00	\$ 80,852.00
Total	<u>\$ 715,000.00</u>	<u>\$ 91,557.46</u>	<u>\$ 806,557.46</u>

Explanation:

The Series 2015D (Tax-Exempt) bonds were issued to purchase land needed for Right-of-Way to extend 14th Avenue north towards First Avenue. The City has pledged excise tax revenues to repay these bonds.

City of Safford
Bond Debt Service
Water System Improvements
Loan Number: 920119-08B

Date of Issue: 5/21/2008
Date of Maturity: 07/01/2017
Original Amount: \$1,260,732
Interest Rate: 0.8870%
Administrative Fee: 1.50%

Fiscal Year	Principal Payment	Interest Payment	Administrative Fee	Annual Debt Service
FY2008-09	\$ -	\$ 5,305.50	\$ 8,972.10	
FY2009-10	\$ 127,231.81	\$ 10,618.42	\$ 17,956.75	\$ 155,806.98
FY2010-11	\$ 130,268.84	\$ 9,476.40	\$ 16,025.49	\$ 155,770.73
FY2011-12	\$ 133,378.36	\$ 8,307.13	\$ 14,048.13	\$ 155,733.62
FY2012-13	\$ 136,562.08	\$ 7,109.94	\$ 12,023.58	\$ 155,695.60
FY2013-14	\$ 139,821.84	\$ 5,884.18	\$ 9,950.70	\$ 155,656.72
FY2014-15	\$ 143,159.36	\$ 4,629.16	\$ 7,828.34	\$ 155,616.86
FY2015-16	\$ 146,576.60	\$ 3,344.18	\$ 5,655.32	\$ 155,576.10
FY2016-17	\$ 150,075.36	\$ 2,028.53	\$ 3,430.43	\$ 155,534.32
FY2017-18	\$ 153,657.68	\$ 681.47	\$ 1,152.43	\$ 155,491.58
Total	\$ 1,260,731.93	\$ 57,384.91	\$ 97,043.27	\$ 1,400,882.51

Explanation:

The Water Infrastructure Finance Authority (WIFA) loan bears at interest rate at 0.8870% and an administrative fee rate of 1.50%. Proceeds were used for various water system projects. The City of Safford has pledged future utility revenues to repay the loan.

City of Safford
Bond Debt Service
Electric System Improvements

Date of Issue: 4/21/2008
Date of Maturity: 08/01/2028
Original Amount: \$3,095,000
Interest Rate: 3.00% - 4.95%

Fiscal Year	Principal Payment	Interest Payment	Annual Debt Service
FY2008-09	\$ -	\$ 106,615.79	\$ 106,615.79
FY2009-10	\$ 70,000.00	\$ 136,518.76	\$ 206,518.76
FY2010-11	\$ 110,000.00	\$ 133,818.76	\$ 243,818.76
FY2011-12	\$ 110,000.00	\$ 129,968.76	\$ 239,968.76
FY2012-13	\$ 115,000.00	\$ 125,468.76	\$ 240,468.76
FY2013-14	\$ 120,000.00	\$ 120,768.76	\$ 240,768.76
FY2014-15	\$ 125,000.00	\$ 115,868.76	\$ 240,868.76
FY2015-16	\$ 130,000.00	\$ 110,118.76	\$ 240,118.76
FY2016-17	\$ 135,000.00	\$ 104,168.76	\$ 239,168.76
FY2017-18	\$ 140,000.00	\$ 98,668.76	\$ 238,668.76
FY2018-19	\$ 145,000.00	\$ 92,243.76	\$ 237,243.76
FY2019-20	\$ 155,000.00	\$ 85,421.88	\$ 240,421.88
FY2020-21	\$ 160,000.00	\$ 78,825.00	\$ 238,825.00
FY2021-22	\$ 170,000.00	\$ 71,706.25	\$ 241,706.25
FY2022-23	\$ 175,000.00	\$ 64,050.00	\$ 239,050.00
FY2023-24	\$ 185,000.00	\$ 55,950.00	\$ 240,950.00
FY2024-25	\$ 190,000.00	\$ 47,393.75	\$ 237,393.75
FY2025-26	\$ 200,000.00	\$ 38,000.00	\$ 238,000.00
FY2026-27	\$ 210,000.00	\$ 27,750.00	\$ 237,750.00
FY2027-28	\$ 220,000.00	\$ 17,000.00	\$ 237,000.00
FY2028-29	\$ 230,000.00	\$ 5,750.00	\$ 235,750.00
Total	<u>\$ 3,095,000.00</u>	<u>\$ 1,766,075.27</u>	<u>\$ 4,861,075.27</u>

Explanation:

The Series 2008A (Tax-Exempt) bonds were issued by Greater Arizona Development Authority (GADA) as Revenue Bonds Series 2008A. The 2008A series bonds were used to construct and upgrade various parts of the electrical system throughout the City of Safford. These bonds has interest rates ranging between 3-5% and will be paid from revenues collected by the users.

City of Safford
Bond Debt Service
Waste Water System Improvement
Loan Number #910095-08B

Date of Issue: 5/21/2008
Date of Maturity: 07/01/2016
Original Amount: \$1,246,424
Interest Rate: 0.96%
Administrative Fee: 1.50%

Fiscal Year	Principal Payment	Interest Payment	Administrative Fee	Annual Debt Service
FY2008-09	\$ -	\$ 7,293.67	\$ 11,396.36	\$ 18,690.03
FY2009-10	\$ 142,877.06	\$ 11,279.87	\$ 17,624.80	\$ 171,781.73
FY2010-11	\$ 146,391.83	\$ 9,891.37	\$ 15,455.28	\$ 171,738.48
FY2011-12	\$ 149,993.07	\$ 8,468.72	\$ 13,232.38	\$ 171,694.17
FY2012-13	\$ 153,682.90	\$ 7,011.08	\$ 10,954.81	\$ 171,648.79
FY2013-14	\$ 157,463.50	\$ 5,517.57	\$ 8,621.21	\$ 171,602.28
FY2014-15	\$ 161,337.10	\$ 3,987.33	\$ 6,230.21	\$ 171,554.64
FY2015-16	\$ 165,305.99	\$ 2,419.45	\$ 3,780.38	\$ 171,505.82
FY2016-17	\$ 169,372.52	\$ 812.99	\$ 1,270.29	\$ 171,455.80
Total	<u>\$ 1,246,423.97</u>	<u>\$ 56,682.05</u>	<u>\$ 88,565.72</u>	<u>\$ 1,391,671.74</u>

Explanation:

The Water Infrastructure Finance Authority (WIFA) loan bears at interest rate at 0.96% and an administrative fee rate of 1.50%. Proceeds were used for various waste water system projects. The City of Safford has pledged future utility revenues to repay the loan.

