



AGENDA

6:00 PM

CITY OF SAFFORD, CITY COUNCIL MEETING

MONDAY, JUNE 8, 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 Larry Semore will offer the Opening Prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS:**
6. **BOARDS AND COMMISSIONS:**
 1. Request consideration and action on the renewal of four Library Advisory Board member terms. The members are Janet Berry, Candy Green, Sue Rasmussen and Aimee Staten. (Staff, Leanne McElroy) **INFORMATION/DISCUSSION/ACTION**
7. **NEW AND OLD BUSINESS:**
 1. Review of and approval of May 11 and May 26, 2015, Council Meeting Minutes. (Staff, Georgia Luster) **INFORMATION/DISCUSSION/ACTION**
8. **CONSENT RESOLUTIONS:**
 1. Consider approving and adopting Resolution Number 15-020, a proposed revised Fee Schedule for the Safford Regional Airport. (Staff, Dustin Welker) **INFORMATION/DISCUSSION/ACTION**
 2. Consider approving and adopting Resolution Number 15-021, authorizing a Magistrate Agreement reappointing D. Corey Sanders as City Magistrate for the City of Safford. (Horatio Skeete) **INFORMATION/DISCUSSION/ACTION**
9. **CONTRACTS, AGREEMENTS, BIDS:**
 1. This is a request for the City Council to approve a contract with Freidman Recycling Company to partner with the City on providing curb side recycling services to the residents of the City of Safford. The cost to the City would be \$3.00 per household per month and a transportation fee of \$680.00 per pickup of two 40-yard roll-off as needed. (Horatio Skeete) **INFORMATION/DISCUSSION/ACTION**
 2. Review of, and consider approving AquaHawk Alerting “Software-As-A-Service” Managed Services Agreement. (Staff, Terry Quest) **INFORMATION/DISCUSSION/ACTION**
 3. Consider approving and adopting Resolution Number 15-022, approving intergovernmental agreements with Graham County for Animal Shelter, Dispatching, and Information Technologies Services. (Horatio Skeete) **INFORMATION/DISCUSSION/ACTION**



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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.

10. TENTATIVE BUDGET:

1. Consider approving and adopting Resolution Number 15-023, setting forth the Tentative Budget and establishing the maximum budget amount for the City of Safford for Fiscal Year 2015-2016. (Staff, Terry Quest)

INFORMATION/DISCUSSION/ACTION

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

- June 22nd Council Meeting – Adopt Final Budget
- July 13th Council Meeting – Adopt Tax Levy
- July 27th Council Meeting

12. COUNCIL OR STAFF REQUESTS FOR AGENDA ITEMS:

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. EXECUTIVE SESSION:

1. Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property. The City Council will enter executive session to review and discuss a proposed Development Agreement for Annexation of properties owned by Jay and Tami Curtis east of Highway 191 pursuant to *Arizona Revised Statutes* 38-431.03(A)(7). (Staff, Dustin Welker)
2. Employee position changes and classification pursuant to *Arizona Revised Statutes* 38-431.03(A)(5). (Horatio Skeete)
3. Negotiate compensation for the City Manager *Arizona Revised Statutes* 38-431.03(A)(1). (Horatio Skeete)

The City Council may adjourn executive session and return to regular session to take action on any executive session item.

15. ADJOURN:

Date Posted: June 4, 2015

Georgia Luster, MMC, City Clerk



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Leanne McElroy, Library Director
SUBJECT: Renewal of Library Advisory Board terms
DATE: Monday, June 8, 2015 at 6:00 p.m.

Purpose and Recommended Action:

Request consideration and action on the renewal of four Library Advisory Board member terms. The members are Janet Berry, Candy Green, Sue Rasmussen and Aimee Staten. The Library Director will be available to answer any questions prior to requesting action on the term renewals during the June 8th meeting.

Background:

The Library Advisory Board is primarily comprised of community members who volunteer their time to advise, advocate and support the library. They serve for three year terms. All of the members listed in the attached supporting document are seeking renewal of their terms. The library is grateful for their service and the time that they generously give. We ask for your approval so that they can continue in their valuable service to the community.

808 South 7th Ave.
Safford, AZ 85546
May 15, 2015

Safford City Council
P O Box 272
Safford, AZ 85546

Dear Mayor Gibbs and Safford City Council Members:

The Library Advisory Board is recommending the Safford City Council re-approve current Library Advisory Board members:

Janet Berry – continuing for a three year term ending June 30, 2018
Candy Green – continuing for a three year term ending June 30, 2018
Sue Rasmussen – continuing for a three year term ending June 30, 2018
Aimee Staten – continuing for a three year term ending June 30, 2018.

These recommendations were passed at a regular meeting of the Safford City-Graham County Library Advisory Board on March 12, 2015.

Thank you for your consideration of these recommendations.

Sincerely,

A handwritten signature in dark ink, appearing to read 'David Morse', with a long horizontal flourish extending to the right.

David Morse, Chairman,
Safford City-Graham County Library Advisory Board



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Georgia Luster, City Clerk
SUBJECT: Council Meeting Minutes
DATE: Monday, June 8, 2015 at 6:00 p.m.

Purpose and Recommended Action: This is a request for the Council to review and approve May 11 and May 26, 2015 City Council Meeting Minutes. **ACTION**

Attachments: May 11 and May 26, 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, May 11, 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; Randy Petty, City Engineer; Dustin Welker, Planning and Community Development Director; Jenny Howard, Public Works Director/Interim Utilities 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 Johnny Wilson; Sam Napier; Kenny McKinney; Jacque Attaway; Erik Swanson; David Morse; Jason Knight; Terry and Claudia Birdno; Steve McGaughey; Clark Bingham (Fire Chief); James Bryce; and others who did not sign in. Kelly Van Shaar video recorded the meeting. Ken Showers representing Eastern Arizona Courier.

1. **WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:01:39 p.m.
2. **ROLL CALL:** A quorum of the Council was present (7).
3. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the Flag.
4. **OPENING PRAYER:** Pastor Johnny Wilson offered the Opening Prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS:** NONE
6. **PUBLIC HEARING:** At 6:02:39 p.m., Mayor Gibbs opened a Public Hearing pursuant to *Arizona Revised Statutes §38-431.01*, for the purpose of taking public comment relating a Liquor License and to make recommendation to the state liquor board regarding an 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 E. Hwy, 70, Safford, Arizona.

7. **CLOSE PUBLIC HEARING:** Mayor Gibbs closed the Public Hearing at 6:03:45 p.m. There was no public present to comment on the Liquor License application.

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 E. Hwy, 70, Safford, Arizona.** It was moved by Councilman Malloque, seconded by Councilman Ortega, and carried unanimously to recommend approval to the State Liquor Board regarding an Interim Permit/New License, Series 10, Beer and Wine license application #10053038, submitted by Roger Kenneth Burton on behalf of Giant Store #908 located at 300 E. Hwy, 70, Safford, Arizona. **MOTION ADOPTED**
2. **Consider approving Library Policy, CIR-7 Fines and Fees.** Leanne McElroy, Library Director explained the Council reviewed the proposed policy earlier. The policy was posted for sixty-days pursuant to ARS since the policy involves fines and fees. It was moved by Councilman Lopez, seconded by Vice Mayor Bingham and carried unanimously to approve Library Policy, CIR-7 Fines and Fees. **MOTION ADOPTED**
3. **Consider approving April 13 and April 27, 2015, Council Meeting Minutes.** There were no corrections to the minutes. It was moved by Councilman Malloque, seconded by Councilman Ortega, and carried unanimously to approve April 13 and April 27, 2015, Council Meeting Minutes as published. **MOTION ADOPTED**
4. **Provide an update to the Council on changes implemented to the "Pride of Safford" community award program.** Horatio Skeete, City Manager, explained the Pride of Safford committee is recommending some changes to the current program. He invited Leslie Norton to provide an overview of the recommendations. Ms. Norton explained 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 submission of monthly nominations, the nominations average approximately three per year. As a result a vast majority of the nominations subsequently being submitted by the committee members themselves. She explained the revisions continue to honor the principals upon which the program was originally structured; volunteerism and promoting the values of community involvement. Revisions to the program:

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 of 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.

It was moved by Councilman Malloque, seconded by Councilman Lopez, and carried unanimously to approve the recommended changes to the Pride of Safford Community Award Program. **MOTION ADOPTED**

5. **Discussion and direction to staff regarding regional transportation services (Bus Service).** Horatio Skeete, City Manager, stated that he recently attended an Arizona Department of Transportation meeting to discuss a transportation assessment that was done to determine rather or not the time is right and if the demand for a bus service is needed for the Gila Valley. A similar study was conducted in 2007, and that study determined the need did exist, but there were concerns with a lack of commitments from the local jurisdictions to fund a bus service. The new assessment determined that the need for bus services remain. However, based on the fact that some of the existing dedicated bus services being provided in the community are losing their sources of income. Therefore, there is a need to continue to explore the possibility of extending or introducing bus services to the community. He provided a brief background – some of the non-profit services providing services to the aged and/or disabled community are being funded from the Federal Government 5310 Fund. Those funds and contributions are becoming stagnant, costs are increasing, and funding to the different communities have been reduced significantly over the years. Another funding, 5311 Funding for public Transit, has become available and options are being explored. The 5311 funding will fund about 80% of the capital expense and about 58% of the operating costs. The estimated costs for two buses is about \$150,000 out of pocket expenses or for one bus \$75,000 depending on how the remaining costs (20% capital/42% operating costs) are distributed. A cost estimate for the City of Safford is between 30% and 40% (\$30,000 - \$50,000) of the operating costs if the City were to partner with all other entities. A fair way to distribute the costs of providing the service is to consider population as the base distributing factor.

Mayor Gibbs stated that he also attended this meeting and several other transportation studies. The consulting partners are composing the analysis and the real numbers will not be available until the end of July. If bus services comes to fruition, services are still two-three years in the future. There is a need for a limited scope capability. As Mr. Skeete stated, the only equitable way to fund such services is by a percentage by population if all jurisdictions agree. The proposed costs (out of-pocket expenses) for each jurisdiction is 40% -City of Safford; 20% - Thatcher, 20% - Graham County, 10% - EAC, and 10% for Pima. The only way bus services will succeed is if all jurisdictions participate. "Bus services will never make money, it's a service."

It was the consensus of the Council to direct staff to continue discussions.

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.** Dustin Welker explained the request is for a land lease for H-1 space occupied by PHI Air Medical LLC entered into in 2015. PHI has requested an extension of the land lease. An 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. He noted that the attorney for PHI presented some language revisions to the land lease that were also reviewed by the City's attorney, Mr. Sims.

It was moved by Councilman Ortega, seconded by Councilman Malloque, and carried unanimously to 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.

MOTION ADOPTED

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.** Jenny Howard, Interim Utilities Director, explained that back in 2013, the City drilled a well in the Bonita Creek area that is producing 450/500 gallons of water per minute. This Agreement is between Tommy & Betty Clonts and the City of Safford to purchase the well property known as the "Bluff Well" to further develop the well into a municipal water well facility for future use. The City of Safford will own the property, well, and water rights.

It was moved by Councilman Ortega, seconded by Councilman Malloque, and carried unanimously to approve 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.

MOTION ADOPTED

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, City Manager, provided an update and report regarding a meeting he attended at Eastern Arizona College with representatives from the College and Graham County Utilities (Co-op) to discuss the possibility of selling a portion of the City of Safford water system. At this meeting, the discussion of a proposal of selling the 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. Eastern Arizona College is exploring options to deliver water to the campus. The transferring of the service area in Central to the Cooperative

will minimize the number of parties involved in any such agreement. He reviewed the facts of their request, Pros and Cons of an analysis of this request.

Facts:

- Reduce water sold by the City by approximately 80 and 100 million gallons per year.
- No impact on wastewater collection because neither Central nor EAC is currently served.
- Revenue loss to the City is between \$400,000 - \$450,000 per year.
- The City cannot mandate everyone in the City's service area to connect to City's system or stay connected.
- Anyone with the resources can isolate themselves from the City's system

Pros:

- Reduction of service area without any negative impact on City's water rights or current supply.
- Future cost avoidance as it relates to capital upgrades and maintenance.
- Approved subdivision for 65 new homes will not present additional water demands to City's water production.
- Connection of the two utility systems allows for possible emergency assistance in the future should the need arise.
- 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.
- Staff has not discussed possible cost. 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:

- Sudden reduction in cash flows of about \$450,000 annually.
- Precedent setting for other large customers to explore similar options.
- Loss of approximately 80-100 million gallons of water sales and 270 customers will not significantly reduce City's production or operations cost annually.
- Change in water provider may impact Central customer's fire protection rating.

Questions/concerns expressed from Council:

- Would the sale of the infrastructure impact the amended water agreement between city of Safford and Town of Thatcher? (Yes)
- Have boundaries been defined? (Not at this time)
- Portion of Territorial Agreement included a waiting period – will agreement include a time limit? (At this point no time frames have been established)

- Connection between two systems – will their delivery system connect into the City's infrastructure? (No)
- Cost of production does not change. (some minor changes to production)
- Does capital funding (5-year plan) include upgrade in that area? (Yes)
- Concern of 270 customers having no say in transaction. Could increase their utility bill.
- Eastern Arizona College is going to separate system from the City's system, regardless.
- Can well realistically keep up with EAC's water supply demand? (Unknown, but doubtful)

It was the consensus of the Council to direct staff to continue the conversation about the possible sale of the infrastructure within the Central service area to the Co-op.

10. BUDGET PRESENTATIONS:

1. **Provide information to the Mayor and Council about the remaining outstanding elements of the proposed Fiscal Year 2015-2016 Budget.** Mr. Skeete reviewed the Summary of what is being presented to the Council tonight. Mr. Skeete explained the Five-Year Capital Improvement Plan is just a plan and that only the first year of the Capital Plan will be included in this Fiscal Year Budget.
 - 1) Capital Improvement Projects (CIP)
 - 2) Fleet Capital Budget
 - 3) Human Resources 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

Randy Petty, City Engineer, presented the revised CIP listing of projects presented to the Council in February. He began with Page 1 of the CIP document explaining The Capital Project Summary, page numbers have been added to the Table and will correspond with the project page, and have added a CIP Number. Alphanumeric number - the first two letters correspond with the department requesting the project, fiscal year, and finally sequential number. For Example, PD1701 is for the Police Dept., Fiscal Year 17, and the first project being presented. Additionally, a Carryover column was added because the project is carried through this fiscal year and into the next fiscal year. Finally, he explained the "Total" columns: subtotals, carryover, general total, grant total and City portion. He reviewed (Grant) additions that were added after February.

- Fire Department, Page 7: FD1601 – Self Contained Breathing Apparatus Replacement Program \$105,000 will meet immediate need. (3 year program)

- Airport, Page 13: AP1601 - Taxiway A2 Removal/Runway 12/30 (\$600,000 project –FAA will fund for 90% and 10% City match).
- Airport, Page 14: AP1602 – Runway 8/26 Mill & Overlay (\$750,000 project – ADOT will fund 90% of the construction cost and 10% City match).
- Airport, Page 15: AP1603 Runway 8/26 Edge Lighting & Electrical Improvements (\$1,898,000 project – ADOT will fund \$1,708,200 and 10% City match).
- Engineering, Page 21: EN1601 – Purchase of GIS Receiver & Controller (\$18,000).
- Sanitation, Page 24: SA1601 – Recycling Program (\$25,000 to research exploring the options of a private hauler or in-house transportation of materials, facilitating education and outreach).
- Streets, Page 28: ST1603 – Sidewalks (HWY 191-Relation St to US 70) ADOT Improvement Sidewalk Project on US Hwy 191, construction is scheduled to occur next fall or winter)
- Streets, Page 31: ST1607 – 14th Avenue improvements – (\$65,000 for design – project moved up from Fiscal Year 2017 to Fiscal Year 2016).
- Streets, Page 31: ST1608 – West Relation Street – Design moved up to next Fiscal Year.
- Streets, Page 32: ST2002 – Street Improvements 20th Avenue (Golf Course to Relation)
- Streets, Page 33: ST1609 – NRCS Graveyard Wash FRS Assessment - \$20,000 funded by NRCS and \$5,000 funded by City if assessment exceeded \$20,000.
- Streets, Page 37: ST1616 – Birdno Property Demo 1424 W. Thatcher Blvd., Safford. (\$35,000)
- Streets, Page 38: ST1617 – Sign Replacement Citywide (\$76,855 ADOT funded).