City of Safford

City of Safford
 Bond Debt Service
 Water System Improvement
 Loan Number #920119-08A

Date of Issue: 5/21/2008
 Date of Maturity: 07/01/2028
 Original Amount: \$6,349,268
 Interest Rate: 1.4470%
 Administrative Fee: 1.50%

Fiscal Year	Principal Payment	Interest Payment	Administrative Fee	Annual Debt Service
FY2008-09	\$ -	\$ 1,384.75	\$ 1,435.48	\$ 2,820.23
FY2009-10	\$ -	\$ 23,768.13	\$ 24,638.69	\$ 48,406.82
FY2010-11	\$ 254,077.04	\$ 59,889.17	\$ 62,082.76	\$ 376,048.97
FY2011-12	\$ 261,564.69	\$ 76,944.73	\$ 79,763.03	\$ 418,272.45
FY2012-13	\$ 269,272.99	\$ 82,464.39	\$ 85,484.85	\$ 437,222.23
FY2013-14	\$ 277,208.47	\$ 78,510.59	\$ 81,386.24	\$ 437,105.30
FY2014-15	\$ 285,377.81	\$ 74,440.27	\$ 77,166.84	\$ 436,984.92
FY2015-16	\$ 293,787.91	\$ 70,250.01	\$ 72,823.09	\$ 436,861.01
FY2016-17	\$ 302,445.83	\$ 65,936.26	\$ 68,351.34	\$ 436,733.43
FY2017-18	\$ 311,358.91	\$ 61,495.38	\$ 63,747.81	\$ 436,602.10
FY2018-19	\$ 320,534.65	\$ 56,923.63	\$ 59,008.61	\$ 436,466.89
FY2019-20	\$ 329,980.81	\$ 52,217.15	\$ 54,129.74	\$ 436,327.70
FY2020-21	\$ 339,705.35	\$ 47,371.97	\$ 49,107.09	\$ 436,184.41
FY2021-22	\$ 349,716.47	\$ 42,384.01	\$ 43,936.43	\$ 436,036.91
FY2022-23	\$ 360,022.59	\$ 37,249.05	\$ 38,613.39	\$ 435,885.03
FY2023-24	\$ 370,632.47	\$ 31,962.76	\$ 33,133.48	\$ 435,728.71
FY2024-25	\$ 381,554.99	\$ 26,520.69	\$ 27,492.07	\$ 435,567.75
FY2025-26	\$ 392,799.43	\$ 20,918.23	\$ 21,684.41	\$ 435,402.07
FY2026-27	\$ 404,375.23	\$ 15,150.67	\$ 15,705.60	\$ 435,231.50
FY2027-28	\$ 416,292.17	\$ 9,213.14	\$ 9,550.59	\$ 435,055.90
FY2028-29	\$ 428,560.26	\$ 3,100.63	\$ 3,214.20	\$ 434,875.09
Total	\$ 6,349,268.07	\$ 938,095.61	\$ 972,455.74	\$ 8,259,819.42

Explanation

The Water Infrastructure Finance Authority (WIFA) loan bears at interest at 1.4470% and an administrative fee rate of 1.50%. Proceeds were used for various water system projects. The City of Safford has pledged future utility revenues

City of Safford
Bond Debt Service
Waste Water System Improvement
Loan Number #910095-08A

Date of Issue: 5/21/2008
Date of Maturity: 07/01/2028
Original Amount: \$1,948,576
Interest Rate: 1.6575%
Administrative Fee: 1.50%

Fiscal Year	Principal Payment	Interest Payment	Administrative Fee	Annual Debt Service
FY2008-09	\$ -	\$ 1,029.25	\$ 931.46	\$ 1,960.71
FY2009-10	\$ -	\$ 7,990.83	\$ 7,231.53	\$ 15,222.36
FY2010-11	\$ 76,415.12	\$ 19,490.53	\$ 17,639.00	\$ 113,544.65
FY2011-12	\$ 78,827.93	\$ 24,936.34	\$ 22,566.83	\$ 126,331.10
FY2012-13	\$ 81,316.91	\$ 29,050.58	\$ 26,290.12	\$ 136,657.61
FY2013-14	\$ 83,884.51	\$ 27,681.47	\$ 25,051.11	\$ 136,617.09
FY2014-15	\$ 86,533.13	\$ 26,269.14	\$ 23,772.98	\$ 136,575.25
FY2015-16	\$ 89,265.43	\$ 24,812.21	\$ 22,454.49	\$ 136,532.13
FY2016-17	\$ 92,083.99	\$ 23,309.27	\$ 21,094.37	\$ 136,487.63
FY2017-18	\$ 94,991.55	\$ 21,758.88	\$ 19,691.30	\$ 136,441.73
FY2018-19	\$ 97,990.91	\$ 20,159.54	\$ 18,243.93	\$ 136,394.38
FY2019-20	\$ 101,084.97	\$ 18,509.70	\$ 16,750.86	\$ 136,345.53
FY2020-21	\$ 104,276.73	\$ 16,807.77	\$ 15,210.65	\$ 136,295.15
FY2021-22	\$ 107,569.25	\$ 15,052.10	\$ 13,621.81	\$ 136,243.16
FY2022-23	\$ 110,965.75	\$ 13,240.99	\$ 11,982.79	\$ 136,189.53
FY2023-24	\$ 114,469.51	\$ 11,372.69	\$ 10,292.02	\$ 136,134.22
FY2024-25	\$ 118,083.89	\$ 9,445.40	\$ 8,547.87	\$ 136,077.16
FY2025-26	\$ 121,812.39	\$ 7,457.26	\$ 6,748.65	\$ 136,018.30
FY2026-27	\$ 125,658.61	\$ 5,406.35	\$ 4,892.62	\$ 135,957.58
FY2027-28	\$ 129,626.27	\$ 3,290.68	\$ 2,977.98	\$ 135,894.93
FY2028-29	\$ 133,719.16	\$ 1,108.20	\$ 1,002.89	\$ 135,830.25
Total	\$ 1,948,576.01	\$ 328,179.18	\$ 296,995.26	\$ 2,573,750.45

Explanation:

The Water Infrastructure Finance Authority (WIFA) loan bears at interest rate of 1.6575% and an administrative fee rate of 1.50%. Proceeds were used for various waste water system projects. The City of Safford has pledged future utility revenues to repay the loan.

**City of Safford
Debt Service Schedule
2014 Landfill Compactor**

Date of Issue: 10/21/2014
Date of Maturity: 10/21/2019
Original Amount: \$400,000
Interest Rate: 1.960%

Fiscal Year	Principal Payment	Interest Payment	Annual Debt Service
FY2014-15	\$ 38,263.36	\$ 3,826.48	\$ 42,089.84
FY2015-16	\$ 77,658.12	\$ 6,521.57	\$ 84,179.69
FY2016-17	\$ 79,191.45	\$ 4,988.25	\$ 84,179.70
FY2017-18	\$ 80,755.05	\$ 3,424.66	\$ 84,179.71
FY2017-18	\$ 82,349.52	\$ 1,830.19	\$ 84,179.71
FY2018-19	\$ 41,782.50	\$ 307.35	\$ 42,089.85
Total	<u>\$ 400,000.00</u>	<u>\$ 20,898.50</u>	<u>\$ 420,898.50</u>

Explanation

These funds were used to lease purchase a Compactor for the Landfill.

**City of Safford
Loan Debt Service
D7R11 Dozer**

Date of Issue: 11/13/2007
Date of Maturity: 01/01/2016
Original Amount: \$410,222
Interest Rate: 4.85%

Fiscal Year	Principal Payment	Interest Payment	Annual Debt Service
FY2014-15	\$ 48,608.24	\$ 4,924.34	\$ 53,532.58
FY2015-16	\$ 79,464.25	\$ 1,693.38	\$ 81,157.63
Total	\$ 128,072.49	\$ 6,617.72	\$ 134,690.21

Explanation

These funds were used to lease purchase a Dozer for use at the Landfill.



Fund Balance Guideline

No:
Revision: 0
Date: 5/4/15

Purpose

These guidelines are intended to foster and support the continued financial strength and stability of the City of Safford; they are intended to assist staff with delivering quality services in an affordable, efficient and cost-effective basis while providing full value for each tax dollar.

Scope

City Council
City Manager

Guideline

Compliance with the provisions of this guideline shall be reviewed as part of the annual budget adoption process.

1.0 General Fund

- 1.1 A minimum unrestricted fund balance ensures the continuance of sound financial management of public resources when faced with unanticipated events that could adversely affect the financial condition of the City of Safford, and jeopardize the continuation of public services. This policy will ensure the City of Safford maintains an adequate unrestricted fund balance in the general fund to provide the capacity to:
 - 1.1.1 Provide funds for unforeseen expenditures related to emergencies
 - 1.1.2 Mitigate significant economic downturns or revenue shortfalls
 - 1.1.3 Stabilize the volatility of primary revenue streams
 - 1.1.4 Allow for responsiveness to legislative changes
 - 1.1.5 Secure and maintain investment grade bond ratings
- 1.2 To provide for long-term stability of the City's financial status, the City of Safford shall establish and maintain a minimum unrestricted fund balance for the General Fund. This fund balance shall be adjusted for non-spendable funds and assigned fund balances to ensure an adequate balance is retained based on actual cash available.
- 1.3 For purposes of initially establishing the fund balance and maintaining hereafter, the City of Safford shall retain a minimum requirement of 50% of working capital of the previous fiscal year, which should include one year's worth of the current years General Fund debt service payments.
 - 1.3.1 This requirement will be determined from the data provided by the previous year's Comprehensive Annual Financial Report.
- 1.4 For purpose of initially establishing the fund balance, the City of Safford shall adopt a three year plan to achieve the required fund balance.
- 1.5 In concurrent with achieving a minimum requirement of 50% of working capital, the council should consider setting up an Economic Development Reserve Fund. Recognizing the need to attract Economic Development activity within the City limits and the importance of investment in local economic development activities, the City of Safford shall strive to set aside an amount of \$1 million for the purpose of supporting Economic Development activities. Utilization of this funding shall occur within existing City of Safford policies on expenditures and use of these funds would require Council approval.



Fund Balance Guideline

No:
Revision: 0
Date: 5/4/15

- 1.6 The Council may authorize use of the minimum unrestricted fund balance for unanticipated events threatening the public health, safety or welfare.
 - 1.6.1 The use of any of the minimum unrestricted fund balance should be utilized only after all budget sources have been examined for available funds.
 - 1.6.2 Any use of the minimum unrestricted fund balance must include a repayment plan based on a multiyear financial projection that plans to restore the fund balance to the minimum adopted level within the three fiscal years following the fiscal year in which the event occurred.

2.0 Enterprise Funds

- 2.1 A minimum restricted fund balance within the Enterprise Funds ensures the continuance of sound financial management of public resources when faced with unanticipated events that could adversely affect the financial condition of the City of Safford, and jeopardize the continuation of public services. To provide for long-term stability of the City's financial status, the City of Safford shall establish and maintain a minimum restricted fund balance for the Enterprise Funds.
- 2.2 For purposes of initially establishing the fund balance and maintaining hereafter, the City of Safford shall retain a minimum requirement of 50% of working capital of the previous fiscal year, which should include one year's worth of the current years Enterprise Fund's debt service payments. This requirement will be determined from the data provided by the previous year's Comprehensive Annual Financial Report.
- 2.3 For purpose of initially establishing the fund balance, the City of Safford shall adopt a three year plan to achieve the required Enterprise fund balances.
- 2.4 The Council may authorize use of the minimum restricted Enterprise Fund balances for unanticipated events threatening the public health, safety or welfare.
 - 2.4.1 The use of any of the minimum restricted fund balances will be restricted for use within the Enterprise Fund establishing the fund balance.
 - 2.4.2 The use of any of the minimum restricted fund balances should be utilized only after all budget sources have been examined for available funds.
 - 2.4.3 Any use of the minimum restricted fund balances must include a repayment plan based on a multiyear financial projection that plans to restore the fund balance to the minimum adopted level within the three fiscal years following the fiscal year in which the event occurred.

Related Documents

Comprehensive Annual Financial Report

Record of Revisions

Revision Date	Description	Section(s) Affected

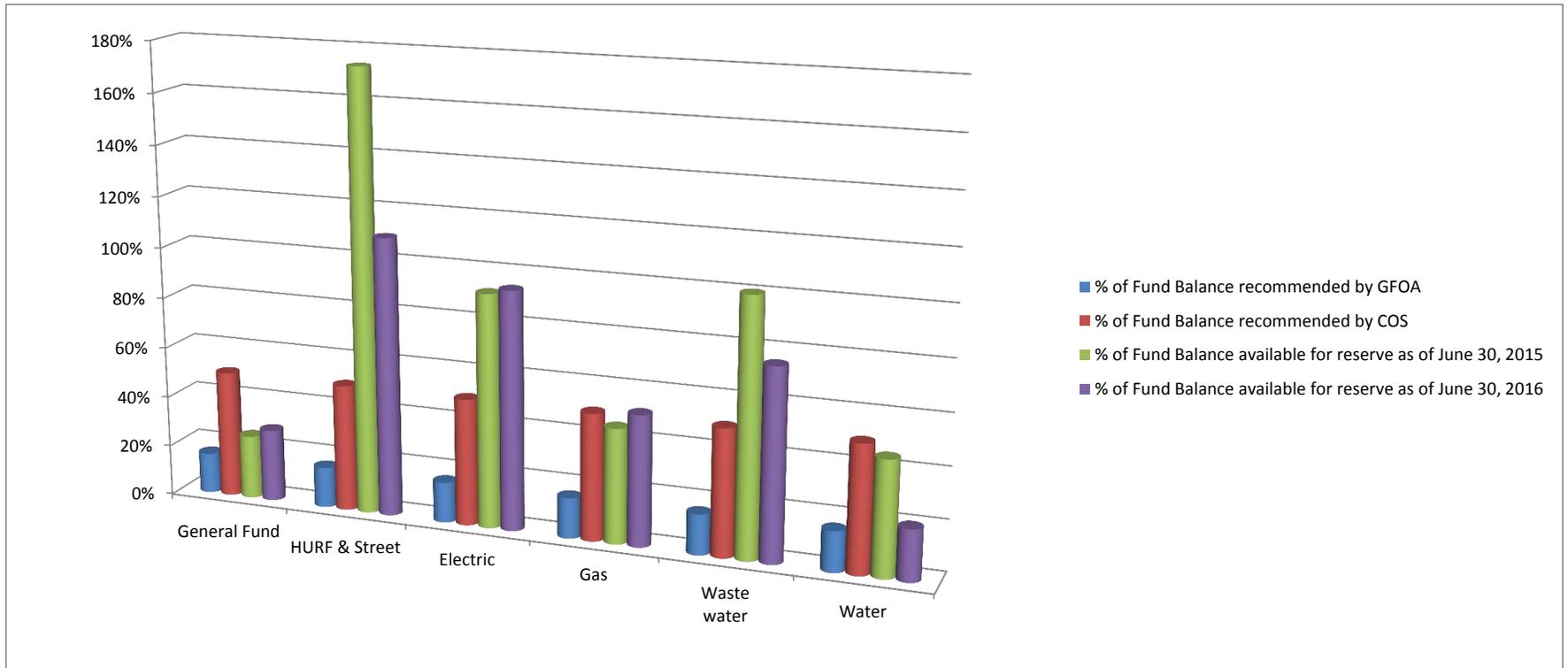
Record of Approval

Task	Name/Signature	Job Title	Date
Written by:	Alma Flores	Senior Accountant	5/4/2015
Approved by:	Horatio Skeete	City Manager	5/7/2015