Carryover Projects:

- Page 22: PK1501 – Erosion Control 8th Avenue/Highline Canal
- Page 29: ST1501 – Handicap Ramps – do not exist or are not in compliance.
- Page 40: WA1502 – Water Harvesting Grant
- Page 43: WA1501 - Bluff Well Extension
- Page 45: WA1503 - Jensen Addition Water Upgrade (CDBG Project)
- Page 62: WW1501 – Vac-Con/Equipment Storage Building
- Page 63: WW1502 - Manhole Rehabilitation Project
- Page 65: WW1503 - Water Reclamation Pipeline Project

Fleet Capital Budget – Presented by Jenny Howard, Public Works Director.

Jenny Howard explained the City's Fleet Department is in the process of implementing processes that will improve control over preventive maintenance schedules, vehicle rents, fleet purchases and life cycles of all equipment and vehicles. The proposed budget reflects a total replacement cost of \$905,509.00 that includes replacement of three (3) sanitation trucks. Additionally, being proposed is the purchase of RTA Fleet Management Software. This software system will track costs for repair, preventive maintenance, warranties and life cycle of vehicles.

Question about 50/50 Sidewalk Program: Jenny Howard explained 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 prior. The City matches 50% of the project costs.

Human Resources Proposed Budget: Clifford Davis, Human Resources Officer, reviewed the highlights to the proposed Human Resources Budget:

- Education Assistance Program: The program has unfortunately been underutilized. The reduction of 7.52% is due to reducing funding for the program.
- Conduct Salary Survey.

Property Tax Rate: Terry Quest, Finance Director, stated the proposed property tax rate is 0.5316 on a home valued at \$100,000. The assessed value decreased almost \$2 million from the prior year. The rate remains constant and since additional funding is not recommended a Truth in Taxation Hearing is not necessary. Because of the decrease in assessed value, the rate changes slightly in order to maintain the same level of funding.

Horatio Skeete, City Manager, reviewed a detailed list of Long-Term Debt for all funds. He explained the City took advantage of declining interest rates and consolidated a number loans realizing a savings of approximately \$135,000.

Secondly, Mr. Skeete stated that last year, framework was established for a discussion on fund balance. He reviewed a calculation reflecting the current progress towards meeting the objective of building 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 a least two months (16%) of operating revenues in an unrestricted fund balance. Using that standard, 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 a fund balance reserve should be 50% of operating reserves in a non-restricted fund balance. He reviewed Fund Balance Guidelines intended to support the continued financial strength and stability of the City. He reviewed each Fund Balance (General Fund, HURF/Street funds, Debt Service fund, and Enterprise funds) by reviewing a chart indicating minimum standards recommended by GFOA, City of Safford, fund balance for reserves as of June 30, 2015 and fund balance for reserves June 30, 2016.

Councilman Malloque inquired about why the 14th Avenue Project cannot be moved up to FY 2016. Randy Petty, City Engineer, explained the process of the project must coincide with the construction/installation of the reclaimed water line - pipe line must be installed into the ground before starting the 14th Avenue Project. Funding for the design is proposed for FY 15/16 and construction to follow in the subsequent year.

Additionally, he introduced an Economic Development Incentive Reserve Fund to be used to incentivize the growth of local businesses in the community. He proposed starting the fund with a maximum fund balance target of \$1 million over the next three years. If the Council agrees with this initiative, set of policies will be developed governing the fund and brought to Council for adoption. \$20,000 was proposed in this budget to be set aside for this initiative.

Mr. Skeete noted that the Landfill is currently carrying a negative fund balance in excess of \$5.5 million. He is suggesting, once the extension permit is received, to conduct a detailed analysis of the landfill and rate study to address the issues of the Landfill. A recycling program will extend the life of the Landfill, but there is a need to encourage other communities to join in the recycling process.

Mr. Skeete noted the proposed budget for this fiscal year includes 3% for a performance merit pay increase for those employees who exceed an acceptable work performance level along with changes to other benefits: sick leave payout, accumulated vacation payout, sick leave bank and insurance subsidy. Performance merit pay increases will not be across the board, but will be awarded to those exceeding performance. Performance evaluations will be conducted in November. Merit increases become effective the following July.

Mr. Skeete noted the proposed budget for this fiscal year includes a slight change, revising the current across-the-board pay increase for all fire fighters to: 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. Additionally, the Volunteer Firemen Board requested a survey to be done on the Firemen Retirement System. Surveyed 16 communities in Arizona, Texas and east coast. The survey indicates the current retirement system is at or above the standards of other volunteer communities.

A short recess was called at 8:11:22 p.m. The meeting reconvened at 8:19:03p.m.

Cliff Davis reviewed Employee Benefits & Programs. He noted they will be reviewed on an annual basis. This year a holistic approach was taken in order to look at the sustainability of the organization and employees. He reviewed benefits & programs recommending no changes at this time - (See Attachments):

- Retirement Plans
- Police Department Skill Based Salary Program: Council recommended giving consideration to adding (bilingual) Spanish as a training requirement for staff.
- Overtime
- Compensatory Time
- Staff Leaves & Absences
- Sick Leave and FMLA

- Extension of Leave Beyond 12 Work Weeks
- Holiday Pay
- Travel Pay
- Uniform Allowance
- Education Assistance
- Safety Reward Program: To recognize individuals for being safe, promote safe environment, reduced insurance premiums (EMOD) for the organization.
- Pension for Volunteer Firefighters

Proposed Changes & New Programs: (See Attachments)

- Longevity Increase
- Payment for Acting Department Head
- Vacation
- Sick Leave
- Sick Leave Bank
- Donated Leave Program (New Program)
- Funeral Leave
- Retiree Health Insurance Subsidy: Council asked staff to compile a comparison of staff eligible for retirement and of retirees currently receiving a subsidy for their review.

Cliff Davis noted that of the 91 Cities and Towns surveyed by the League of Arizona Cities and Towns, only 7 have a Retiree Stipend. As we make these changes, we must remember that sustainability and its balance for the organization and its employees must be considered.

The Council recommended each change and new program be provided to them in resolution format for consideration and adoption. The Council recommended providing the proposed Safety Reward Program in resolution format.

Mr. Skeete discussed sanitation rates proposing rates be increased 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 proposed 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 (residential only) for each resident in the city limits.

Mr. Skeete also noted that in November 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. Staff is 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 carrying a negative fund balance in excess of \$5 million. In order to keep Landfill rates

reasonable, staff recommends waiving the minimum fund balance requirement for this fund at this time.

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. Mayor Gibbs inquired about the City providing a presentation. No presentation scheduled as of this date.

13. CITIZEN COMMENTS ON NON-AGENDA ITEMS: NONE

14. ADJOURN It was moved by Councilman Malloque, seconded by Vice Mayor Bingham, and carried unanimously to adjourn regular session at 9:26:09 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, May 11, 2015, and approved at a Regular Council Meeting on Monday, June 8, 2015. I further certify the meeting was duly called, held and that a quorum was present.

June 8, 2015
Date: _____

Georgia Luster, MMC, City Clerk



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

**CITY OF SAFFORD
COUNCIL MEETING MINUTES
Tuesday, May 26, 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; Randy Petty, City Engineer; Dustin Welker, Planning and Community Development Director; Jenny Howard, Public Works Director/Interim Utilities Director; Terry Quest, Finance Director; Leanne McElroy, Library Director; Cliff Davis, Human Resources Officer; Sam Napier, I.T.; Sally Holguin, Library; and Georgia Luster, City Clerk. Dale Clark assisted with the audio recording of the meeting.

OTHERS PRESENT: Dr. Phillip Tutor, and Steve McGaughey.

1. **WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:00 p.m.
2. **ROLL CALL:** A quorum of the Council was present (7).
3. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the Flag.
4. **OPENING PRAYER:** Dr. Phillip Tutor offered the Opening Prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS:** NONE
6. **NEW/OLD BUSINESS:**
 1. **Consider a request to renew Turf Paradise Off-track Pari-mutuel Wagering License for Safford Bowl. The term of the permit is from June 1, 2015 through May 31, 2018.** It was moved by Councilman Ortega, seconded by Councilman Malloque, and carried unanimously to renew Turf Paradise Off-track Pari-mutuel Wagering License for Safford Bowl. The term of the permit is from June 1, 2015 through May 31, 2018. **MOTION ADOPTED**

2. **It is Staff's recommendation not to make changes to Police Department Skill Based Salary Program; Overtime & Compensatory Time; Staff Leaves & Absences; Sick Leave & FMLA; Extension of Leave beyond 12 Work Weeks; Holiday Pay; Travel Expenses; Uniform Allowance; Education Assistance; and Pension for Volunteer Firefighters.**

There was discussion about including Spanish into employee training program because of the importance of having bilingual employees to communicate with the citizens.

It was moved by Vice-Mayor Bingham, seconded by Councilman Malloque, and carried unanimously not to make changes to Police Department Skill Based Salary Program; Overtime & Compensatory Time; Staff Leaves & Absences; Sick Leave & FMLA; Extension of Leave beyond 12 Work Weeks; Holiday Pay; Travel Expenses; Uniform Allowance; Education Assistance; and Pension for Volunteer Firefighters. **MOTION ADOPTED**

3. **Review the "Employee Safety Reward Program" and its effectiveness. It is Staff's recommendation to not make any changes to the "Employee Safety Reward Program" at this time.** Rather than a stand-alone program, there was discussion about giving consideration to including the Safety Reward Program into the Employee Merit Program.

It was moved by Councilman Howes, seconded by Councilman Ortega, and carried 6-1 to not make any changes to the "Employee Safety Reward Program." Councilman Malloque opposed. **MOTION ADOPTED**

7. **CONSENT RESOLUTIONS:**

1. Consider approving and adopting Resolution Number 15-014 amending Section 0800, Compensation Plans, of the City of Safford Personnel Manual, establishing an Employee Service Recognition Program.
2. Consider approving and adopting Resolution Number 15-015, amending section 0900, establishing an interim pay for department head, director levels, and supervisor or administrative levels.
3. Consider approving and adopting Resolution Number 15-016 amending Section 2000, Vacations, of the City of Safford Personnel Manual.
4. Consider approving and adopting Resolution Number 15-017 amending Section 2300, Staff/Sick/Funeral Leave, of the City of Safford Personnel Manual.
5. Consider approving and adopting Resolution Number 15-018 amending *Section 2400 Sick Leave Bank*, of the City of Safford Personnel Manual and replacing it with a Donated Leave Program.

The City Clerk read the Titles and Numbers of Resolution Numbers 15-014, 15-015, 15-016, 15-017 and 15-018. It was moved by Councilman Ortega, seconded by Councilman Howes, and carried unanimously to approve and adopt Resolution Number 15-014 amending Section 0800, Compensation Plans, of the City of Safford Personnel Manual, establishing an Employee Service Recognition Program; approve and adopt Resolution Number 15-015, amending section 0900, establishing an interim pay for department head, director levels, and supervisor or administrative levels; approve and adopt Resolution Number 15-016 amending Section 2000, Vacations, of the City of Safford Personnel Manual; approve and adopt Resolution Number 15-017 amending Section 2300, Staff/Sick/Funeral Leave, of the City of Safford Personnel Manual; and approve and adopt Resolution Number 15-018 amending *Section 2400 Sick Leave Bank*, of the City of Safford Personnel Manual and replacing it with a Donated Leave Program. **MOTION ADOPTED**

6. **Consider approving and adopting Resolution Number 15-019 revising employee retiree health insurance subsidy.** Cliff Davis, Human Resources Officer, explained Resolution Number 15-019 allows current retirees receiving the retiree health insurance subsidy as of June 30, 2015, shall receive a percentage of \$433.36 per month based on years of service with the City of Safford. (See chart below)

| | | |
|------------------|------|----------|
| 10 – 14.99 years | 40% | \$173.34 |
| 15 – 19.99 years | 60% | \$260.02 |
| 20 – 24.99 years | 80% | \$346.69 |
| 25 and Over | 100% | \$433.36 |

This amount is to cover the retiree's portion of out of pocket insurance premiums only and said health insurance subsidy is paid up to age 65 or Medicare eligible due to disability. Additionally, all active employees as of July 1, 2015 that are eligible to retire between July 1, 2015 and June 30, 2017, will receive a one-lump sum payment of \$3,600 (\$200 month for 18 months) paid into a Retirement Healthcare Account. Finally, all other active employees will not be eligible for the retiree health insurance subsidy upon retirement.

There was a discussion regarding the previous presentation (May 11, 2015) and recommendation that 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 15, 2015. After the 18 month period has expired, the subsidy is discontinued. Secondly, 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 a newly created Retirement Healthcare Account. This proposal was submitted because the current Program is not sustainable to the City of Safford.

It was moved by Councilman Howes, seconded by Councilman Ortega, and carried 5-2 to approve and adopt Resolution Number 15-019 revising employee retiree health insurance subsidy. Current retirees receiving the retiree health insurance subsidy as of June 30, 2015, shall receive a percentage of \$433.36 per month based on years of service with the City of Safford. (See chart below)

| | | |
|------------------|------|----------|
| 10 – 14.99 years | 40% | \$173.34 |
| 15 – 19.99 years | 60% | \$260.02 |
| 20 – 24.99 years | 80% | \$346.69 |
| 25 and Over | 100% | \$433.36 |

This amount is to cover the retiree's portion of out of pocket insurance premiums only and said health insurance subsidy is paid up to age 65 or Medicare eligible due to disability. Additionally, all active employees as of July 1, 2015 that are eligible to retire between July 1, 2015 and June 30, 2017, will receive a one-lump sum payment of \$3,600 (\$200 month for 18 months) paid into a Retirement Healthcare Account. Finally, all other active employees will not be eligible for the retiree health insurance subsidy upon retirement. Councilman Malloque and Vice Mayor Bingham opposed. **MOTION ADOPTED**

8. 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 Report
11. Expense Report over \$5,000
12. Purchasing Card Report

There was a short discussion about the following items included in the above reports:

- Eliminating the Purchasing Card Report. However, the majority of the Council prefers the report remain.
- Shooting Range maintained by the City of Safford.
- Education Assistance Program.

9. CONTRACTS, AGREEMENTS, BIDS:

1. Consider ratifying the existing Sole Source Contract with Mikes Drilling, L.L.C. Jenny Howard, Interim Utilities Director, explained the City is continuing water exploration and

asked the Council to ratify an existing Sole Source Contract with Mike's Drilling, L.L.C. Mike's Drilling will drill a 12" well approximately 180-210 feet deep on the Amadeo Fajardo property. Mike's Drilling will proceed with a rotary drilling method in order to reach the property depth within a minimum time frame as the drilling is a condition of the required easement from Mr. Fajardo. Once the easement is acquired, the City will begin the installation of a 12 main from the newly purchased Clont's well to the Bonita Transmission.

It was moved by Councilman Malloque, seconded by Councilman Lopez, and carried unanimously to ratify existing Sole Source Contract with Mikes Drilling, L.L.C. **MOTION ADOPTED**

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

- Monday, June 8th Regular Council Meeting – Adopt Tentative Budget
- Monday, June 22nd Council Meeting – Public Hearing to adopt Final Budget
- Thursday, July 4th City Offices will be closed in observance of the 4th of July Holiday (Saturday, July 4th)
- Monday, July 13th - Regular Council Meeting – Adopt Tax Levy
- Monday, July 27th – Council Meeting

City Manager Skeete:

- Attended a joint meeting comprised with representatives from Pima, Thatcher and Graham County to discuss and compose a water efficiency ordinance Valley wide.
- Attended a meeting with representatives from Eastern Arizona College and the Town of Thatcher to continue discussions about a proposal from the College to purchase the Central area water infrastructure. The College shall complete a Feasibility Study.
- Will attend a Gila Water Shed Meeting on June 17th.

11. COUNCIL OR STAFF REQUESTS FOR AGENDA ITEMS: NONE

12. CITIZEN COMMENTS ON NON-AGENDA ITEMS: NONE

13. ADJOURN: It was moved by Councilman Howes, seconded by Vice Mayor Bingham, and carried unanimously to adjourn regular session at 6:48:45 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 Tuesday, May 26, 2015, and approved at a Regular Council Meeting on Monday, June 8, 2015. I further certify the meeting was duly called, held and that a quorum was present.

June 8, 2015
Date: _____

Georgia Luster, MMC, City Clerk

DRAFT



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Dustin Welker, Planning and Community Development Director
SUBJECT: Airport Fees
DATE: Monday, June 8, 2015 at 6:00 p.m.

Purpose: Approve Resolution 15-020, a proposed revised Airport Fee Schedule.

Background: The revised proposed Airport Fee Schedule was presented at the April 13th Council meeting and has been posted to the public for 60 days and is now ready for a vote by the Council.

Attached: Proposed Fee Schedule, Current Fee Schedule, Resolution 15-020

RESOLUTION NUMBER 15-020

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA REVISING FEES AND CHARGES FOR THE SAFFORD REGIONAL AIRPORT.

WHEREAS, under the provisions of A.R.S. 28-8419.A. the City Council is authorized to establish fees or charges for the use of airport facilities; and

WHEREAS, it is deemed to be in the best interest of the City of Safford that the City Council establish such a system in order to support the continued maintenance and operation of the Safford Regional Airport.

NOW, THEREFORE BE IT RESOVED by the Mayor and Council of the City of Safford that all previous resolutions concerning Airport Fees and Charges are hereby rescinded and superseded by this resolution.

Fees and charges are established by the attachment for the Safford Regional Airport.

PASSED, ADOPTED, AND APPROVED by the Mayor and City Council of the City of Safford this 8th day of June, 2015.

Wyn "Chris" Gibbs, Mayor

ATTEST:

APPROVED AS TO FORM:

Georgia Luster, MMC
City Clerk

William J. Sims, III
Interim City Attorney

State of Arizona)
) ss
County of Graham)

CERTIFICATION

I HEREBY CERTIFY, that the foregoing Resolution Number 15-020 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a Council Meeting held June 8, 2015, and that a quorum was present at the meeting.

Georgia Luster, MMC, City Clerk

Date:

Safford Regional Airport Fee Schedule

| | |
|--|--|
| Access Card Deposit Fee | \$25.00 |
| Access Card Replacement Fee | \$50.00 |
| Fuel Flowage Fees: | |
| Jet A | \$0.08/gallon |
| 100 Octane Low Lead | \$0.06/gallon |
| Late Payment Fees | \$10.00 per month - or as otherwise specified by contract-payments over 30 days delinquent subject to the penalties imposed under Chapter 19.32 of the City of Safford Municipal Code |
| Annual Aeronautical Business Permit Fee | \$120.00 |
| Annual Aerial Applicator Permit Fee | \$500.00 |
| T-Hangar Rental | \$85.00/month |
| Aircraft Shade Rental | \$55.00/month |
| Monthly Tie-down Fees: | |
| Small Aircraft (length up to 35', wingspan up to 40') | \$35.00/month |
| Large Aircraft (length over 35' or wingspan over 40') | \$55.00/month |
| Transient Tie-down Fees (fees waived if fuel is purchased): | |
| Single Engine | \$5.00 |
| Twin Engine | \$10.00 |
| Jet or Turboprop | \$40.00 – less than 12,500 pounds \$75.00 – greater than 12,500 pounds |
| Ground Lease for Unimproved Hangar Site with Taxiway Access | \$0.12/sq. ft. per year |
| Ground Lease for Unimproved Hangar Site off Taxiway | \$0.08/sq. ft. per year |
| Ground Lease for Commercial Site | \$0.05/sq. ft. per year, minimum 5 year lease |
| Hangar Lease (Inflation) | 3% annual increase (renewable leases) |
| Ground Lease (Inflation) | 3% annual increase (renewable leases) |

RESOLUTION NO. 08-050

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAFFORD SETTING FEES AND CHARGES FOR THE SAFFORD REGIONAL AIRPORT FOR JANUARY 1, 2009 – DECEMBER 31, 2009.

BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE CITY OF SAFFORD, ARIZONA:

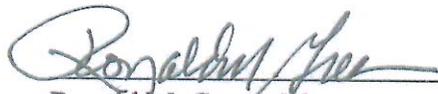
WHEREAS, under the provisions of A.R.S. 28-8419.A. the City Council is authorized to establish fees or charges for the use of airport facilities; and

WHEREAS, it is deemed to be in the best interest of the City of Safford that the City Council establish such a system in order to support the continued maintenance and operation of the Safford Regional Airport.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the City of Safford:

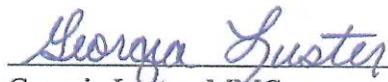
The following rates and charges are established for the Safford Regional Airport effective January 1, 2009 and extending through December 31, 2009.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAFFORD, ARIZONA THIS 15th day of December, 2008.



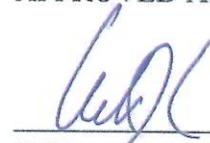
Ronald M. Green, Mayor

ATTEST:



Georgia Luster, MMC
City Clerk

APPROVED AS TO FORM:



William J. Sims
Interim City Attorney

Resolution No. 08-050

December 15, 2008

Page 2

AIRPORT RATES AND CHARGES EFFECTIVE JANUARY 9, 2009 EXTENDING THROUGH DECEMBER 31, 2008.

| | |
|--|--|
| Access Card Deposit Fee | \$25.00 |
| Access Card Replacement Fee | \$50.00 |
| Fuel Flowage Fees: | |
| Jet A | \$0.08/gallon |
| 100 Octane Low Lead | \$0.06/gallon |
| Late Payment Fees | \$10.00 per month - or as otherwise specified by contract-payments over 30 days delinquent subject to the penalties imposed under Chapter 19.32 of the City of Safford Municipal Code |
| Annual Aeronautical Business Permit Fee | \$120.00 |
| Annual Aerial Applicator Permit Fee | \$500.00 |
| T-Hangar Rental | \$85.00/month |
| Aircraft Shade Rental | \$55.00/month |
| Tie-down Fees: | |
| Small Aircraft (length up to 35', wingspan up to 40') | \$22.00/month |
| Large Aircraft (length over 35' or wingspan over 40') | \$35.00/month |
| Transient Parking Fee (fee waived with fuel purchase) | \$5.00/night |
| Ground Lease for Unimproved Hangar Site with Taxiway Access | \$0.12/sq. ft. per year |
| Ground Lease for Unimproved Hangar Site off Taxiway | \$0.08/sq. ft. per year |
| Ground Lease for Commercial Site | \$0.05/sq. ft. per year, minimum 5 year lease |
| Hangar Lease (Inflation) | 3% annual increase (renewable leases) |
| Ground Lease (Inflation) | 3% annual increase (renewable leases) |



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Horatio Skeete, City Manager
SUBJECT: Renewal of the City magistrate Contract
DATE: Monday, June 8, 2015 at 6:00 p.m.

Purpose and Recommended Action: This is a request for the City Council to approve the renewal of the City Magistrate Court contract with Judge D. Corey Sanders for an additional two (2) years, July 1, 2015 through June 30, 2017, at the monthly salary of \$2,100 per month.

Background:

Judge Sanders has been serving as the city magistrate since March 1999 and has expressed a desire to continue in that capacity for another two years. To my knowledge we have not received any complaints about his performance and the staff at the court is very pleased and excited with his decision to continue to serve as our Judge. I am looking forward to working with him for at least another two years.

RESOLUTION NUMBER 15-021

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA APPOINTING D. COREY SANDERS AS CITY MAGISTRATE.

WHEREAS, the City of Safford is required to appoint a magistrate pursuant to Chapter 2.48 of the *City of Safford Municipal Code* for a period of not less than two years; and,

WHEREAS, D. Corey Sanders has previously served in such capacity and desires to continue his service; and,

WHEREAS, it is the desire to extend the contract for an additional two (2) years, July 1, 2015 through June 30, 2017; and,

NOW THEREFORE BE IT RESOLVED, by the Mayor and City Council of the City of Safford, that D. Corey Sanders is hereby re-appointed the Safford City Magistrate as a part time exempt employee without benefits except for Arizona State Retirement System at the rate of \$2,100.00 monthly, effective July 1, 2015.

PASSED, ADOPTED, AND APPROVED by the Mayor and City Council of the City of Safford this 8th day of June, 2015.

Wyn "Chris" Gibbs, Mayor
City of Safford

ATTEST:

APPROVED AS TO FORM:

Georgia Luster, MMC, City Clerk

William J. Sims, III
Interim City Attorney

STATE OF ARIZONA)
) ss
County of Graham)

CERTIFICATION

I HEREBY CERTIFY, that the foregoing Resolution Number 15-021 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a regular council meeting held June 8, 2015. A quorum of the Council was present at the meeting.

Georgia Luster, MMC, City Clerk

Date:

**SAFFORD MAGISTRATE COURT
JUDGE APPOINTMENT AGREEMENT**

WHEREAS, the City of Safford is a municipal corporation authorized by *Arizona Revised Statutes* §22-403, and the *Safford Municipal Code*, Chapter 2.48, to appoint a Magistrate for at least two (2) years; and,

WHEREAS, the City Manager has recommended, and the council has appointed D. Corey Sanders as Magistrate of the City of Safford for the term of two (2) years, beginning July 1, 2015 and ending June 30, 2017; and,

THEREFORE, the parties agree as follows:

1. The Magistrate shall serve for two (2) years beginning July 1, 2015 and ending June 30, 2017.
2. The City shall pay, and the Magistrate agrees to accept, as a fee for compensation a rate of \$2,100 per month. The parties understand and agree that this amount shall not be increased during the term.
3. The parties understand and agree that the City of Safford cannot revoke the appointment for a period of two (2) years, except for cause, and also understand and agree that the Magistrate has the right to submit a resignation at any time. The Magistrate agrees that resignation requires sixty (60) days notice to the City of Safford.
4. The Magistrate understands and agrees to perform all applicable duties described by *Arizona Revised Statutes*, Chapter 2.48 of the *Safford Municipal Code*, and the Magistrate Job Description. The Magistrate shall meet weekly with the Court Administrator/Clerk to schedule trials, hearings, arraignments, initial appearances and other matters requiring a judge, and shall appear, attend and preside at the schedule times. The Magistrate will obtain and maintain training required to maintain the position as Magistrate.
5. The parties understand and agree that the Magistrate is an independent contractor and not an employee of the City of Safford. In the event the health benefit plan of the City makes an exception to allow part-time contract positions to be included, then the Magistrate may, at his own expense, elect such health coverage. The parties further understand and agree that the duties are part-time, and that the



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Horatio Skeete, City Manager
SUBJECT: Residential Recycling
DATE: Monday, June 8, 2015 at 6:00 p.m.

Purpose and Recommended Action: This is a request for the City Council to approve a contract with Freidman Recycling Company to partner with the City on providing curb side recycling services to the residents of the City of Safford. The cost to the City would be \$3.00 per household per month and a transportation fee of \$680.00 per pickup of two 40-yard roll-off as needed.

Background:

After communicating with the local recycling group GCRC who declined interest in the opportunity, the City posted a Request for Proposals for interested parties on March 7, 2015. Following the required two weeks advertisement period and direct outreach to five (5) other recycling provides, the City received one response which was from Freidman Recycling Company.

Aside from the environmental reasons to consider recycling, the current conditions at the City owned landfill warrant us exploring a variety of options to extend its useful life. Currently under the best of circumstances, the landfill has a life expectancy of four (4) years. Without taking any different measures, our overburdened landfill will continue to be stressed to a critical level and the financial strain will continue to grow at an exorbitant rate.

Analysis:

The extremely short life expectancy of the landfill and large debt obligation associated with its closure is evidence that the status quo approach is not in the City's best interest. Coupled with the permit extension application to ADEQ, we believe the implementation of a recycling program will proactively reduce the amount of waste dumped into City's landfill. In doing so,

this would extend the landfills life and reduce operating cost. The staff goal is to achieve a diversion rate of recyclable materials by the year 2020 of 40%.

How are we going to pay for recycling? In order to calculate the cost of recycling to the City, the following assumptions were made:

- The program will start with 3,330 residents (the current number of residents served by the City of Safford).
- 12-15% of the average monthly collection will be diverted to recycling.
- Rebates received from the sale of recyclables would average \$18 per ton.
- The City will average 2 pick-ups per month (each pickup will be two (2) 40-yard roll-offs).

Using these numbers, the estimated raw cost to the City to provide this service is approximately \$15,430 per month or \$185,160 per year. These costs will be off-set by three revenue sources for cost avoidance.

1. The monthly cost for the containers provided by Freidman will be paid for from the sanitation fees.
2. The transportation cost will be off-set by the diversion of the landfill fees avoided by not dumping into the landfill and the rebates received for the sale of the recyclable materials.

Following a full year of actual numbers, we recommend the landfill “dump fee” be adjusted to cover any negative costs that may be associated with this service. In order to make recycling immediately available to all residents of the valley and users of the landfill, we also recommend the City establish a new landfill rate for recyclable materials delivered to the landfill. This cost will be calculated based on the transportation cost of the recycled materials less the revenues received from the sale of the materials. Using these estimates for the first year, the recycle rate would be \$38 per ton.

The anticipated date to start the Citywide recycling program is August 1, 2015.

| City of Safford | | | |
|--|--|------------------|----------------------|
| Curbside Collection cost analysis | | | |
| | | Month | Year |
| Basic information: | | | |
| | | | |
| | Number of residential units | 3,330 | |
| | cost per household | 3.00 | - |
| | Tons diverted per month | 100 | 1,200 |
| | Number of trailer pulls per month | 8 | |
| | Recycling disposal cost per pull | 680.00 | |
| | Landfill Disposal cost per ton | 42.00 | |
| | Current average rebate on recyclable per ton | 18.00 | |
| | Other facts | | |
| | Recycle materials collected once per week | | |
| | FRC provides all containers | | |
| | FRC Develops a website for city | | |
| | FRC supply PR information | | |
| | | | |
| Revenue and sources of funding: | | \$ | \$ |
| | | | |
| | Land fill diversion cost | 4,200.00 | 50,400.00 |
| | Rebate from sale of materials | 1,440.00 | 17,280.00 |
| | * Sanitation diversion rate | 9,900.00 | 118,800.00 |
| | | <u>15,540.00</u> | <u>\$ 186,480.00</u> |
| Cost | | | |
| | Container | 9,990.00 | 119,880.00 |
| | Transportation | <u>5,440.00</u> | <u>65,280.00</u> |
| | Total cost | <u>15,430.00</u> | <u>185,160.00</u> |
| Net difference | | \$ 110.00 | \$ 1,320.00 |
| | | | |
| | * The monthly cost associated with the containers is already included in the current and proposed sanitation rate. | | |

City of Safford
Recycling Processing Services
Contract for Services

THIS CONTRACT is entered into this the [REDACTED] day of [REDACTED], 2015 (“Effective Date”), by and between Friedman Recycling Company, Inc. (hereinafter known as the “Contractor”), an Arizona corporation authorized to do business in the State of Arizona whose address is 3640 W. Lincoln Street, Phoenix, Arizona 85009, and the City of Safford (hereinafter known as the “City”), an Arizona municipal corporation, whose address is 717 W. Main Street, Safford, Arizona 85546.

The City engages the Contractor to perform services for a project known and described as “**Recycling Processing Services**”.