Fund Balance Analysis

	<u>General Fund</u>		<u>Special Revenue Fund</u>			<u>Enterprise Funds</u>		
	General Fund	Economic Development	HURF & Street	Electric	Gas	Waste Water & Treatment	Landfill	Water
	\$	\$	\$	\$	\$	\$	\$	\$
Expenditures/Operating Expenses June 30, 2014 (CAFR)	10,568,570	-	1,465,100	7,959,747	2,315,875	2,830,634	1,372,990	4,490,999
Fund Balance Requirement @ 50%	5,284,285	-	732,550	3,979,873	1,157,938	1,415,317	686,495	2,245,500
Beginning Fund Balance June 30, 2014 (CAFR)	1,280,484	-	2,411,006	6,813,724	1,325,452	2,644,247	(5,594,146)	2,018,636
Estimated changes to Fund Balance June 30, 2015	1,366,849	250,000	129,854	488,681	(279,421)	199,731	416,887	8,979
Ending Fund Balance June 30, 2015	2,647,333	250,000	2,540,860	7,302,405	1,046,031	2,843,978	(5,177,259)	2,027,615
% of Fund Balance available for reserve as of June 30, 2015	25%		173%	92%	45%	100%	-377%	45%
Budgeted Changes to Fund Balance June 30, 2016	360,747	375,000	(935,624)	164,966	144,928	(716,380)	211,362	(1,117,665)
Ending Fund Balance June 30, 2016	3,008,080	625,000	1,605,237	7,467,371	1,190,959	2,127,599	(4,965,897)	909,949
% of Fund Balance available for reserve as of June 30, 2016	28%		110%	94%	51%	75%	-362%	20%

	General Fund	HURF & Street	Electric	Gas	Waste water	Water
% of Fund Balance recommended by GFOA	16%	16%	16%	16%	16%	16%
% of Fund Balance recommended by COS	50%	50%	50%	50%	50%	50%
% of Fund Balance available for reserve as of June 30, 2015	25%	173%	92%	45%	100%	45%
% of Fund Balance available for reserve as of June 30, 2016	28%	110%	94%	51%	75%	20%



**CITY OF SAFFORD FUND BALANCE
FY 15/16**

General Fund

	ESTIMATED	
	FY 14/15 ACTUAL	FY 15/16 BUDGET
Expenditure		
City Council	378,630	407,637
City Manager	249,054	266,143
Human Resources	166,037	240,334
Legal Services	133,517	149,700
Clerk	236,964	255,445
Financial Services	527,170	556,694
Planning & Community Development	379,969	348,133
Building Safety	159,790	160,686
Library General	527,549	545,232
Recreational Program	104,630	130,570
Airport	224,146	71,042
Police	3,485,348	3,995,480
Public Works	221,781	238,829
Building & Maintenance	480,305	542,596
Street lights	73,341	76,000
Parks	456,897	505,341
Sanitation	1,178,684	1,228,307
Golf Course	238,989	205,200
City Court	241,161	236,370
Fire Department	594,337	614,483
Total Expenditures	10,058,300	10,774,222
Transfer out Debt Service	125,513	71,168
Pay-as-you-go Capital Expenses	653,345	639,601
Carry Over	50,000	-
Total General Fund Expenditures	10,711,645	11,413,823

	ESTIMATED	
	FY 14/15 ACTUAL	FY 15/16 BUDGET
Revenues		
City sales tax	5,500,000	5,610,000
Bed tax	221,500	225,930
General property tax	230,486	235,960
Total local taxes	5,951,986	6,071,890
State shared sales taxes	827,384	895,593
State shared income taxes	1,351,027	1,151,745
Fire District	358,216	368,962
Total Intergovernmental	2,536,627	2,416,300
Franchise tax	67,751	68,429
Utility in lieu of Franchise tax	849,330	857,824
Licenses and permits	69,500	70,195
Sanitation collections	1,083,414	1,195,431
Total Fees Licenses and Permits	2,069,995	2,191,878
Recreational fees	53,553	56,560
Rental income	125,000	65,650
Interest on investments	3,740	3,777
Fines and penalties	68,000	68,680
Cemetery	30,690	30,997
Other revenues	145,279	45,450
Graham County Library support	32,400	32,724
Airport Operations	125,000	126,250
General Fund Support Charges	1,186,224	1,039,413
Total Other Revenues	1,769,886	1,469,501
Total General Fund Operation Revenue	12,328,494	12,149,569

Highway User Revenue / Street Funds

	ESTIMATED	
	FY 14/15 ACTUAL	FY 15/16 BUDGET
Expenditures		
Operations	1,689,154	1,376,531
Capital Street Projects	351,144	1,888,352
Transfer out Debt service	166,092	192,940
Carry Over	45,000	-
Total Expenditures	2,251,390	3,457,823

	ESTIMATED	
	FY 14/15 ACTUAL	FY 15/16 BUDGET
Revenues		
Sales Tax Street	1,068,482	1,089,852
Street Reserves	169,008	169,000
Auto Lieu of Taxes	487,940	529,219
Other	-	-
HURF Revenues	655,814	734,129
Total HURF and other taxes	2,381,244	2,522,199

Debt Service Fund

	ESTIMATED	
	FY 14/15	FY 15/16
	ACTUAL	BUDGET
Expenditures		
Street	166,092	192,940
General fund	125,513	71,168
Water Loans	83,192	592,437
Wastewater Loans	24,338	308,038
Electric Loans	56,682	240,119
Lease purchase (Landfill)	223,763	165,337
Total Debt Expenditures	679,581	1,570,039

	ESTIMATED	
	FY 14/15	FY 15/16
	ACTUAL	BUDGET
Revenues		
Transfer in HURF	166,092	192,940
Transfer in General Fund	125,513	71,168
Water Loans	83,192	592,437
Wastewater Loans	24,338	308,038
Electric Loans	56,682	240,119
Lease purchase (Landfill)	223,763	165,337
Total Revenue	679,581	1,570,039

Enterprise Funds

	ESTIMATED	
	FY 14/15	FY 15/16
	ACTUAL	BUDGET
Operating Expenses		
Electric	6,790,637	8,525,800
Gas	2,313,753	2,398,332
Landfill	880,567	763,610
Waste Water & Treatment	1,929,348	2,132,327
Water	3,657,719	4,450,685
Transfer out Debt service	387,976	1,305,931
Pay-as-you-go Capital Expenses	2,919,000	3,163,302
Carry Over	908,155	-
Total Operating Expenses	19,787,155	22,739,988

	ESTIMATED	
	FY 14/15	FY 15/16
	ACTUAL	BUDGET
Revenues		
Electric	8,748,500	9,492,485
Gas	2,630,096	2,643,261
Landfill	1,332,453	1,340,309
Waste Water & Treatment	2,411,917	2,424,043
Water	5,499,045	5,527,102
Total Revenues	20,622,011	21,427,200

Employee Benefits & Programs Annual Review (May 2015)

Retirement Plans

The Arizona State Retirement System (ASRS) is the retirement program for non-sworn (civilian) employees at the City of Safford.

The Public Safety Personnel Retirement System (PSPRS) is the retirement program for sworn Police employees employed by the City of Safford.

The Nationwide & TIAA CREF Defined Contribution (457) Plan is the retirement program available to all employees of the City of Safford.

Police Department Skill Based Salary Program

Effective Date: revised September 2005

Purpose: In the Police Department, Police Officers, Detective, Police Sergeant and Detective Sergeant are eligible for skill based pay in an effort to hire and maintain excellent career officers and to promote efficient skill acquisition to provide the best service possible to our community.

Eligibility: Police Officers, Detectives, Police Sergeants and Detective Sergeants

Details: We have identified "Critical Skills" which receive a 5% increase for each skill not to exceed 10%. Currently, the "Critical Skills" are: 4 year degree, Spanish and/or Firearms Instructor/Armorer Certification. Note: The City of Safford recognizes the importance of having bilingual employees to communicate with the citizens of Safford in order to meet their needs. Currently only members of the police department receive this pay however if another department feels that the citizens will be better served by having this skill available the department head could petition the HR department for similar compensation. Currently we are only paying for Spanish.