1. Scope of Contractor’s Services and Term.

The Contractor agrees to provide recycling processing services to the City consistent with the criteria identified in the **City of Safford Request for Proposal for Recycling Processing Services** (“RFP”) attached hereto as Exhibit “A” and incorporated herein by reference. No material labor, or facilities will be furnished by the City, unless otherwise provided for in the CONTRACT.

The initial term of this Contract shall commence on the Effective Date (“Commencement Date”). The term of this Contract shall continue for a period of five years from the Commencement Date (the “Initial Term”). Prior to the expiration of the initial five (5) year term this Contract may be renewed by the parties for an additional three (3) year term pending written mutual agreement. If the parties have not mutually agreed to a renewal on or before sixty (60) days prior to the expiration of the initial term, this Contract shall terminate at the expiration of the initial five (5) year term.”

2. Accounting and Payment to the City.

Payment to the City for recyclables accepted under this CONTRACT shall be a sum(s) of \$18.00 per ton, subject to monthly adjustment. The amount of compensation shall be the unit price for the recyclables multiplied by the actual quantity of the recyclables provided during the previous month. Monthly payments to the City shall be supported by itemized documentation of load weights received by the Contractor. The City shall be compensated on or before the last day of each month for the recyclables provided during the previous month.

Payment to the Contractor for services provided under this CONTRACT shall be a sum(s) of \$3.00 per household per month with a minimum of 3,330 households and \$680 per pick up of the two (2) 40YD Open Tops.

3. Assignment and Subcontracting.

No portion of this Contract may be assigned or subcontracted to any other individual, firm, or entity without the express and prior written approval of the Contact Person identified in Section 2.14 of page 4 of the RFP, whose approval shall not be unreasonably withheld. It will be the responsibility of the Contractor to ensure that any and all Subcontractors comply with the terms and conditions of this CONTRACT and that City of Safford is named as express third-party beneficiary of such subcontracts with full rights as such.

4. Independent Contractor.

The Contractor's services shall be furnished by the Contractor as an independent Contractor and nothing contained herein shall be construed to create a relationship of employer-employee or master-servant, but all payments made hereunder and all services performed shall be made and performed pursuant to the CONTRACT by the Contractor as an independent Contractor.

5. No Guarantee of Employment.

The performance of all or part of this Contract by the Contractor shall not operate to vest any employment rights whatsoever and shall not be deemed to guarantee any employment of the Contractor or any employee of the Contractor or any Subcontractor or any employee of any Subcontractor by the City at the present time or in the future.

6. Taxes.

The Contractor understands and acknowledges that the City will not withhold federal or state income taxes. Where required by state or federal law, the Contractor authorizes the City to make withholding for any taxes other than income taxes (i.e., Medicare). All compensation received by the Contractor will be reported to the Internal Revenue Service at the end of the calendar year in accordance with the applicable IRS regulations. It is the responsibility of the Contractor to make the necessary estimated tax payments throughout the year, if any, and the Contractor is solely liable for any tax obligation arising from the Contractor's performance of this CONTRACT. The Contractor

hereby agrees to indemnify the City against any demand to pay taxes arising from the Contractor's failure to pay taxes on compensation earned pursuant to this CONTRACT.

The City will pay sales and use taxes imposed on goods or services acquired hereunder as required by laws. The Contractor must pay all other taxes including, but not limited to, Business or Occupation Tax, taxes based on the Contractor's gross or net income, or personal property to which the City does not hold title.

7. Regulations and Requirements.

This Contract shall be subject to all laws, rules and regulations of the United States of America, the State of Arizona, and the City of Safford.

8. Rights to Review.

This Contract may be subject to review by any federal or state auditor. The City or its designee shall have the right to review and monitor the financial and service components of this program by whatever means are deemed expedient by the City. Such review may occur with or without notice, and may include, but is not limited to, onsite inspection by the City agents or employees, inspection of all records or other materials which the City deems pertinent to the CONTRACT and its performance, and any and all communications with or evaluations by service recipients under this CONTRACT. The Contractor shall preserve and maintain all financial records and records relating to the performance of work under this CONTRACT for five (5) years after the Contract termination and shall make them available for such review within the City of Safford, , upon request.

9. Modifications.

Either party may request changes in the CONTRACT. Any and all agreed modifications shall be in writing, signed by each of the parties.

10. Termination for Default or Decision by Contractor.

If the Contractor defaults by failing to perform any of the obligations of this Contract, the City shall submit to Contractor written notification of Intent to Terminate Contract which identifies the breach and reasons for seeking termination. The Contractor shall then have thirty (30) days to cure the breach and to provide written notification to the City that the breach was remedied. If the notice is received by the City and the breach is cured within thirty (30) days, the Contract shall continue. If after thirty (30) days the breach has not been cured or if the breach was not cured in a commercially reasonable manner, the Contract shall automatically terminate. After termination, Contractor shall be compensated for all services it performed and its costs

incurred up to the effective date of termination for which Contractor has not been previously compensated and the City shall be compensated for any amounts due the City under Section 2 of this Contract to which it is entitled and which had not been issued prior to the termination of the Contract.

If the Contractor defaults by becoming insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefits of creditors, the City may, by depositing written notice to the Contractor in the U.S. mail, postage prepaid, terminate the Contract, and at the City's option, obtain performance of the work elsewhere. If a notice of termination for default has been issued and it is later determined for any reason that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the notice of termination has been issued pursuant to the Termination for Public Convenience paragraph hereof.

If the Contractor decides to terminate the Contract prior to the expiration date of the Initial Term, the Contractor must provide the City with a minimum sixty (60) day written notice of intent to terminate contract. The Contractor shall compensate the City for all outstanding payments due on comingled recyclables received by the Contractor. In the event the Contractor fails to provide a minimum sixty (60) day notice of termination, the Contractor shall bear any extra expenses incurred by the City in transporting recyclables to an alternative recycling facility during the prorated notice period.

11. Termination for Public Convenience.

The City may terminate the Contract in whole or in part whenever the City determines, in its sole discretion that such termination is in the best interest of the City. Termination of this Contract by the City at any time during the term, whether for default or convenience, shall not constitute a breach of Contract by the City. Notwithstanding anything herein to the contrary, if this Contract is terminated, prior to the end of the Initial Term, for any reason other than default by Contractor, subject to the notification and cure period described above, in lieu of any claim for damages, lost revenues, or lost profits, Contractor shall be entitled to reimbursement from City of: (i) the cost to recover and remove each curbside collection cart at a rate of \$5.00 per cart and (ii) \$3.00 per household multiplied by the remaining months in the Initial Term as reimbursement for Contractor's unrecoverable investment in vehicles, equipment, and various start-up expenses. If City terminates the Contract during the extension period the City will pay \$5.00 per cart and \$1.50 per household multiplied by the remaining months on the Contract.

12. Equal Opportunity.

This CONTRACT, and the parties thereto, shall comply with the provisions of Arizona Executive Order 75-5 as amended by Arizona Executive Order 99-4 as they relate to equal opportunity.

13. Venue and Choice Law.

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this CONTRACT, the venue of such action of litigation shall be in the courts of the State of Arizona in and for the County of Graham. This CONTRACT shall be governed by the laws of the State of Arizona.

14. Insurance.

INSURANCE REQUIREMENTS

Concurrently with the execution of this Contract, the CONTRACTOR will furnish the City of Safford a certificate of insurance on a standard insurance industry ACORD form.

The CONTRACTOR, Subcontractor and Sub consultants must procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property, which may arise from or in connection with the performance of the work by the CONTRACTOR, his agents, representatives, employees, or Subcontractors.

The insurance requirements are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract.

The City in no way warrants that the minimum limits are sufficient to protect the CONTRACTOR from liabilities that might arise out of the performance of the agreed contact services under this Contract by the CONTRACTOR, his agents, representatives, employees, Subcontractors or Sub consultants and the CONTRACTOR is free to purchase any additional insurance as may be determined necessary. The City will not pay for any limits, but if the CONTRACTOR pays for insurance with higher limits, the CONTRACTOR will name the City as an additional insured on any additional insurance.

MINIMUM SCOPE AND LIMITS OF INSURANCE.

The CONTRACTOR must provide coverage at least as broad and with limits of liability not less than those stated below.

Commercial General Liability-Occurrence Form

General Liability/Aggregate

\$1,000,000/\$2,000,000

Products-Completed Operations Aggregate \$2,000,000

Personal & Advertising Injury \$2,000,000

Each Occurrence \$1,000,000

Fire Damage (Any one fire) \$100,000

Medical Expenses (Any one person) Optional

Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles

Combined Single Limit per Accident \$1,000,000

For Bodily Injury and Property Damage

Workers Compensation and Employers Liability:

Workers Compensation Limits Statutory

Employers Liability: Each Accident \$100,000

Disease – Each Employee \$100,000

Disease – Policy Limit \$100,000

SELF-INSURED RETENTIONS

Any self-insured retentions and deductibles must be declared to and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.

OTHER INSURANCE REQUIREMENTS

The policies are to contain, or be endorsed to contain, the following provisions:

Commercial General Liability and Automobile Liability Coverages:

The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City of Safford, its officers, officials, agents and employees are additional insured's with respect to liability arising out of

activities performed by, or on behalf of, the CONTRACTOR including the City's general supervision of the CONTRACTOR; Products and completed operations of the CONTRACTOR; and automobiles owned, leased, hired, or borrowed by the CONTRACTOR.

The City, its officers, officials, agents, and employees must be additional insured's to the full limits of liability purchased by the CONTRACTOR even if those limits of liability are in excess of those required by this Contract.

The CONTRACTOR'S insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees must be in excess of the coverage provided by the CONTRACTOR and must not contribute to it.

The CONTRACTOR'S insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Coverage provided by the CONTRACTOR must not be limited to the liability assumed under the indemnification provisions of this Contract.

The policies must contain a waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from work performed by the CONTRACTOR for the City.

Worker's Compensation and Employers Liability Coverage: The insurer must agree to waive all rights of subrogation against the City, its officers, officials, agents, employees, and volunteers for losses arising from work performed by the CONTRACTOR for the City.

Claims Made: In the event any insurance policies required by this Contract are written on a "claims made" basis, coverage must extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the work or services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the required provisions for the three (3) year period.

SUBCONSULTANT'S AND SUBCONTRACTOR'S INSURANCE

The SUBCONTRACTOR'S certificates must include all Subcontractors and Sub consultants as insured's under its policies or the CONTRACTOR must maintain separate certificates and endorsements for each Subcontractor and Sub consultant. All coverage's for Subcontractors and Sub consultants must be in the amounts shown in Article 6.2.

NOTICE OF CANCELLATION

Each insurance policy required by the insurance provisions of this Contract must provide the required coverage and may not be suspended, voided, canceled, reduced in coverage or in limits except after first giving thirty (30) days written notice, by certified mail, return receipt requested to: City of Safford Risk Management Office, 717 W. Main Street, Safford, Arizona 85546.

ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with an A. M. Best's rating of no less than B++6. The City in no way warrants that the above required minimum insurer rating is sufficient to protect the CONTRACTOR from potential insurer insolvency.

VERIFICATION OF COVERAGE

The CONTRACTOR must furnish the City Certificate of Insurance ACORD form or equivalent approved by the City and with original endorsements effecting coverage as required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverages must be clearly noted on the Certificate of Insurance.

All certificates and endorsements are to be received and approved by the City before work commences. Each insurance policy required by this Contract must be in effect on or before the earlier of commencement of work under the Contract Documents or the signing of this Contract. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All Certificates of Insurance required by this Agreement shall be sent directly to the City of Safford Clerk's Office. **The project name must be included on the Certificate of Insurance.** The City of Safford shall be included as the "Certificate Holder" and named additional insured. The City reserves the right to require complete, certified copies of all insurance policies required by this Contract, at any time.

APPROVAL

Any modification or variation from the insurance requirements in this Contract must be approved by the City of Safford Risk Management Office, whose decision is final. This action will not require a formal contract amendment, but may be made by administrative action.

15. Future Non-Allocation of Funds.

If sufficient funds are not appropriated or allocated under this Contract for any future fiscal period, the City will not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. Notwithstanding anything herein to the contrary, and to the extent permitted by law, if this Contract is terminated, prior to the end of the Initial Term, for any reason other than default by Contractor, subject to the notification and cure period described above, in lieu of any claim for damages, lost revenues, or lost profits, Contractor shall be entitled to reimbursement from City of: (i) the cost to recover and remove each curbside collection cart at a rate of \$5.00 per cart and (ii) \$3.00 per household multiplied by the remaining months in the Initial Term as reimbursement for Contractor's unrecoverable investment in vehicles, equipment, and various start-up expenses. If city terminates the contract during an extension period the city will pay \$5.00 per cart and \$1.50 per household multiplied by the remaining months on the Contract.

16. Protection of Licensee Data.

Contractor warrants that the Contractor's installation, maintenance, and upgrade of any software provided hereunder shall not result in the use or disclosure by the Contractor of any information concerning a patient/client obtained by the City in providing service in violation of any State laws, Federal laws, including, but not limited to, the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), and any federal regulations governing privacy, including, but not limited to, 45 CFR Section 160-164, as well as other applicable federal and state statutes and regulations.

17. Contractor Commitments, Warranties and Representations.

Any written commitment received from the Contractor concerning this CONTRACT shall be binding upon the Contractor, unless otherwise specifically provided herein with reference to this paragraph. Failure of the Contractor to materially fulfill such a commitment shall result in a breach of this Contract. A commitment includes, but is not limited to any representation made prior to execution of this CONTRACT, whether or not incorporated elsewhere herein by the reference, as to performance of services or

equipment, prices or options for future acquisition or remain in effect for a fixed period, or warranties.

18. Patent/Copyright Infringement.

Contractor will defend and indemnify the City from any claimed action, cause or demand brought against the City, to the extent such action is based on the claim that information supplied by the Contractor infringes any patent or copyright. The Contractor will pay costs and damages attributable to any such claims that are finally awarded the City in any action. Such defense and payments are conditioned upon the following:

- a. That Contractor shall be notified promptly in writing by the City of any notice of such claims;
and
- b. Contractor shall have the right, hereunder, at its option and expense, to obtain for the City the right to continue using the information, in the event such claim of infringement is made, provided no reduction in performance or loss results to the City.

19. Disputes.

19.1 General. Differences between the Contractor and the City, arising under and by virtue of this Contract shall be brought to the attention of the City at the earliest possible time in order that such matters may be settled or other appropriate action promptly taken. Except for such objections as are made of record in the manner hereinafter specified and within the time limits stated, the records, orders, rulings, instructions and decisions of the Contracting Officer shall be final and conclusive.

19.2 Notice of Potential Claims. The Contractor shall not be entitled to additional compensation which otherwise may be payable, or to extension of time for any act or failure to act by the City. The written Notice of Potential Claim shall set forth the reasons for which the Contractor believes additional compensation or extension of time is due, the nature of the cost involved, and insofar as possible, the amount of the potential claim. Contractor shall keep full and complete daily records of the work performed, labor and material used, and all costs and additional time claimed to be additional.

19.3 Detailed Claim. The Contractor shall not be entitled to claim any such additional compensation, or extension of time, unless within 30 days of the accomplishment of the portion of the work from which the claim arose, and before the final payment by the City, the Contractor has given the City a detailed written statement of each element of cost or other compensation requested and of all elements of additional time required, and copies of supporting documents evidencing the amount of the extension of time claimed to be due.

20. Ownership of Items Produced.

All writings, programs, data, public records or other materials prepared by the Contractor and/or its Contractors or Subcontractors in connection with the performance of this CONTRACT shall be the sole and absolute property of the City.

21. Conflict of Interest.

The Contractor agrees to promptly disclose any financial or economic interest in the project property, or any property affected by the project, existing prior to the execution of this Contract. Further, the Contractor agrees to promptly disclose any financial or economic interest with the project property, or any property affected by the project, if the Contractor gains such interest during the course of this Contract.