Recommendation: **No changes are recommended**

Overtime

Effective Date: Revised May 9, 2005, originally adopted December 13, 1999

Purpose: Salary administration and eligibility for overtime payments

Eligibility: All classified non-exempt employees, unless otherwise identified, for hours worked in excess of forty (40) hours during any work week. Work week begins Saturday at 12:00 AM and ends Friday 11:59 PM.

Details: Non-exempt employees who have more than 40 hours per week shall be awarded overtime at the rate of one and one-half hours for each hour of overtime worked. Overtime applies to hours over 40 in a work week not to hours over 8 in a day. Attaining the 40 hours can be from vacation, sick, holiday and hours actually worked.

Recommendation: **No changes are recommended**

Compensatory Time

Effective Date: Revised July 29, 2014, originally adopted December 13, 1999

Purpose: The City's objective is to provide the highest level of service to its citizens at all times. To provide quality service and control costs, the City provides a compensatory time off program in lieu of overtime for work.

Eligibility: Non-exempt employees that exceed 40 hrs/week

Details: Compensatory time is accrued at the same rate as overtime; one and one-half hours of the compensatory time is granted for every hour worked. Compensatory time applies to hours over 40 in a week not to hours over 8 in a day. Attaining the 40 hours can be from vacation, sick, holiday and hours actually worked. Employees may accumulate a maximum of 120 hours in a year and is paid out twice per year (2nd pay period in June and 2nd pay period in November).

Recommendation: **No changes are recommended at this time**

Staff Leaves & Absences

Effective Date: Revised May 9, 2005, originally adopted December 13, 1999

Purpose: To address pay for staff leave for Jury Duty, Subpoena, Military, Voting and other political Duty Leave

Eligibility: All employees

Details: Leave of absence without loss of pay, length of service or efficiency rating for Jury Duty, Subpoena, Military, Voting or other Political Subdivision Duty Leave. It is recognized that no employee is exempt from jury duty and that leaves of absence for such duty must be granted. In addition, we recognize the fact that its employees have citizenship responsibilities, and, in order to make it possible for employees to carry out their responsibilities to the city, county, state, or nation, leaves will be granted, in addition to jury duty, for court appearances pursuant to a lawfully issued subpoena or other court order, and when called to attend field training services for the Military Reserve or National Guard. Additional to these leaves, the City recognizes the rights of its employee to vote in State of Arizona General Election Day and to provide time off to vote as outlined in A.R.S. 16-402.

Recommendation: **No changes are recommended**

Sick Leave and FMLA

Effective Date: Revised May 9, 2005, originally adopted December 13, 1999

Purpose: Provide a means to take time off with pay when time off does not qualify for FMLA...3 day rule for FMLA qualifying event

Eligibility: Employees with one full year of service or more

Details: Not more than three (3) days of compensated sick leave in each fiscal year may be taken in cases in which an employee's presence is required elsewhere because of sickness or disability to employee's immediate family, unless FMLA procedures are followed. In each case, the Human Resources Coordinator shall grant such sick leave only when, in the opinion of the Human Resources Coordinator, the relationship of the sick or disabled person to the employee, i.e., spouse, parent, in-law, legal guardian, children warrants such use of sick leave.

Recommendation: **No changes are recommended**

Extension of Leave Beyond 12 Work Weeks

Effective Date: Revised May 9, 2005, originally adopted December 13, 1999

Purpose: Provide a means for granting additional time off once the employee has exhausted the 12 week FMLA provision and need additional time off.

Eligibility: Regular full-time employees that exhaust the 12 week FMLA provision

Details: Regular full-time employees may request an extension of a leave of absence beyond the 12 work weeks provided above where additional time off is necessitated by the employee's condition. In no event will a leave of absence be granted for a period of time in excess of a total of six (6) months (including the 12 work weeks provided above). Upon returning to work from a leave of absence of more than 12 work weeks, the City will attempt to place the employee in their previous position or a comparable position if one is available.

Recommendation: **No changes are recommended**

Holiday Pay

Effective Date: Revised June 7, 2011, originally adopted December 13, 1999

Purpose: Establish paid holidays

Eligibility: All regular full-time and part-time employees of the City who work at least twenty (20) hours per week

Details:

1. January 1, "New Year's Day"
2. Third Monday in January, "Martin Luther King, Jr./Civil Rights Day"
3. Last Monday in May, "Memorial Day"
4. July 4, "Independence Day"
5. First Monday in September, "Labor Day"
6. November 11, "Veteran's Day"
7. Fourth Thursday in November, "Thanksgiving Day"
8. The last five hours of the work day on "Christmas Eve" if "Christmas" falls on Tuesday through Thursday
9. December 25, "Christmas Day."

If "New Year's Day," "Independence Day," "Veteran's Day" or "Christmas Day" falls on Friday or Saturday, the preceding Thursday shall be observed as the holiday, and if they fall on Sunday, the following Monday shall be observed as the holiday. All holidays observed by the City of Safford shall be observed as a ten (10) hour holiday, with the exception of Christmas Eve, for all full time regular employees. Part time employees receive a pro-rated holiday compensation.

Public Safety and other essential service employees may be required to be on duty on holidays in the interest of the public health, safety or general welfare of the City.

Note: Friday immediately "Thanksgiving Day" and President's Day were forfeited when we moved to the 4 x 10 schedule

Recommendation: **No changes are recommended**

Travel Expenses

Effective Date: Adopted September 22, 2003; Resolution No. 03-037

Purpose: When employees and appointed officers are on occasion required to travel in their duties and official capacity, such employees and appointed officers required to travel and incur expenses should be fairly compensated for those expenses and city owned vehicles are not always available. The City of Safford will compensate its employees and appointed officers for authorized travel expenses and mileage allowance on approved and official business.

Eligibility: All employees and appointed officers based on preapproval

Details: Personal vehicles of employees and appointed officers are not to be used unless (1) such use is provided for in personal employment contracts or (2) the City Manager and his designee authorizes such use when adequate city owned vehicles are not available or for other good cause.

Section 1. Transportation

Privately owned vehicles - Use of privately owned vehicles authorized by the City Manager or his designee will be reimbursed at the mileage rate authorized for reimbursement by the United States General Internal Revenue Service in effect at the time the travel is incurred or as provided in a personal service contract.

Public transportation - Public transportation will be reimbursed at the actual cost of coach fare that is supported by submitted receipt. Public transportation includes aircraft, bus, rail, boat, rental cars and aircraft, taxis or chartered modes of transportation as required under the circumstances.

Section 2. Meals and Lodging

Normal circumstances - Reimbursement for meals and lodging will be made at the daily rate published by the United States General Services Administration for the locality in which travel is incurred.

Special circumstances - It is recognized that special circumstances may exist where compensation based on the General Services Administration's daily rate is not reasonable due to the nature of the event for which meals and lodging are required. Such events, with prior approval of the City Manager, may be compensated at actual cost based on submitted receipt.

Section 3. Telecommunications

Telecommunications charges incurred for official business will be reimbursed at the actual cost as supported by receipt. One communication per day to one's personal residence not in excess of five minutes will be considered official business.

Section 4. Approved Schools, Conferences, and Conventions

All registration fees for schools, conferences, and conventions approved by the City Manager or his designee and included in the budget will be reimbursed as supported by receipt if not paid directly by City.

Section 4. Other Travel Provisions

Combination travel – Travel that includes both City and personal travel or travel for another organization will be reimbursed only to the extent of the portion attributable to City business.

Travel advances – Travel advances may be made if requested in an amount estimated to equal the qualifying expenses to be incurred. Such requests should be made to the director of the Department of Administrative Services on a form to be provided by the director.

Note: Current rate for mileage reimbursement is \$.575/mile per the IRS

FY 2015 Per Diem Rates for Arizona
(October 2014 - September 2015)

SEARCH BY CITY, STATE OR ZIP CODE
 Enter your City: or Enter your ZIP Code: **FIND PER DIEM RATES**
 Arizona

ADDITIONAL PER DIEM TOPICS

- Meals & Incidental Expenses Breakdown (M&IE)
- FAQs
- State Tax Exemption Forms
- Factors Influencing Lodging Rates
- FY 2014 Per Diem Highlights
- Fire Safe Hotels
- Have a Per Diem Question?
- Downloadable Per Diem Files

Cities not appearing below may be located within a county for which rates are listed. To determine what county a city is located in, visit the [National Association of Counties \(NACCO\) website \(a non-federal website\)](#).

Your searched for: Arizona

Primary Destination ⁽¹⁾	County (s)	Max Lodging by Month (including taxes)												Weeks & Inc. Exp. ⁽²⁾
		2014			2015			2015			2015			
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	
Standard Rate	Applies for all locations without specified rates	83	83	83	83	83	83	83	83	83	83	83	83	46
Grand Canyon / Flagstaff	Cookson / Navajo less the city of Sedona	83	83	83	83	83	112	112	112	112	112	112	112	66
Kayenta	Navajo	109	109	109	109	109	109	109	109	109	109	109	109	61
Phoenix / Scottsdale	Maricopa	106	106	106	141	141	141	113	113	83	83	83	106	71
Sedona	City Limits of Sedona	131	131	131	131	150	150	150	131	131	131	131	131	86
Tucson	Pima	86	86	86	86	100	100	100	100	83	83	83	86	56

* NOTE: Traveler reimbursement is based on the location of the work activities and not the accommodations, unless lodging is not available at the work activity, then the agency may authorize the rate where lodging is obtained.
⁽²⁾ Meals and Incidental Expense, see [Breakdown of M&IE Expenses](#) for important information on first and last days of travel.

Meals and Incidental Expenses (M&E) Breakdown

The separate amounts for breakfast, lunch and dinner listed in the chart are provided should you need to deduct any of those meals from your trip voucher. For example, if your trip includes meals that are already paid for by the government (such as through a registration fee for a conference), you will need to deduct those meals from your voucher. Refer to Section 302.11.18 of the Federal Travel Regulation for specific guidance on deducting these amounts from your per diem reimbursement claims for meals furnished to you by the government. Other organizations may have different rules that apply for their employees, please check with your organization for more assistance.

The table lists the six M&E rates in the lower 48 continental United States (currently ranging from \$40 to \$71). If you need to deduct a meal amount, first determine the location where you will be working while on official travel. You can look up the location-specific information at www.gsa.gov/perm/etd.

The table also lists the portion of the M&E rate that is provided for incidental expenses (currently \$5 for all rates).

Total	Continental Domestic/Overseas	Lunch	Dinner	Inc.
\$46	\$7	\$11	\$23	\$5
\$61	\$8	\$12	\$29	\$5
\$66	\$9	\$13	\$29	\$5
\$61	\$10	\$15	\$21	\$5
\$66	\$11	\$16	\$24	\$5
\$71	\$12	\$18	\$26	\$5

This table lists the amount federal employees receive for the first and last calendar day of travel. The first and last calendar day of travel is calculated at 75 percent.

Total	First & Last Day of Travel
\$46	\$34.50
\$61	\$30.75
\$66	\$49.50
\$61	\$46.75
\$66	\$49.50
\$71	\$53.25

Looking for the foreign and outside the continental United States (OCONUS) breakdown chart? Visit [ETD Appendix B](#). (Note: Appendix B breakdowns do not apply to any locations in the continental United States. See the chart links above.)

Recommendation: No changes are recommended at this time

Uniform Allowance

Effective Date: unknown

Purpose: To provide a united, professional appearance to citizens of the City of Safford. It allows staff to be easily recognizable in the case of Police Officers in addition for safety reasons.

Eligibility: Sworn Police Officers, All non-administrative Utilities and Public Works employees

Details: Specifically identified positions at the City of Safford participate in a uniform allowance or uniform provision program. Sworn employees (Police) have an allowance for their uniform purchases; the City provides uniforms to employees in non-sworn position when it is required that the employee wear a uniform on the job. \$68,214.35 for boots and linen (approximately \$10,000 is for boots)

Recommendation: No changes are recommended at this time

Education Assistance

Effective Date: Procedures revised March 2, 2015, previously revised May 9, 2005, originally adopted December 13, 1999

Purpose: The City of Safford encourages its employees to improve their skills and knowledge, and to acquire the education necessary that will mutually benefit the City of Safford and the employee. The purpose of the Education Assistance Policy is to promote professional development for employees and to provide financial assistance for continued education opportunities.

Eligibility: Regular full-time employees that successfully complete one year of employment and have a satisfactory performance rating

Details: This is a shared responsibility between the employee and the City of Safford since the City of Safford will not be able to pay all costs in obtaining continued education. Education assistance is not an entitlement and shall be subject to the availability of funds. Eligible employees may receive reimbursement for Academic costs which include tuition, fees and course/lab fees and textbooks. The total maximum education assistance amount is up to \$5,250 per fiscal year, July 1st to June 30th, per employee (this amount is in accordance with the Internal Revenue Service Tax Code which allows for tax-free exemption of employer provided educational assistance). Non-reimbursable expenses include expenses for meals, lodging, transportation, tools or supplies (other than textbooks) that you can keep after completing the course of instruction. Eligible courses are those taken through an accredited college or university (including online coursework) to complete an Associates, Bachelor's or Master's degree. In addition, courses or exams taken for job-related vocational/professional certifications from a recognized and accepted association that's results in a license or certification also qualify. Employee will have no obligation to pay employer for payment installments made toward Education Assistance unless employee fails to obtain the agreed upon degree or certification in a timely manner or if there is a separation of employment, voluntarily or involuntarily. In the event of a separation of employment or if the employee does not

complete the agreed upon degree or certification in a timely manner, the employee shall immediately pay, without demand, an amount equal to that installment payment and all later installment payments in the following manner:

Time Elapsed from Program Completion Date or Last Completed Course(s)	Percentage of Repayment Applicable to Education Assistance Reimbursement (Amount Received Prior to Termination)
12 months or less	100%
More than 12 months, but less than 24 months	75%
More than 24 months, but less than 36 months	50%
More than 36 months, but less than 48 months	25%

Recommendation: **No changes are recommended**

Safety Reward Program

Effective Date: Reinstated January 2012

Purpose: The purpose of a safety reward program is to reduce the number of accidents/injuries and to acknowledge and reward employees who exemplify safe working conditions by having no vehicle accidents, citations or on-the-job injuries. It is important to note, that this program is not designed to discourage employees from reporting incidents when they occur.

Eligibility: Full-time and Part-time (who work at least 20 hours per week or more) employees. The program excludes elected officials, city manager, department heads, temporary, volunteer and seasonal employees (i.e., fire, swimming pool staff, youth workers, crew leaders).