If the Contractor gains any financial or economic interest in the project during the course of this Contract, this may be grounds for terminating this Contract at the sole discretion of the City.

The Contractor shall not engage the services on the Contract of any present or former City employee who was involved as a decision maker in the selection or approval process, or who negotiated or approved billings or Contract modifications for this Contract.

The Contractor shall not negotiate, contract or make any contracts with any Subcontractor, or any supplier with regard to any of the work under this project, or any services, equipment or facilities to be used on this project.

22. Covenant Against Contingent Fees.

The Contractor affirms that he/she has not employed or retained any company or person, other than a bona fide employee working for the Contractor to solicit or secure this Contract, and that he/she has not paid or agree to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract. For breach or violation of this clause, the City may terminate this Contract without liability, or in its discretion may deduct from the Contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

23. Indemnification.

To the fullest extent permitted by law, the Contractor agrees to indemnify and hold the City harmless from any damage, liability or cost (including reasonable attorney's fees and costs of defense) to the extent caused by the Contractor's negligent acts, errors or omissions and those of the Contractor's, Subcontractors or consultants or anyone for whom the Contractor is legally liable, and arising from the project that is subject of this CONTRACT. The City is not obligated to indemnify the Contractor in any manner whatsoever for the Contractor's own negligence or intentional misconduct.

To the fullest extent permitted by law, the City agrees to indemnify and hold the Contractor harmless from any damage, liability or cost (including reasonable attorney's fees and costs of defense) to the extent caused by the City's negligent acts, errors or omissions and those of the City's, Subcontractors or consultants or anyone for whom the City is legally liable, and arising from the project that is subject of this CONTRACT. The Contractor is not obligated to indemnify the City in any manner whatsoever for the City's own negligence or intentional misconduct.

24. Confidentiality.

The Contractor, its employees, Subcontractors, and their employees shall maintain the confidentiality of all information provided by the City or acquired by the Contractor in the performance of this CONTRACT, except upon the prior written consent of the City Attorney, or an order entered by a court after having acquired jurisdiction over the City. Contractor shall immediately give to the City notice of any judicial proceeding seeking disclosure of such information. Contractor shall indemnify and hold harmless the City, its officials, agents or employees from all loss or expense including but not limited to settlements, judgements, setoffs, attorney's fees and costs resulting from Contractor's breach of this provision.

25. Public Disclosure.

In the event of a public records request to the City for documents created pursuant to this Contract, the City shall promptly provide a copy of such request to the Contractor so that it has at least 7 days from Contractor's receipt of such request in which to seek an order restraining the City from disclosing such documents pursuant to such public records request. If Contractor does not obtain a restraining order within such period of time, the City may disclose such documents pursuant to such public request as the City deems appropriate to comply with Arizona's Public Records Laws.

26. Notice.

Except as set forth elsewhere in the CONTRACT, for all purposes under this CONTRACT, except service of process, notice shall be given by the Contractor to the department head of the department for whom services are rendered and to the City Attorney's Office. Notice may be given by delivery or by depositing in the U.S. Mail, first class, postage prepaid.

27. Severability.

If any term or condition of this Contract or the application thereof to any person(s) or circumstance(s) is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Contract are declared severable.

28. Waiver.

Waiver of any breach or condition of this Contract shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this Contract shall be held to be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto.

29. Survival.

The provisions of paragraphs 4, 6, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24, 25, 28 and 32, and the provisions of any non-collusion affidavit, shall survive, notwithstanding the termination of invalidity of this CONTRACT for any reason.

30. Discrimination.

Contractor **shall not** unlawfully discriminate against any employee, applicant for employment, recipient of services or programs, or applicant for services or programs, on the basis of race, creed, color, sex, age, marital status, national origin, or the presence of any sensory, mental or physical handicap. Contractor shall comply with the American with Disabilities Act.

31. Entire Contract.

This written Contract represents the entire CONTRACT between the parties and supersedes any prior oral statements, discussions or understandings between the parties.

32. E-Verify.

To the extent applicable under A.R.S. 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws, and regulations that relate to their employees and compliance with the E-Verify requirements and A.R.S. 23-214(A). The Contractor's or Subcontractor's breach of the above mentioned warranty shall be deemed a material breach of the CONTRACT and may result in the termination of the CONTRACT by the City. The Contractor agrees to insert language similar to this paragraph in all Contracts in which they engage with Subcontractors on this project that those Subcontractors are meeting the requirements of the above mentioned statutes. City retains the legal right to randomly inspect the papers and records of the Contractor and its Subcontractors who work on the CONTRACT to ensure that the Contractor and its Subcontractors are complying with the above mentioned warranty. The Contractor and its Subcontractors warrant to keep the papers and records open for random inspection during normal business hours by the City. The Contractor and its Subcontractor shall cooperate with City's random inspections including granting City entry rights onto its property to perform the random inspection and waiving their respective rights to keep such papers and records confidential.

33. OWNERSHIP OF EQUIPMENT.

The equipment furnished hereunder by Contractor shall remain the property of Contractor; however, the City acknowledges that it has care, custody, and control of the equipment while at the location of the individual residences and other locations within and around Safford, and accepts responsibility for all loss or damage to the equipment (except for normal wear and tear) and for the contents of any container. The City shall be responsible to ensure that customers do not overload (by weight or volume) the equipment, move or alter the equipment, and use the equipment for

anything other than its proper and intended purpose. To the fullest extent permitted by law, the City agrees to indemnify, defend, and hold harmless Contractor against all claims, damages, suits, penalties, fines, and liabilities for injury or death to persons or loss or damage to property to the extent arising out of the use, misuse, operation, or possession of the equipment by anyone other than Contractor or its employees, representatives or agents, but the City shall have no obligation to indemnify the Contractor for the misconduct or negligent acts or omissions of Contractor or its employees, representatives or agents.

Dated this the _____ day of _____, 2015.

City of Safford,
an Arizona Municipal Corporation

Friedman Recycling Companies,
an Arizona Corporation

By: _____
Horatio Skeete
City Manager

By: _____
David Friedman
Representative

Attest:

Georgia Luster, City Clerk

Approved as to form:

Bill Sims, City Attorney

On this _____ day of _____, 2015, _____,
personally appeared before the undersigned and acknowledged himself to be the
representative of Friedman Recycling Companies, being authorized to do so, executed the
CONTRACT between Friedman Recycling Companies and the City (identified in the City of
Safford records as Contract No. _____) in the capacity therein stated and for
the purposes therein contained by signing his/her name.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public My Commission expires _____



CITY COUNCIL COMMUNICATION

TO: Mayor and Council

FROM: Terry Quest, Finance Director

SUBJECT: AquaHawk Alerting “Software-As-A-Service” Managed Services Agreement

DATE: Monday, June 8, 2015 at 6:00 p.m.

Purpose and Recommended Action: This is a request for the City Council to review and consider for approval the AquaHawk Alerting “Software-As-A-Service” Managed Services Agreement.

Background: In 2012, the City of Safford began a two phase program to replace utility meters and provide customers with more information and data so that they could have a more active involvement in monitoring and controlling their utility consumption and costs.

Therefore, the City of Safford began the process of incorporating into the existing metering replacement program; utilization of an Advanced Meter Infrastructure (AMI) system. Once installed, AMI meters can offer instantaneous readings; streamline the billing processes; create a new final billing process so the customer could pay their final bill at the time of requesting their utilities to be turned off; as well as provide opportunities for the customer to monitor their usage and assist with leak detection.

The second phase of the program is to provide customers of the City of Safford, a web portal for their use in monitoring their water, gas and electric usage as well as to set up and maintain alerts that could tell them if they have reached a usage threshold.

They can also view current usage and see an “estimated billing” if they continue the usage at the same rate. Aside from customer information, the portal can be used by the City to alert utility customers in case of emergency conditions via text or email as well as post information the customer would be alerted to when logging into the portal.

AquaHawk Alerting is a customer portal solution for water, electric and gas utilities that have implemented AMI system. The goal of AquaHawk Alerting system is to improve customer service and consumer engagement by enabling client to create an online account, view their consumption data, see an estimate of their bill and perform a host of other valuable functions.

The AquaHawk Alerting “Software-As-A-Service” Managed Services Agreement is for a twelve (12) month period with automatic renewals unless terminated by the City of Safford. Service fees and rate of the agreement includes a one-time set-up fee for \$16,200 with a monthly fee of \$1,860. The implementation of the system upon Council approval and a signed agreement is anticipated to take 30 days with a launch date of the system for customers of July 15, 2015.



AQUAHAWK ALERTING “SOFTWARE-AS-A-SERVICE” MANAGED SERVICES AGREEMENT

This agreement ("Agreement") is entered into, to be effective as of **June 10, 2015** ("Effective Date"), by and between **City of Safford, AZ** located at 717 W. Main St. Safford, AZ 85548 ("Customer"), and **American Conservation & Billing Solutions, Inc. (AmCoBi)** located at P.O. Box 51356, Colorado Springs, CO, 80949 ("Service Provider").

RECITALS

WHEREAS, Customer requires hosted third-party “software-as-a-service” (the “Services,” as further described herein) with respect to certain of its information technology needs;

WHEREAS, Service Provider has experience and expertise in the business of providing the Services;

WHEREAS, based on Service Provider’s knowledge and experience relating to such Services, Customer has selected Service Provider to manage and provide the Services;

WHEREAS, Service Provider wishes to perform the Services and acknowledges that the successful performance of the Services and that the security and availability of Customer’s data (“Customer Data,” as further described herein) are critical to the operation of Customer’s business; and,

WHEREAS, Service Provider has agreed to provide the Services to Customer, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and representations set forth in this Agreement, the parties hereby agree as follows:

1. The Services.
 - 1.1 Purpose; Term. This Agreement sets forth the terms and conditions under which Service Provider agrees to license certain hosted “software-as-a-service” and provide all other services, data import / export, monitoring, support, backup and recovery, change management, technology upgrades, and training necessary for Customer’s productive use of such software (the “Services”), as further set forth on Exhibit A (sequentially numbered) attached hereto. The Agreement and Exhibit A shall remain in effect unless terminated as provided herein.
 - 1.1.1 Authorized Users. Unless otherwise limited on an Exhibit A, Customer and any of its employees, agents, contractors, or suppliers of services that have a need to use the Services for the benefit of Customer shall have the right to operate and use the same. As a part of the Service, Service Provider shall be responsible for all user identification and password change management.
 - 1.2 Control of Services. The method and means of providing the Services shall be under the exclusive control, management, and supervision of Service Provider, giving due consideration to the requests of Customer.
 - 1.3 Time of Service Provider Performance of Services. For the term of the applicable Exhibit A, as the same may be amended, Service Provider shall provide the Services during the applicable Service Windows and in accordance with the applicable Service Levels, each as described in an Exhibit A, time being of the essence.
 - 1.4 Backup and Recovery of Customer Data. As a part of the Services, Service Provider is responsible for maintaining a backup of Customer Data, for an orderly and timely recovery of such data in the event that the Services may be interrupted. Unless otherwise described in an Exhibit A, Service Provider shall maintain a contemporaneous backup of Customer Data that can be recovered within forty eight (48) hours at any point in time. Additionally, Service Provider shall store a backup of Customer Data in an off-site “hardened” facility no less than weekly, maintaining the security of Customer Data, the security requirements of which are further described herein.



- 1.5 Non-exclusivity. Nothing herein shall be deemed to preclude Customer from retaining the services of other persons or entities undertaking the same or similar functions as those undertaken by Service Provider hereunder.
- 1.6 Change Control Procedure. Customer may, upon written notice, request increases or decreases to the scope of the Services under an Exhibit A. If Customer requests an increase in the scope, Customer shall notify Service Provider, and, not more than five (5) business days (or other mutually agreed upon period) after receiving the request, Service Provider shall notify Customer whether or not the change has an associated cost impact. If Customer approves, Customer shall issue a change control, which will be executed by the Service Provider. Customer shall have the right to decrease the scope of services and the fee for an Exhibit A will be reduced accordingly.

2. Term and Termination.

- 2.1 Term. Unless this Agreement or an Exhibit A is terminated earlier in accordance with the terms set forth in this Section, the term of an Exhibit A (the "Initial Term") shall commence on the Effective Date and continue for twelve (12) months thereafter. Following the Initial Term, an Exhibit A shall renew with a 60 day notice for an additional one-year term. (each, a "Renewal Term") until such time as Customer provides Service Provider with written notice of termination; provided, however, that: (a) such notice be given no fewer than thirty (30) calendar days prior to the last day of the then-current term; and, (b) any such termination shall be effective as of the date that would have been the first day of the next Renewal Term. "Term" shall collectively mean and include the Agreement terms represented by the Initial Term and the Renewal Term.
- 2.2 Termination for Cause. If either party materially breaches any of its duties or obligations hereunder, including two periods of successive failure of Service Provider to meet a Service Level, and such breach is not cured, or the breaching party is not diligently pursuing a cure to the non-breaching party's sole satisfaction, within thirty (30) calendar days after written notice of the breach, then the non-breaching party may terminate this Agreement or an Exhibit A for cause as of a date specified in such notice.
- 2.3 Payments Upon Termination. Upon the expiration or termination or both of this Agreement or an Exhibit A for any reason, Customer shall pay to Service Provider all undisputed amounts due and payable hereunder.
- 2.4 Return of Materials. Upon expiration or earlier termination of this Agreement or an Exhibit A, each party shall: (a) promptly return to the other party, or certify the destruction of any of the following of the other party held in connection with the performance of this Agreement or the Services: (i) all Confidential Information; and, (ii) any other data, programs, and materials; and, (b) return to the other party, or permit the other party to remove, any properties of the other party then situated on such party's premises. In the case of Customer Data, Service Provider shall, immediately upon termination of this Agreement or an Exhibit A, shall provide Customer with a final export of the Customer Data and shall certify the destruction of any Customer Data within the possession of Service Provider. The parties agree to work in good faith to execute the foregoing in a timely and efficient manner. This Section shall survive the termination of this Agreement.

3. Termination Assistance Services. Provided that this Agreement or an Exhibit A has not been terminated by Service Provider due to Customer's failure to pay any undisputed amount due Service Provider, Service Provider will provide to Customer and / or to the supplier selected by Customer (such supplier shall be known as the "Successor Service Provider"), at Customer's sole cost and expense, assistance reasonably requested by Customer in order to effect the orderly transition of the applicable Services, in whole or in part, to Customer or to Successor Service Provider (such assistance shall be known as the "Termination Assistance Services) during the ninety (90) calendar day period prior to, and / or following, the expiration or termination of this Agreement or an Exhibit A, in whole or in part (such period shall be known as the "Termination Assistance Period"). Provided that Service Provider and Customer agree as to price and scope of Service Provider's provisioning of Termination Assistance Services, such Termination Assistance Services may include:

- 3.1 Developing a plan for the orderly transition of the terminated or expired Services from Service Provider to Customer or the Successor Service Provider;
- 3.2 Providing reasonable training to Customer staff or the Successor Service Provider in the performance of the Services then being performed by Service Provider;
- 3.3 Using commercially reasonable efforts to assist Customer, at Customer's sole cost and expense, in acquiring any necessary rights to legally and physically access and use any third-party technologies and documentation then being used by Service Provider in connection with the Services;



- 3.4 Using commercially reasonable efforts to make available to Customer, pursuant to mutually agreeable terms and conditions, any third-party services then being used by Service Provider in connection with the Services; and,
- 3.5 Such other activities upon which the parties may agree.
- 3.6 The provisions of this Section shall survive the termination of this Agreement.

4. Services Levels.

- 4.1 Service Levels Reviews. Service Provider and Customer will meet as often as shall be reasonably requested by Customer, but no more than monthly, to review the performance of Service Provider as it relates to the Service Levels further described in Exhibit A.
- 4.2 Failure to Meet Service Levels. As further described in Exhibit A, in the event Service Provider does not meet any of the requisite Service Levels, Service Provider shall: (a) reduce the applicable monthly invoice to Customer by the amount of the applicable Performance Credits (*Dollar amount determined to equal the level of service not provided*) as a credit, and not as liquidated damages; and, (b) use its best efforts to ensure that any unmet Service Level is subsequently met. Notwithstanding the foregoing, Service Provider will use commercially reasonable efforts to minimize the impact or duration of any outage, interruption, or degradation of Service.