Details: A reward will be granted per quarter for employees who do not have any of the following: Accidents in a city vehicle; Speeding or any other moving violation citations while driving a city vehicle; OSHA recordable injury which include but not limited to loss of consciousness, loss days from work, restriction of work or motion, transfer to another job, or requires medical treatment beyond first aid. The program excludes any employee reprimanded for a safety violation including a violation of the cell phone policy. Exclusion is for the quarter in which reprimand is given or violation occurred. Other disciplinary action does not exclude employee from award. Employees on FMLA (Family Medical Leave of Absence) related to an off the job injury, medical condition or absent from work for any other reason must be in attendance at work for at least 51% of the time during the quarter to be eligible. If an employee is in attendance at work, but an off the job injury or medical condition restricts the employee's work (modified duty) employee is not eligible to receive award. If employment terminates either during or after quarter ending, employee is not eligible to receive award. Eligible employees will receive a \$35.00 cash reward for each quarter and employees who receive all four quarter rewards will receive an additional \$65.00 issued in January of the following year. Gross payout for Fiscal Year 2013/2014 was \$27,042.90

Recommendation: **No changes are recommended**

Pension for Volunteer Firefighter

Effective Date: Unknown

Purpose: To provide Volunteer Firefighters a retirement pension and in compliance with ARS 9-967 (2014) Pension for volunteer Firefighter

Eligibility: A Volunteer Firefighter having served as a member of a fire department for 25 years or more, or who has reached 60 years of age and served twenty years or more on the Fire Department

Details: Qualified and retired Volunteer Firefighters receive a monthly pension of \$200.00. A volunteer Firefighter pays 7% of their gross wages and the City of Safford matches the volunteer Firefighter's 7% at a 100%.

Recommendation: **No changes are recommended**

Proposed Changes & New Programs

Longevity Increase

Effective Date: January 1, 2007

Purpose: In recognition of employee's years of service with the City of Safford

Eligibility: Employees that reach a five (5) year increment

Details: a 2.5% longevity increase may be granted in January of every year to recognize those employees who reach a five (5) year increment the previous calendar year based on the employee's date of hire.

Recommendation: Change title to "Service Recognition" and increase percentage to 5%. Initiate a one-lump sum payment to be paid the following pay day after employee's incremental 5 year anniversary date.

Payment for Acting Department Head

Effective Date: Revised May 9, 2005, originally adopted December 13, 1999

Purpose: To compensate employees performing the duties of a Department Head during certain absences continuing for a period of time.

Eligibility: An employee assigned and performing the duties of a Department Head

Details: An employee assigned and performing the duties of a Department Head shall receive as compensation for the additional duties, and added to the compensation of the employee, one-half the difference between the salary of the incumbent or outgoing Department Head and the salary of the employee. This policy shall apply under the following circumstances: (1) In the event the majority of all the duties are assigned to one person, (2) if the Department Head is vacant due to the Department Head leaving employment of the City or (3) because of illness, injury or other valid reason, the incumbent cannot perform the duties of Department Head and such absence continues for eight (8) continuous weeks. Compensation for these additional duties, therefore, shall begin at the end of the eighth week and shall continue until the Department Head shall assume their regular duties. Compensation is not retroactive and is only for the period of time between the end of the eighth week and the Department Head reassuming duties.

Recommendation: Change title to "Interim Pay." Interim wage increase will be based on level (10% for Department Head or Director Levels and 5% for Supervisor or Administrative levels) and will be executed on an agreed upon date, primarily based on circumstance and vacancy.

Vacation

Effective Date: Revised May 9, 2005, originally adopted December 13, 1999

Purpose: Foundation for calculating Vacation (Paid Time Off)

Eligibility: All regular full-time and part-time employees of the City who work at least twenty (20) hours per week

Details: An employee accrues vacation at the rates outlined in the table below. An employee may only accrue the maximum of that amount earned over an eighteen (18) month period.

YEARS OF SERVICE	ACCRUAL RATE	EQUIVALENT HOURS/YEAR	MAXIMUM ACCRUAL
New hire but not more than 5 years' service	8 hours per calendar month	96 hours	144 hours
At least 5 but no more than 9 years' service	10 hours per calendar month	120 hours	180 hours
Ten years or more of service	12 hours per calendar month	144 hours	216 hours

Eligible employees may defer some of their accrued annual vacation to the succeeding calendar year, up to a maximum of eighteen (18) months of accrual. Although vacation time may be carried over from one year to another, no additional vacation time is earned while accrued unused vacation remains at the maximum except as follows: A written report of each deferred vacation signed by the proper Department Head shall be kept on file with the Department Head and the Human Resources Coordinator. Depending upon the work load of the department, and at the written request of the Department Head, and after written approval by the City Manager or his designee, an employee may accrue up to an additional forty-eight (48) hours of vacation leave over and above the amount in eighteen (18) months of service. Newly hired employees who terminate their employment during the one year qualification period, shall forfeit any unused vacation leave.

Note: "Sworn Police Officers" in the Police Department are eligible one day vacation for each official holiday equating 80 hours per calendar year.

Recommendation: For all employees (including Sworn Police Officers), the maximum amount of vacation that can be accumulated will be 360 hours (the tiered maximum accrual system will be removed). The maximum amount of vacation payout at separation of employment will be 216 hours for those that have 1 year or more of service. Employees may cash out vacation hours in excess of 80 hours at their regular rate of pay twice per year (2nd pay period in June and 2nd pay period in November). When an employee retires,

vacation in excess of 216 hours will be paid into a Retirement Healthcare Account. The remaining 216 hours will be paid directly to the employee. No vacation in excess of 216 hours will be paid if the employee is terminated.

Sworn Police Officers which receive 80 hours of holiday pay in the form of vacation hours, will be paid annually a one lump sum of 80 hours at their regular rate of pay to be paid in December.

Additional vacation accrual hours above maximum will not authorized since employees will be able to cash out vacation hours to stay below the maximum accrual.

Sick Leave

Effective Date: Revised May 9, 2005, originally adopted December 13, 1999

Purpose: Foundation for calculating Sick Leave with pay (Paid Time Off)

Eligibility: All full-time employees of the City except temporary, seasonal, and those who work less than 20 hours per week.

Details: Employees accrue sick leave following completion of thirty (30) calendar days of employment, at the rate of eight (8) hours per calendar month up to a maximum of seven hundred twenty (720) hours. Employees working at least twenty (20) hours per week but less than forty (40) hours per week will earn sick leave on a pro-rata basis. A part-time employee can accumulate sick leave not to exceed 360 hours. Sick leave shall not be considered as a right which employees may use at their discretion, but shall be allowed only in case of necessity and actual personal sickness or disability.

Separation of Employment – Upon separation with a minimum of one, but no more than five years of service, employees are compensated for 25% of accumulated sick leave. Employees with six or more years of service are compensated for 50% of accumulated sick leave. If employee is terminated with cause, the employee will not be eligible for accumulated sick leave compensation.

Recommendation: Employees will continue to accrue a maximum of 720 hours of sick leave at the rate of eight (8) hours per calendar month. Employees separating employment (in good standing) with greater than 5-years of service will be paid 25% of unused accumulated sick leave. Payout will be calculated using the average base rate of pay for the last three years. Employees retiring will receive a 66% payout of their accrued but unused sick leave. This dollar amount will be deposited into their Retirement Healthcare Account and payout will be calculated using the average base pay for the last three years.

For comparison purposes, if an employee retiring with maximum sick leave accrual of 720 hours at an average wage of \$24.88/hour would receive a payout of \$11,822.97 (at 66% payout at retirement) which is equivalent to 27.28 months (or 2.27 yrs) of retiree subsidy coverage at the current maximum monthly subsidy rate of \$433.36. See table below for adjusted rates based on years of service.

Years of Service	Monthly Subsidy	Month/Year Equivalent Calculation
10 – 14.99 years	\$ 173.34	68.21 months or 5.68 yrs
15 – 19.99 years	\$ 260.02	45.47 months or 3.79 yrs
20 – 24.99 years	\$ 346.69	34.10 months or 2.84 yrs
25 & Over	\$ 433.36	27.28 months or 2.27 yrs

Sick Leave Bank

Effective Date: Revised May 9, 2005, originally adopted December 13, 1999

Purpose: Calculation for donating Sick Leave or using Sick Leave beyond individual accrual

Eligibility: All full-time employees of the City except temporary, seasonal, and those who work less than 20 hours per week.