5. Fees and Expenses. Customer shall be responsible for and shall pay to Service Provider the fees as further described in Exhibit A, subject to the terms and conditions contained therein. Any sum due Service Provider for Services performed for which payment is not otherwise specified shall be due and payable thirty (30) days after receipt by Customer of an invoice from Service Provider

- 5.1 Billing Procedures. Unless otherwise provided for under an Exhibit A, Service Provider shall bill to Customer the sums due pursuant to an Exhibit A by Service Provider's invoice, which shall contain: (a) Customer purchase order number, if any, and invoice number; (b) description of Services rendered; (c) the Services fee or portion thereof that is due; (d) taxes, if any; and, (e) total amount due. Service Provider shall forward invoices in hardcopy format to: **Horatio Skeete, City Manager, City of Safford, 717 W. Main St., Safford, AZ 85548**
- 5.2 Credits. Any amounts due from Service Provider may be applied by Customer against any fees due to Service Provider. Any such amounts that are not so applied shall be required to be paid to Customer by Service Provider within thirty (30) days following Customer's request.
- 5.3 Taxes. Service Provider represents and warrants that it is a corporation for purposes of federal, state, and local employment taxes. Service Provider agrees that Customer is not responsible to collect or withhold any such taxes, including income tax withholding and social security contributions, for Service Provider. Any and all taxes, interest or penalties, including any federal, state, or local withholding or employment taxes, imposed, assessed, or levied as a result of this Agreement shall be paid or withheld by Service Provider.

6. Customer Resources and Service Provider Resources. In accordance with the terms set forth in Exhibit A, each party shall provide certain resources (Customer Resources and Service Provider Resources, as the case may be) to the other party as Customer and Service Provider may mutually deem necessary to perform the Services.

6.1 Customer Resources will be considered:

- Consumption data delivered 4X/day to AquaHawk for analysis
- Account data delivered weekly to AquaHawk to keep account changes current
- City of Safford to provide first level service to its customers for alerts, notifications and support

6.2 Service Provider Resources. In addition to any Service Provider Resources described in an Exhibit A, the Service Provider shall, at a minimum, provide all of the resources necessary to ensure that the Services continue uninterrupted, considering the applicable Service Windows and Service Levels (*Defined as the customers data availability*), that Customer Data is secure to the standards and satisfaction of Customer, and provide for a reasonable response time for Customer's users of the Services. Where Service Provider fails to provide such minimal Service Provider Resources, Customer shall have the right to terminate this Agreement or the applicable Exhibit A, with thirty days (30) written notice, in whole or in part, without liability.

6.3 Service Provider Resources will be considered:

- Daily analysis and presentation of account consumption data
- Daily reports outlining the meter system performance
- Daily reports outlining the alerts and status of alerts



- Notification of account alerts to City of Safford
- Notification of any new or revised features in AquaHawk

7. Representations and Warranties.

7.1 Mutual Representations and Warranties. Each of Customer and Service Provider represent and warrant that:

- 7.1.1 It is a corporation, or municipal corporation duly incorporated, validly existing, and in good standing under the laws of its state of incorporation;
- 7.1.2 It has all requisite corporate power, financial capacity, and authority to execute, deliver, and perform its obligations under this Agreement;
- 7.1.3 This Agreement, when executed and delivered, shall be a valid and binding obligation of it enforceable in accordance with its terms;
- 7.1.4 The execution, delivery, and performance of this Agreement has been duly authorized by it and this Agreement constitutes the legal, valid, and binding agreement of it and is enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganizations, moratoriums, and similar laws affecting creditors' rights generally and by general equitable principles;
- 7.1.5 It shall comply with all applicable federal, state, local, or other laws and regulations applicable to the performance by it of its obligations under this Agreement and shall obtain all applicable permits and licenses required of it in connection with its obligations under this Agreement; and,
- 7.1.6 There is no outstanding litigation, arbitrated matter or other dispute to which it is a party which, if decided unfavorably to it, would reasonably be expected to have a potential or actual material adverse effect on its ability to fulfill its obligations under this Agreement.

7.2 By Service Provider. Service Provider represents and warrants that:

- 7.2.1 Service Provider is possessed of extensive knowledge with respect to the Services;
- 7.2.2 Service Provider knows the particular purpose for which the Services are required;
- 7.2.3 The Services to be performed under this Agreement shall be performed in a competent and professional manner and in accordance with the highest professional standards;
- 7.2.4 Service Provider has the experience and is qualified to perform the tasks involved with providing the Services in an efficient and timely manner. Service Provider acknowledges that Customer is relying on Service Provider's representation of its experience and expertise, and that any substantial misrepresentation may result in damage to Customer;
- 7.2.5 Service Provider will use its best efforts to ensure that no computer viruses, malware, or similar items (collectively, the "Virus") are introduced into Customer's computer and network environment while performing the Services,
- 7.2.6 The Services and any other work performed by Service Provider hereunder shall be its own work, and shall not infringe upon any United States or foreign copyright, patent, Trade Secret, or other proprietary right, or misappropriate any Trade Secret, of any third party, and that it has neither assigned nor otherwise entered into an agreement by which it purports to assign or transfer any right, title, or interest to any technology or intellectual property right that would conflict with its obligations under this Agreement.

8. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties.

8.1 Meaning of Confidential Information. For the purposes of this Agreement, the term "Confidential Information" shall mean all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such entity; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing entity and marked "confidential" or with words of similar meaning; (c) with respect to information and documentation of Customer, whether marked "Confidential" or not, consists of Customer information and documentation included within any of the following categories: (i) policyholder, payroll account, agent, customer, supplier, or contractor lists; (ii) policyholder, payroll account, agent, customer, supplier, or



contractor information; (iii) information regarding business plans (strategic and tactical) and operations (including performance); (iv) information regarding administrative, financial, or marketing activities; (v) pricing information; (vi) personnel information; (vii) products and/or services offerings (including specifications and designs); or, (viii) processes (e.g., technical, logistical, and engineering); or, (d) any Confidential Information derived from information of a party. The term "Confidential Information" does not include any information or documentation that was: (a) already in the possession of the receiving entity without an obligation of confidentiality; (b) developed independently by the receiving entity, as demonstrated by the receiving entity, without violating the disclosing entity's proprietary rights; (c) obtained from a source other than the disclosing entity without an obligation of confidentiality; or, (d) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through or on behalf of, the receiving entity); or (e) required by law to be disclosed.

- 8.2 Obligation of Confidentiality. The parties agree, subject to applicable law, to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Agreement or to use such Confidential Information for any purposes whatsoever other than the performance of this Agreement. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep such information confidential.
- 8.3 Cooperation to Prevent Disclosure of Confidential Information. Each party shall use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limitation of the foregoing, each party shall advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- 8.4 Remedies for Breach of Obligation of Confidentiality. Service Provider acknowledges that breach of Service Provider's obligation of confidentiality may give rise to irreparable injury to Customer and the customers of Customer, which damage may be inadequately compensable in the form of monetary damages. Accordingly, Customer may terminate with thirty (30) days written notice, without penalty to Customer, of this Agreement in whole or in part.
- 8.5 The provisions of this Section shall survive the termination of this Agreement.

9. Proprietary Rights.

- 9.1 Pre-existing Materials. Customer acknowledges that, in the course of performing the Services, Service Provider may use software and related processes, instructions, methods, and techniques that have been previously developed by Service Provider (collectively, the "Pre-existing Materials") and that same shall remain the sole and exclusive property of Service Provider.
- 9.2 Data of Customer. Customer's information, or any derivatives thereof, contained in any Service Provider repository (the "Customer Data," which shall also be known and treated by Service Provider as Confidential Information) shall be and remain the sole and exclusive property of Customer. Customer shall be entitled to an export of Customer Data, without charge, upon the request of Customer and upon termination of this Agreement. Service Provider is provided a license to Customer Data hereunder for the sole and exclusive purpose of providing the Services, including a license to store, record, transmit, maintain, and display Customer Data only to the extent necessary in the provisioning of the Services.
- 9.3 No License. Except as expressly set forth herein, no license is granted by either party to the other with respect to the Confidential Information, Pre-existing Materials, or Customer Data. Nothing in this Agreement shall be construed to grant to either party any ownership or other interest, in the Confidential Information, Pre-existing Materials, or Customer Data, except as may be provided under a license specifically applicable to such Confidential Information, Pre-existing Materials, or Customer Data.
- 9.4 The provisions of this Section shall survive the termination of this Agreement.

10. Information Security. Service Provider acknowledges that Customer may have implemented an information security program (the Customer Information Security Program) to protect Customer's information assets, such information assets as further defined and classified in the Customer Information Security Program (collectively, the "Protected Data"). Where Service Provider has access to the Protected Data, Service Provider acknowledges and agrees to the following.

- 10.1 Undertaking by Service Provider. Without limiting Service Provider's obligation of confidentiality as further described herein, Service Provider shall be responsible for establishing and maintaining an information



security program that is designed to: (i) ensure the security and confidentiality of the Protected Data; (ii) protect against any anticipated threats or hazards to the security or integrity of the Protected Data; (iii) protect against unauthorized access to or use of the Protected Data; (iv) ensure the proper disposal of Protected Data; and, (v) ensure that all subcontractors of Service Provider, if any, comply with all of the foregoing. In no case shall the safeguards of Service Provider's information security program be less stringent than the information security safeguards used by the Customer Information Security Program as provided by Customer to Service Provider for this purpose. The Customer Information Security Program is Confidential Information of Customer.

10.2 Right of Audit by Customer. Customer shall have the right to review Service Provider's information security program prior to the commencement of Services and from time to time during the term of this Agreement. During the performance of the Services, on an ongoing basis from time to time and without notice, Customer, at its own expense, shall be entitled to perform, or to have performed, an on-site audit of Service Provider's information security program. In lieu of an on-site audit, upon request by Customer, Service Provider agrees to complete, within forty-five (45 days) of receipt, an audit questionnaire provided by Customer regarding Service Provider's information security program.

11. Proprietary Rights Indemnification. Service Provider agrees to indemnify, defend, and hold Customer, and Customer's officials, officers, employees and agents, including (without limitation), the City Mayor, City Manager, City Council members, Finance Director, Public Works Director and their assigns, (collectively, the "Customer Indemnitees"), harmless from and against any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, (collectively "Claim"), which may be suffered by, accrued against, charged to, or recoverable from any Customer Indemnitee, arising out of a Claim that the Services infringes or misappropriates any United States or foreign patent, copyright, trade secret, trademark, or other proprietary right. In the event that Service Provider is enjoined from delivering either preliminary or permanently, or continuing to license to Customer, the Services and such injunction is not dissolved within thirty (30) days, or in the event that Customer is adjudged, in any final order of a court of competent jurisdiction from which no appeal is taken, to have infringed upon or misappropriated any patent, copyright, trade secret, trademark, or other proprietary right in the use of the Services, then Service Provider shall, at its expense: (a) obtain for Customer the right to continue using such Services; (b) replace or modify such Services so that it does not infringe upon or misappropriate such proprietary right and is free to be delivered to and used by Customer; or, (c) in the event that Service Provider is unable or determines, in its reasonable judgment, that it is commercially unreasonable to do either of the aforementioned, Service Provider shall reimburse to Customer the full cost associated with Termination Assistance Services.

12. Limitation of Liability. NOTWITHSTANDING ANY OTHER PROVISION SET FORTH HEREIN, NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, SPECIAL, AND/OR CONSEQUENTIAL DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT; PROVIDED, HOWEVER, THAT THE FOREGOING EXCULPATION OF LIABILITY SHALL NOT APPLY WITH RESPECT TO DAMAGES INCURRED AS A RESULT OF THE GROSS NEGLIGENCE OR WILFULL MISCONDUCT OF A PARTY. A PARTY SHALL BE LIABLE TO THE OTHER FOR ANY DIRECT DAMAGES ARISING OUT OF OR RELATING TO ITS PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT; PROVIDED, HOWEVER, THAT THE LIABILITY OF A PARTY, WHETHER BASED ON AN ACTION OR CLAIM IN CONTRACT, EQUITY, NEGLIGENCE, TORT, OR OTHERWISE FOR ALL EVENTS, ACTS, OR OMISSIONS UNDER THIS AGREEMENT SHALL NOT EXCEED THE FEES PAID OR PAYABLE UNDER THIS AGREEMENT, AND PROVIDED, FURTHER, THAT THE FOREGOING LIMITATION SHALL NOT APPLY TO: (A) DAMAGES CAUSED BY A PARTY'S GROSS NEGLIGENCE OR WILFULL MISCONDUCT; OR, (B) A PARTY'S BREACH OF ITS OBLIGATIONS OF CONFIDENTIALITY, AS FURTHER DESCRIBED IN THIS AGREEMENT. This Section shall survive the termination of this Agreement.

13. General.

13.1 Relationship between Customer and Service Provider. Service Provider represents and warrants that it is an independent corporation with no authority to contract for Customer or in any way to bind or to commit Customer to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of Customer. Under no circumstances shall Service Provider, or any of its staff, if any, hold itself out as or be considered an agent employee, joint venture, or partner of Customer. In recognition of Service Provider's status as an independent corporation, Customer shall carry no Workers' Compensation insurance or any health or accident insurance to cover Service Provider or Service Provider's agents or staff, if any. Customer shall not pay any contributions to Social Security, unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither Service Provider nor its staff, if any, shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or pension plan of Customer.



- 13.2 Governing Law, Jurisdiction and Exclusive Venue. This Agreement is executed and performed in the State of Colorado. Both parties submit their persons to the jurisdiction of the courts for Colorado. Exclusive venue for any action brought in connection with this agreement, its interpretation and breach shall be in the courts for El Paso County, Colorado
- 13.3 Dispute Resolution. In the event of any dispute or disagreement between the parties with respect to the interpretation of any provision of this Agreement, or with respect to the performance of either party hereunder, Customer and Service Provider will meet for the purpose of resolving the dispute. If the parties are unable to resolve the dispute within five (5) working days, or as otherwise agreed, either party may then seek whatever remedy is available in law or in equity. The provisions of this Section will not apply to any dispute relating to the parties' obligations of non-disclosure and confidentiality as further described herein.
- 13.4 Compliance With Laws; Customer Policies and Procedures. Both parties agree to comply with all applicable federal, state, and local laws, executive orders and regulations issued, where applicable. Service Provider shall comply with Customer policies and procedures where the same are posted, conveyed, or otherwise made available to Service Provider. Without limiting Service Provider's other obligations of indemnification herein, Service Provider shall defend, indemnify, and hold Customer Indemnitees harmless from and against any and all Claims, including reasonable expenses suffered by, accrued against, or charged to or recoverable from any Customer Indemnitee, on account of the failure of Service Provider to perform its obligations imposed herein.
- 13.5 Cooperation. Where agreement, approval, acceptance, consent or similar action by either party hereto is required by any provision of this Agreement, such action shall not be unreasonably delayed or withheld. Each party will cooperate with the other by, among other things, making available, as reasonably requested by the other, management decisions, information, approvals, and acceptances in order that each party may properly accomplish its obligations and responsibilities hereunder. Service Provider will cooperate with any Customer supplier performing services, and all parties supplying hardware, software, communication services, and other services and products to Customer, including, without limitation, the Successor Service Provider. Service Provider agrees to cooperate with such suppliers, and shall not commit or permit any act which may interfere with the performance of services by any such supplier.
- 13.6 Force Majeure. Neither party shall be liable for delays or any failure to perform the Services or this Agreement due to causes beyond its reasonable control. Such delays include, but are not limited to, fire, explosion, flood or other natural catastrophe, governmental legislation, acts, orders, or regulation, strikes or labor difficulties, to the extent not occasioned by the fault or negligence of the delayed party. Any such excuse for delay shall last only as long as the event remains beyond the reasonable control of the delayed party. However, the delayed party shall use its best efforts to minimize the delays caused by any such event beyond its reasonable control. Where Service Provider fails to use its best efforts to minimize such delays, the delays shall be included in the determination of Service Level achievement. The delayed party must notify the other party promptly upon the occurrence of any such event, or performance by the delayed party will not be considered excused pursuant to this Section, and inform the other party of its plans to resume performance. A force majeure event does not excuse Service Provider from providing Services and fulfilling its responsibilities relating to the requirements of backup and recovery of Customer Data. Configuration changes, other changes, viruses / malware, or other errors or omissions introduced, or permitted to be introduced, by Service Provider that result in an outage or inability for Customer to use the Services shall not constitute a force majeure event.
- 13.7 No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect that party's right to enforce such provisions, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.
- 13.8 Notices. Any notice given pursuant to this Agreement shall be in writing and shall be given by personal service or by United States certified mail, return receipt requested, postage prepaid to the addresses appearing at the end of this Agreement, or as changed through written notice to the other party. Notice given by personal service shall be deemed effective on the date it is delivered to the addressee, and notice mailed shall be deemed effective on the third day following its placement in the mail addressed to the addressee.
- 13.9 Assignment of Agreement. This Agreement and the obligations of Service Provider hereunder may be assigned in connection with a sale of Service Provider's assets or stock or through merger, an insolvency proceeding or otherwise, with prior written notice to the Customer.



- 13.10 Counterparts; Facsimile. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that a facsimile signature may substitute for and have the same legal effect as the original signature.
- 13.11 Entire Agreement. This Agreement and its attached exhibits constitute the entire agreement between the parties and supersede any and all previous representations, understandings, or agreements between Customer and Service Provider as to the subject matter hereof. This Agreement may only be amended by an instrument in writing signed by the parties.
- 13.12 Cumulative Remedies. All rights and remedies of Customer herein shall be in addition to all other rights and remedies available at law or in equity, including, without limitation, specific performance against Service Provider for the enforcement of this Agreement, and temporary and permanent injunctive relief.
- 13.13 Immigration Law Compliance. See following page.



- A. Under the provisions of A.R.S. § 41-4401, each party hereby warrants to the other that ~~the~~ each party and all of its subcontractors (if any) will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulation that relate to their employees and A.R.S. § 23-214 (A) (hereinafter "Contractor Immigration Warranty").
- B. A Breach of the Contractor Immigration Warranty shall constitute a material breach of this Agreement and shall subject the breaching party to penalties up to and including termination of this Agreement at the sole discretion of the non-breaching party.
- C. Each party retains the legal right to inspect the papers of any contractor or subcontractor employee of the other party who works on this Agreement to ensure that the contractor or subcontractor is complying with the Contractor Immigration Warranty. Each party agrees to assist the other party in regard to any such inspections.
- D. Each party may, at its sole discretion, conduct random verification of the employment records of the other party and any of its subcontractors to ensure compliance with Contractor's Immigration Warranty. Each party agrees to assist the other party in regard to any random verifications performed.
- E. A party will not be considered in material breach of this Agreement or the Contractor Immigration Warranty if the party establishes that it has complied with the employment verification provision prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.
- F. The foregoing provisions of subparagraphs A-E of this article must be included in any contract that a party enters into with any and all its subcontractors who provide service under this Agreement or any subcontract.
- G. Pursuant to A.R.S. §§ 35-391.06 and 35-393.06, each party certifies that it does not have a scrutinized business operation as defined in A.R.S. §§ 35-391 and 35-393 in either Sudan or Iran.



Executed on the dates set forth below by the undersigned authorized representative of Customer and Service Provider to be effective as of the Effective Date.

**CITY OF SAFFORD, AZ
(CUSTOMER)**

**AMERICAN CONSERVATION & BILLING SOLUTIONS, INC.
(SERVICE PROVIDER)**

By: _____

By: _____

Name: Horatio Skeete

Name: M. Bobby Lee

Title: City Manager

Title: President

Date: _____

Date: _____

Address for Notice:

Address for Notice:

717 W. Main St.
Safford, AZ 85548

PO Box 51356
Colorado Springs, CO 80949



EXHIBIT A

**AquaHawk Alerting
Software-as-a-Service Statement of Managed Services**

This Exhibit A - Service Provider's Software-as-a-Service Statement of Managed Services shall be incorporated in and governed by the terms of the **AquaHawk Alerting "Software-As-A-Service" Managed Services Agreement** by and between **City of Safford, AZ** ("Customer") and **American Conservation & Billing Solutions, Inc. (AmCoBi)** ("Service Provider") dated **June 1, 2015** as amended (the "Agreement"). Unless expressly provided for in this Exhibit A, in the event of a conflict between the provisions contained in the Agreement and those contained in this Exhibit A, the provisions contained in the Agreement shall prevail.

| | |
|------------------------------------|--|
| Services Description: | AquaHawk Alerting v8.0 - A customer portal solution for municipal utilities. |
| Training Description: | Online training for up to five (5) utility staff members is included. |
| Backup Requirements: | Data will be managed and backed up at AmCoBi's cloud-based hosting provider. |
| Service Levels: | Standard service levels apply. AmCoBi will use commercially reasonable efforts to make AquaHawk Alerting available with a monthly uptime percentage of at least 99.5%. Should issues occur, AmCoBi will work diligently and expeditiously to correct them so as not to negatively impact the City or Safford's customer base. |
| Customer Resources: | City of Safford will provide first level AquaHawk Alerting support to its customers. All customer questions will be directed to, and answered by, City of Safford. Daily alerts, set by AquaHawk and viewed in the account management view, will then be sent to each customer by City staff, using the Notification Wizard, resident in the AquaHawk application. Further, City staff will work with the customer to resolve the issue and close the alert. |
| Utility Support: | Customer support via telephone and e-mail is included for City of Safford staff members. |
| Customer Resources Required | City of Safford will deliver to AmCoBi the following data for setup: <ol style="list-style-type: none"> 1. Accounts file export from the City's utility billing application that meets the AquaHawk Alerting specifications. 2. Other information and data as required. |
| Number of Accounts: | Not to exceed 18,000 |
| Services Fees or Rate: | Setup fee (one-time) - \$16,200 Monthly fee - \$1,860 Setup fee to be billed when a signed copy of this Agreement has been returned to AmCoBi. The monthly fee will be billed 30 days after Agreement is signed. |
| Other Fees: | City of Safford has a Sensus-hosted RNI: Sensus to activate the CMEP report - \$1,500. |
| Custom Programming | \$175/ Hr. |
| Start Date: | June 15, 2015 – Begin setup process July 15, 2015 - Launch Production Site |
| End Date: | July 15, 2016. Contract will renew automatically unless City of Safford notifies AmCoBi of its intent to terminate prior to June 15, 2016. |



Executed on the dates set forth below by the undersigned authorized representative of Customer and Service Provider to be effective as of the Start Date.

**CITY OF SAFFORD, AZ
(CUSTOMER)**

**AMERICAN CONSERVATION & BILLING SOLUTIONS, INC.
(SERVICE PROVIDER)**

By: _____

By: _____

Name: Horatio Skeete
Title: City Manager

Name: M. Bobby Lee
Title: President

Date: _____

Date: _____



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Horatio Skeete, City Manager
SUBJECT: **Intergovernmental Agreements (IGA) between the City of Safford and Graham County**
DATE: Monday, June 8, 2015 at 6:00 p.m.

Purpose and Recommended Action:

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

1. Information Technologies a Wide Area Network (WAN) Communication and services to the City of Safford for a period of one year ending June 30, 2016 for an amount of \$29,928.00
2. Dispatching and Centralized radio communication services to the City of Safford police department for a period of one year ending June 30, 2016, for and amount of \$319,772.70
3. Animal Control Shelter to the City of Safford for a period of one year ending June 30, 2016, for and amount of \$63,605.00

Background:

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

Analysis:

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

RESOLUTION NUMBER 15-022

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

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

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

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

PASSED, ADOPTED, AND APPROVED by the Mayor and City Council of the City of Safford this 8th day of June, 2015.

Wyn "Chris" Gibbs, Mayor

ATTEST:

APPROVED AS TO FORM:

Georgia Luster, MMC
City Clerk

William J. Sims, III
Interim City Attorney

CERTIFICATION

State of Arizona)
) ss
County of Graham)

I HEREBY CERTIFY, that the foregoing Resolution Number 15-022 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a Regular Council Meeting held June 8, 2015, and that a quorum was present at the meeting.

Georgia Luster, MMC

June 2, 2014
Date:

**INTERGOVERNMENTAL AGREEMENT
ANIMAL SHELTER**

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

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

3. The duration of this agreement shall be until June 30, 2016, unless terminated by ninety days written notice by either party to the other.

4. The City of Safford shall pay the sum of \$63,605.00 to the County for its agreed upon share of the cost of maintaining and providing the services to be provided by the County hereunder. Such payment shall be made in four (4) equal amounts of \$15,901.25 due and payable within thirty (30) days upon receipt of the quarterly billing. It is understood and agreed that this sum has been arrived at by negotiation and does not reflect the actual cost of providing this service.

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

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

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

Agreed to by both parties this _____ day of _____, 2015.

GRAHAM COUNTY
BOARD OF SUPERVISORS

CITY OF SAFFORD

Danny Smith, Chairman

Mayor

APPROVED AS TO FORM:

APPROVED AS TO FORM:

County Attorney

City Attorney

INTERGOVERNMENTAL AGREEMENT DISPATCHING

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

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

2. The duration of this agreement shall be until June 30, 2016, unless terminated by ninety days written notice by either party to the other.

3. The City of Safford shall pay the sum of \$319,772.70 to the County for it's agreed upon share of the cost of maintaining and providing the services to be provided by the County hereunder. Such payment shall be made in four (4) equal amounts of \$79,943.18 due and payable within thirty (30) days upon receipt of the quarterly billing. It is understood and agreed that this sum has been arrived at by negotiation and does not reflect the actual cost of providing this service.

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

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

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

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

Agreed to by both parties this ____ day of _____, 2015.

GRAHAM COUNTY
BOARD OF SUPERVISORS

CITY OF SAFFORD

Danny Smith, Chairman

Mayor

APPROVED AS TO FORM:

APPROVED AS TO FORM:

County Attorney

City Attorney

INTERGOVERNMENTAL AGREEMENT
Information Technologies Contract

Ver 1.6

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

1. The duration of this agreement shall be from July 1, 2015 until June 30, 2016, unless terminated by ninety (90) days' written notice by either party to the other. Notice to be delivered via mail to Graham County Board of Supervisors, 921 Thatcher Blvd. Safford, AZ 85546 and City of Safford, 717 Main St., Safford, AZ 85546.

2. The City of SAFFORD shall pay the sum of \$29,928.00 to the County for it's agreed upon share of the cost of maintaining and providing the services to be provided by the County hereunder. Such payment shall be made in four (4) equal amounts of \$7,482.00 due and payable within thirty (30) days upon receipt of the quarterly billing. It is understood and agreed that this sum has been arrived at by negotiation and does not reflect the actual cost of providing this service.

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

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

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

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

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

Agreed to by both parties this ____ day of _____, 2015.

GRAHAM COUNTY BOARD OF SUPERVISORS

CITY OF SAFFORD

Danny Smith, Chairman

Mayor

APPROVED AS TO FORM:

APPROVED AS TO FORM:

County Attorney

City Attorney

Appendix 'A'

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

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



CITY COUNCIL COMMUNICATION

TO: Mayor and Council

FROM: Terry Quest, Finance Director

SUBJECT: Tentative Budget Adoption

DATE: Monday, June 8, 2015 at 6:00 p.m.

Purpose and Recommended Action: This is a request for the City Council to approve the Tentative Budget for Fiscal Year 2015-16. The adoption of the Tentative Budget for the Fiscal Year 2016 sets the maximum expenditure limits for the year at \$49,803,307 of which \$7,000,000 is budgeted contingencies across all funds.

Background: Once the City Council approves the Tentative Budget, it will be published in the Eastern Arizona Courier for two weeks along with a Notice of Public Hearing to be held on June 22, 2015, for the adoption of the Final Budget and setting the date, time and place for the Public Hearing for adopting the Primary Property Tax Levy. Council's adoption of the final Property Tax Levy will occur at the July 13, 2015, meeting.

Over the past several months, staff presented the various elements of the Fiscal Year 2015-16 budget to the City Council by department and fund. The Tentative Budget as presented for approval includes a few adjustments to some of the departmental detailed budgets. These adjustments are necessary to more accurately reflect the full cost of operations. Some of this information was not available to us during the earlier presentations therefore, estimates were used at that time and a few of the changes are to correct items that were overlooked at the time.

The following adjustments and corrections are now included in the tentative budget before you:

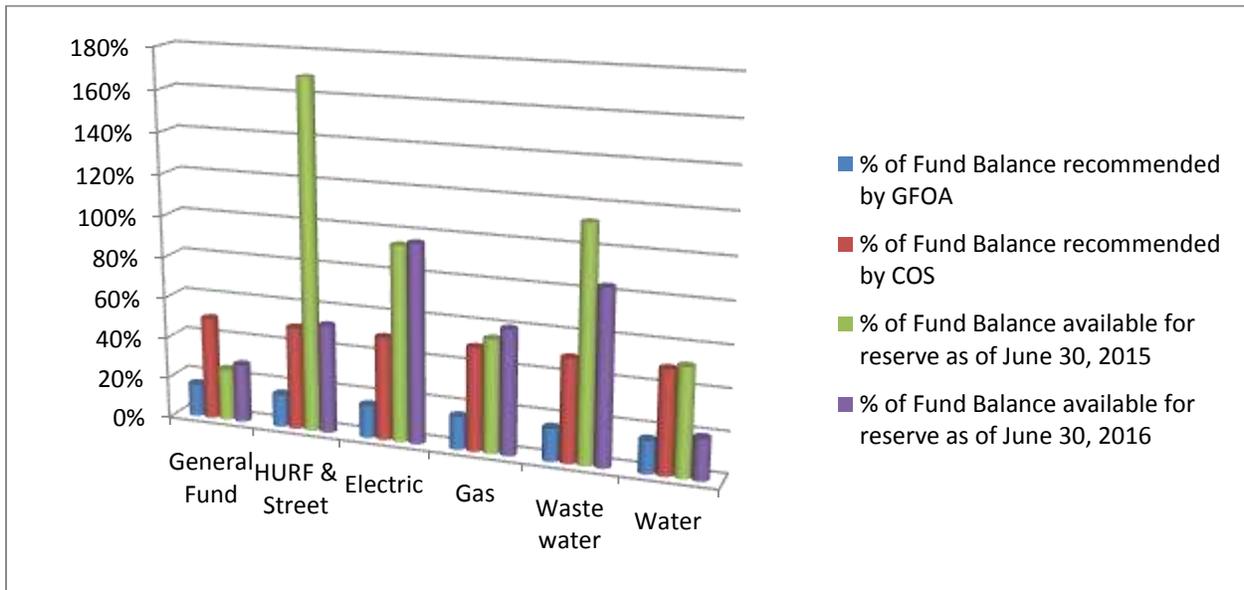
- 1) The Materials Management Department was not included in the Internal Service Charges which resulted in the understatement of the individual department's budget totals. The amount of \$205,849 is now distributed to all of the appropriate department and is reflected in the final totals of each department.