Details: Full time employees may voluntarily donate a minimum of eight (8) hours, not to exceed a maximum of forty (40) hours, per calendar year for enrollment in the "Bank". Part-time employees may voluntarily donate a minimum of four (4) hours, per calendar year. Donation to the "Bank", will be received on the last pay period in December. At that time, employees may also join or terminate participation in the "Bank". In June of each year, employees may also join with a minimum of eight (8) hours donation. Active participants who do not have eight (8) hours to donate in December, will be given three (3) months time frame to pay back the "Bank". On March 31, if hours have not been deposited the participant will automatically be terminated from the "Bank."

The authority to grant leaves from the "Bank" shall be vested in the Sick Leave Bank Board. The maximum number of hours that may granted to any employee, per calendar year shall be one hundred and sixty (160) hours. The minimum hours that may be granted shall be forty (40) hours. Upon need, the employee, or a co-worker, a family member, or a Department Head on the employees behalf are authorized to make a request from the "Bank", by filling out the necessary request form from the Human Resources Coordinator. The incident must be a prolonged, continuous absence. Before any hours are used from the "Bank", the employee's sick and vacation hours MUST be exhausted. Hours granted, but not used, shall be returned to the "Bank".

The total maximum hours in the "Bank" will be forty five hundred (4,500) hours. Employees enrolled in the "Bank" will stop donating when the "Bank" reaches a total of four thousand (4,000) hours, in order for new employees to be able to participate. When the "Bank" is depleted to three thousand (3,000) hours, then the next December, the "Bank" will activate the participating employees. New employees are not eligible to participate in the "Bank" until the end on their one (1) year, initial training/orientation period.

Recommendation: Terminate Sick Leave Bank and implement "Donated Leave Program"

Donated Leave Program (New Program)

Purpose: Establish a new program for the donation of accrued vacation hours to employees who, due to a serious illness or injury to self or immediate family, have used all their accrued sick and vacation leave and are placed in a position of extreme financial hardship.

Eligibility: Employees who due to a serious illness or injury to self or immediate family, have used all their accrued sick and vacation leave hours

Details: Eligible employees may request through their Department Manager access to the Donated Leave Program using the following guidelines:

- Employees who are approved for the Donated Leave Program will then be allowed to receive donations of vacation leave from fellow City employees in order that they may receive income during their period of serious illness or injury.
- The donor employee may only donate vacation leave. At the time of donation, the full-time donor employee must have at least 40 hours accrued vacation and the benefited part-time employee must have at least 20 hours accrued vacation.
- All donated leave becomes the permanent property of the receiving employee. All unused leave will be retained by that employee and will not be returned or reimbursed to the donor employee.
- Hours of leave will be donated, not the actual wage of the donor employee.
- Donations will not be allowed to be made to the employee's immediate supervisor.
- When the employee returns to work, whether full-time or part-time, they are not eligible to receive additional donations for that illness.

Note: Immediate family means spouse, child, stepchild, parent, stepparent or grandparent.

Funeral Leave

Effective Date: Revised May 9, 2005, originally adopted December 13, 1999

Purpose: To address the administration of time off for Funerals for immediate family

Eligibility: Where an employee is absent because of time necessarily spent in arrangement for, travel to, attendance at, and return from the funeral of a member of the employee's immediate family. The term "Immediate Family" is defined as the employee's spouse, parent, in-law, sibling and children.

Details: The employee will be allowed a maximum of five (5) days off. Two (2) days with pay will be granted at straight time rates. Three (3) additional days will be taken from available sick or vacation leave. If employee does not have sick or vacation available, the additional days off will be without pay.

Recommendation: If employee does not have sick or vacation hours available, the additional days off will be without pay or they may request donations from coworkers (see "Donated Leave Program")

Retiree Health Insurance Subsidy

Effective Date: Originally adopted May 1988

Purpose: To encourage early retirement so retirement eligible employees would come off the City's Health Insurance Plan

Eligibility: Retiree must meet "normal retirement criteria" as defined by Arizona State Retirement System (ASRS); Public Safety Personnel Retirement System (PSPRS); and Firefighter's Retirement Pension Fund (Elected Officials Retirement Plan excluded). Employees that retire and go on COBRA do not qualify.

Details: Eligibility is based on retiree electing retirement benefits immediately following termination of employment with the City of Safford. Employees who qualify for disability through the Arizona State Retirement System and Public Safety Personnel Retirement System are eligible for the health insurance subsidy. Health insurance subsidy is paid up to age 65 or Medicare eligible due to disability. Employees hired after July 1, 2011 are not eligible for any subsidy. Retirees/disabled employees before July 1, 2011 shall receive a maximum subsidy amount of \$433.36 per month. Retirees/disabled employees after July 1, 2011 shall receive a percentage of \$433.36 per month based on years of service with the City of Safford, as follows:

10 – 14.99 years	40%	\$ 173.34
15 – 19.99 years	60%	\$ 260.02
20 – 24.99 years	80%	\$ 346.69
25 & Over	100%	\$ 433.36

May 23, 2011 Council adopted a reduced amount which at the time reduced the overall Subsidy from \$273,445.92 to \$176,717.76 savings of \$96,728.16

Recommendation:

- All current retirees receiving the subsidy will be paid a flat amount of \$200/month towards insurance subsidy for the next 18 months beginning July 1, 2015. After the 18 month period has expired, the subsidy will discontinue. This amount is to cover the retiree's portion of medical expenses only.

- All current employees that are eligible to retire within the next two years will receive a one lump sum payment of \$3,600 paid into the newly created Retirement Healthcare Account (\$3,600 is a sum calculation of \$200/month for 18 months).
- See Proposed Sick Leave Payout for all other employees

Cost Analysis Summary: Over the next two years, our current retirees (32) will cost the City of Safford \$272,375.30. We have approximately 29 employees that are eligible to retire over the next two years and would qualify for the current subsidy which would cost the City of Safford an additional \$281,511.04. Total retirement subsidy over the next two years would be \$553,886.34. With the above mentioned recommendation the current retirees would cost the City of Safford \$106,000 over the next two years and our retirement eligible employees would cost the City of Safford \$187,519.10, totaling \$293,519.10 giving us an overall savings of \$260,367.24. See 2-year breakdown comparison below:

	Year 1	Year 2	Total
Current Program	\$ 282,273.17	\$ 271,613.17	\$ 553,886.34
Proposal	\$ 177,000.00	\$ 116,519.10	\$ 293,519.10
Savings	\$ 105,270.17	\$ 155,097.07	\$ 260,367.24

Proposal Breakdown

Year 1 – Twelve (12) months of paying current retirees \$200/month plus paying employees that are eligible to retire over the next two years a one-lump sum payment of \$3600.00

Year 2 – Six (6) months of paying current retirees \$200/month plus paying employees that are eligible to retire over the next two years 16% more than what they currently receive of their sick leave payout when employee retirees

Note: Of the 91 Cities and Towns surveyed last year, only 7 have a Retiree Stipend. Those Cities and Towns are:

- Phoenix - \$150/month
- Mesa – Varies (they don’t give amounts)
- Tempe – Varies (they don’t give amounts)
- Sierra Vista – Varies (they don’t give amounts)
- Nogales – Single: \$392; Family \$1024/month
- Safford – Up to \$433/month
- St. Johns - \$2000/month

Data compiled by League of Arizona Cities and Towns