- 2) The Lead Field Service Technician position in the Field Services Department that is currently being filled by a Smartworks Plus Employee was eliminated from the budget however; we failed to include funds to cover a temporary Field Service Technician position in the amount of \$47,922. This temporary position is needed in order for us to complete the installation of the remaining “smart meters”.
- 3) The Electric Department budgeted expenditures was increased by \$700,000 following a review of our numbers with our electrical consultants. This increase was recommended to ensure we have enough purchasing capacity after we complete the territorial exchange. This increase will not adversely affect the overall operations of the department since it will only be spent if consumer demands exceed the previously projected amounts and will be offset by an increase in the revenues collected through the sale to the City Customers.
- 4) During the Tuesday, May 26, 2015, Council Meeting, Resolution Number 15-019 “Retiree Health Insurance Subsidy” outlined that active employees as of July 1, 2015, that are eligible to retire between July 1, 2015, and June 30, 2017, will receive a lump-sum payment of \$3,600 paid into a Retirement Healthcare Account. The estimated cost is \$100,800, and this amount was added to the Human Resources Department budget.
- 5) The Long-Term Debt Outstanding Schedule of the City increased by \$537,000 to account for a portion of the GADA Series 2006A Bonds not refinanced earlier this year. At the meeting of May 11th the City purchased a well from the Clont’s Family Trust on a twenty year term agreement. These term payments of \$12,877 are also now included in the Long-Term Debt Schedule.
- 6) The Landfill rental fee of \$60,000 shown in the General Fund as revenue was removed along with the corresponding expense in the Landfill Fund.

Analysis:

The net effect of these changes to the overall budget is an increase to the total budgeted expenditures of \$1,705,249 and some reduction in the various Fund Balances. Below is a corrected graphical depiction of the revised Fund Balance Chart. The General Fund portion of this increase is \$354,571, the Special Revenue HURF \$537,000 and the Enterprises Funds \$712,877. The changes resulting from item 6 above has no effect on the overall budget totals.

| Fund Balance Analysis | | | | | | | | |
|---|------------------|----------------------|----------------------|------------------|------------------|-------------------------|--------------------|------------------|
| | General Fund | | Special Revenue Fund | Enterprise Funds | | | | |
| | General Fund | Economic Development | HURF & Street | Electric | Gas | Waste Water & Treatment | Landfill | Water |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Expenditures/Operating Expenses June 30, 2014 (CAFR) | 10,497,402 | - | 1,272,160 | 7,719,628 | 2,315,875 | 2,522,596 | 1,207,653 | 3,898,562 |
| Fund Balance Req. - 50% of Exp. Plus Debt Service | 5,319,869 | - | 1,366,020 | 4,099,933 | 1,157,938 | 1,569,336 | 769,164 | 2,541,718 |
| 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 | (260,449) | 488,681 | (55,657) | 199,731 | 193,123 | 8,979 |
| Ending Fund Balance June 30, 2015 | 2,647,333 | 250,000 | 2,150,557 | 7,302,405 | 1,269,795 | 2,843,978 | (5,401,023) | 2,027,615 |
| % of Fund Balance available for reserve as of June 30, 2015 | 25% | | 169% | 95% | 55% | 113% | -447% | 52% |
| Budgeted Changes to Fund Balance June 30, 2016 | 340,651 | 375,000 | (1,479,845) | 126,350 | 128,677 | (716,778) | 45,723 | (1,250,139) |
| Ending Fund Balance June 30, 2016 | 2,987,984 | 625,000 | 670,712 | 7,428,755 | 1,398,472 | 2,127,200 | (5,355,300) | 777,475 |
| % of Fund Balance available for reserve as of June 30, 2016 | 28% | | 53% | 96% | 60% | 84% | -443% | 20% |



RESOLUTION NUMBER 15-023

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA SETTING FORTH THE TENTATIVE BUDGET AND ESTABLISHING THE MAXIMUM BUDGET AMOUNT FOR THE CITY OF SAFFORD FOR FISCAL YEAR 2015-2016.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona, the Mayor and Council of the City of Safford (“the City Council”) is required to adopt a budget; and,

WHEREAS, in accordance with Arizona Revised Statutes § 42-17102, the City Manager has prepared and filed with the City Council the Tentative Budget estimates for the fiscal year beginning July 1, 2015 and ending June 30, 2016.

NOW, THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of Safford as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The statements and schedules attached hereto as Exhibit A and incorporated herein by reference are hereby adopted as the City’s official tentative budget for the fiscal year beginning July 1, 2015 and ending June 30, 2016, including the establishment of the maximum budget amount for such fiscal year in the amount of \$49,803,307.00

SECTION 3. Upon approval of the City Council, the official tentative budget and a notice, in the form attached as Exhibit B and incorporated herein by reference, of the public hearing of the City Council to hear taxpayers and make tax levies at designated times and places shall be published in the official City newspaper once a week for two consecutive weeks. The notice shall include the physical address of the Safford Library Program Room and the City website where the tentative budget may be found.

SECTION 4. No later than seven business days after the date of this Resolution, a complete copy of the tentative budget shall be available and shall post the tentative budget in a prominent location on the City’s website.

SECTION 5. The Mayor, City Manager, the City Clerk, and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this resolution.

PASSED, ADOPTED, AND APPROVED by the Mayor and City Council of the City of Safford this 8th day of June, 2015.

APPROVED:

Wyn “Chris” Gibbs, Mayor
City of Safford

APPROVED AS TO FORM:

William J. Sims, III
Interim City Attorney

ATTEST:

Georgia Luster, MMC
City Clerk

CERTIFICATION

State of Arizona)
) ss
County of Graham)

I HEREBY CERTIFY, that the foregoing Resolution Number 15-023 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a regular council meeting held June 8, 2015. A quorum of the Council was present at the meeting.

June 8, 2015
Date

Georgia Luster, MMC
City Clerk

DRAFT

EXHIBIT A

OFFICIAL BUDGET FORMS

CITY OF SAFFORD

Fiscal Year 2016

CITY OF SAFFORD
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Fiscal Year 2016

Resolution for the Adoption of the Budget

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Schedule B—Tax Levy and Tax Rate Information

Schedule C—Revenues Other Than Property Taxes

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

Schedule E—Expenditures/Expenses by Fund

Schedule F—Expenditures/Expenses by Department (as applicable)

Schedule G—Full-Time Employees and Personnel Compensation

CITY OF SAFFORD
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2016

| Fiscal Year | S c h | FUNDS | | | | | | | | |
|-------------|--|--------------|----------------------|-------------------|-----------------------|----------------|----------------------------|------------------------|-----------------|------------|
| | | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Permanent Fund | Enterprise Funds Available | Internal Service Funds | Total All Funds | |
| 2015 | Adopted/Adjusted Budgeted Expenditures/Expenses* | E | 16,376,499 | 4,942,499 | 772,200 | 872,000 | 23,000 | 25,291,025 | 0 | 48,277,223 |
| 2015 | Actual Expenditures/Expenses** | E | 10,582,150 | 1,680,214 | 639,442 | 47,474 | 23,000 | 16,701,184 | 0 | 29,673,464 |
| 2016 | Fund Balance/Net Position at July 1*** | | 1,280,484 | 2,411,006 | 0 | 0 | 0 | 7,207,913 | 0 | 10,899,403 |
| 2016 | Primary Property Tax Levy | B | 235,960 | 0 | 0 | 0 | 0 | 0 | 0 | 235,960 |
| 2016 | Secondary Property Tax Levy | B | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2016 | Estimated Revenues Other than Property Taxes | C | 18,496,080 | 734,129 | 0 | 570,000 | 23,000 | 24,675,356 | 0 | 44,498,565 |
| 2016 | Other Financing Sources | D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2016 | Other Financing (Uses) | D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2016 | Interfund Transfers In | D | 0 | 1,746,792 | 2,119,916 | 0 | 0 | 0 | 0 | 3,866,708 |
| 2016 | Interfund Transfers (Out) | D | 1,814,297 | 729,940 | 0 | 0 | 0 | 1,322,471 | 0 | 3,866,708 |
| 2016 | Reduction for Amounts Not Available: | | | | | | | | | |
| | LESS: Amounts for Future Debt Retirement: | | | | | | | | | 0 |
| | | | | | | | | | | 0 |
| | | | | | | | | | | 0 |
| | | | | | | | | | | 0 |
| 2016 | Total Financial Resources Available | | 18,198,227 | 4,161,987 | 2,119,916 | 570,000 | 23,000 | 30,560,798 | 0 | 55,633,928 |
| 2016 | Budgeted Expenditures/Expenses | E | 15,909,801 | 1,383,752 | 801,108 | 10,061,576 | 23,000 | 21,624,133 | 0 | 49,803,370 |

EXPENDITURE LIMITATION COMPARISON

| | 2015 | 2016 |
|--|---------------|---------------|
| 1. Budgeted expenditures/expenses | \$ 48,277,223 | \$ 49,803,370 |
| 2. Add/subtract: estimated net reconciling items | | |
| 3. Budgeted expenditures/expenses adjusted for reconciling items | 48,277,223 | 49,803,370 |
| 4. Less: estimated exclusions | 9,950,000 | 8,950,211 |
| 5. Amount subject to the expenditure limitation | \$ 38,327,223 | \$ 40,853,159 |
| 6. EEC expenditure limitation | \$ 91,521,433 | \$ 92,617,372 |

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

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

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

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

CITY OF SAFFORD
Tax Levy and Tax Rate Information
Fiscal Year 2016

| | 2015 | 2016 |
|---|-------------------|-------------------|
| 1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A) | \$ <u>287,203</u> | \$ <u>235,960</u> |
| 2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18) | \$ _____ | |
| 3. Property tax levy amounts | | |
| A. Primary property taxes | \$ <u>230,464</u> | \$ <u>235,960</u> |
| B. Secondary property taxes | | |
| C. Total property tax levy amounts | \$ <u>230,464</u> | \$ <u>235,960</u> |
| 4. Property taxes collected* | | |
| A. Primary property taxes | | |
| (1) Current year's levy | \$ <u>230,464</u> | |
| (2) Prior years' levies | | |
| (3) Total primary property taxes | \$ <u>230,464</u> | |
| B. Secondary property taxes | | |
| (1) Current year's levy | \$ _____ | |
| (2) Prior years' levies | | |
| (3) Total secondary property taxes | \$ _____ | |
| C. Total property taxes collected | \$ <u>230,464</u> | |
| 5. Property tax rates | | |
| A. City/Town tax rate | | |
| (1) Primary property tax rate | <u>0.4984</u> | <u>0.5316</u> |
| (2) Secondary property tax rate | | |
| (3) Total city/town tax rate | <u>0.4984</u> | <u>0.5316</u> |
| B. Special assessment district tax rates | | |
| Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating _____ special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town. | | |

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

CITY OF SAFFORD
Revenues Other Than Property Taxes
Fiscal Year 2016

| SOURCE OF REVENUES | ESTIMATED REVENUES 2015 | ACTUAL REVENUES* 2015 | ESTIMATED REVENUES 2016 |
|------------------------------------|-------------------------------|-----------------------------|-------------------------------|
| GENERAL FUND | | | |
| Local taxes | | | |
| City Sales Taxes | \$ 6,278,000 | \$ 6,789,982 | \$ 6,699,852 |
| Bed Tax | | | 225,930 |
| Licenses and permits | | | |
| Licenses and Permits | 65,000 | 69,500 | 70,195 |
| Intergovernmental | | | |
| State Shared Sales Taxes | 847,112 | 827,384 | 895,593 |
| State Shared Income Taxes | 1,158,000 | 1,351,027 | 1,151,745 |
| Auto Lieu Tax | 483,630 | 487,940 | 529,219 |
| Police Grants | 388,870 | 126,404 | 704,925 |
| JCEF Court Revenue | 2,000 | | |
| Fire District | 358,216 | 358,216 | 368,962 |
| Library Support | 32,400 | 32,400 | 32,724 |
| Charges for services | | | |
| Cemetery | 30,000 | 30,690 | 30,997 |
| Recreation Programs | 56,000 | 53,553 | 56,560 |
| Airport Operations | 125,000 | 125,000 | 126,250 |
| Sanitation Citizen Collection Fees | 1,096,056 | 1,083,414 | 1,126,833 |
| General Fund Support Charges | 1,186,208 | 1,186,224 | 1,039,413 |
| Fines and forfeits | | | |
| Fines and Forfeits | 68,000 | 68,000 | 68,680 |
| Interest on investments | | | |
| Interest on Investments | 5,000 | 3,740 | 3,777 |
| In-lieu property taxes | | | |
| Contributions | | | |
| Miscellaneous | | | |
| Other Revenues (Misc.) | 45,000 | 145,279 | 45,450 |
| Utility in Lieu of Franchise Tax | 849,330 | 849,330 | 857,824 |
| Franchise Tax (General Fund) | 75,000 | 67,751 | 68,429 |
| Rental of City Property | 125,000 | 125,000 | 72,722 |
| FMI Façade Grant | 14,000 | | |
| FMI Economic Dev Grant (Reclaimed) | 135,000 | 135,000 | |
| Library Special Projects | 381,000 | 194,186 | 320,000 |
| Contingency | 4,000,000 | | 4,000,000 |
| Total General Fund | \$ 17,803,822 | \$ 13,780,834 | \$ 18,496,080 |

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

CITY OF SAFFORD
Revenues Other Than Property Taxes
Fiscal Year 2016

| <u>SOURCE OF REVENUES</u> | <u>ESTIMATED REVENUES 2015</u> | <u>ACTUAL REVENUES* 2015</u> | <u>ESTIMATED REVENUES 2016</u> |
|---|--|--------------------------------------|--|
| SPECIAL REVENUE FUNDS | | | |
| Highway User Revenue Fund | \$ 706,792 | \$ 655,814 | \$ 734,129 |
| Misc. Revenue | 70,000 | | |
| 20th Ave Improv Grant (Relation to GC Rd) | 601,591 | \$ | \$ |
| Trail System Grant | 355,000 | 4,510 | |
| HSIP Traffic Sign Replacement | 60,400 | | |
| Main Street Traffic Signals | 720,000 | \$ | \$ |
| Main Street Improvements | 961,000 | | |
| US 191 Sidewalks (Relation to US 70) | 294,728 | \$ | \$ |
| Total Special Revenue Funds | \$ 3,769,511 | \$ 660,324 | \$ 734,129 |

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

CITY OF SAFFORD
Revenues Other Than Property Taxes
Fiscal Year 2016

| <u>SOURCE OF REVENUES</u> | <u>ESTIMATED REVENUES 2015</u> | <u>ACTUAL REVENUES* 2015</u> | <u>ESTIMATED REVENUES 2016</u> |
|-------------------------------------|--|--------------------------------------|--|
| DEBT SERVICE FUNDS | | | |
| _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | _____ | _____ |
| Total Debt Service Funds | \$ _____ | \$ _____ | \$ _____ |
| CAPITAL PROJECTS FUNDS | | | |
| Airport Projects _____ | \$ 860,000 | \$ 239,180 | \$ 570,000 |
| Total Capital Projects Funds | \$ 860,000 | \$ 239,180 | \$ 570,000 |

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

CITY OF SAFFORD
Revenues Other Than Property Taxes
Fiscal Year 2016

| SOURCE OF REVENUES | ESTIMATED REVENUES 2015 | ACTUAL REVENUES* 2015 | ESTIMATED REVENUES 2016 |
|-------------------------------|--|--------------------------------------|--|
| PERMANENT FUNDS | | | |
| Library Truct Funds | \$ 23,000 | \$ 23,000 | \$ 23,000 |
| Total Permanent Funds | \$ 23,000 | \$ 23,000 | \$ 23,000 |
| ENTERPRISE FUNDS | | | |
| Landfill | \$ 1,357,373 | \$ 1,332,453 | \$ 1,340,309 |
| Water Utiltiy | 5,526,256 | 5,501,841 | 5,775,257 |
| Waste Water Utility | 3,177,920 | 2,411,917 | 2,424,043 |
| Gas Utility | 2,862,860 | 2,630,096 | 2,643,261 |
| Electric Utility | 9,078,280 | 8,748,500 | 9,492,486 |
| Contingency | 3,000,000 | | 3,000,000 |
| Total Enterprise Funds | \$ 25,002,689 | \$ 20,624,807 | \$ 24,675,356 |

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

CITY OF SAFFORD
Revenues Other Than Property Taxes
Fiscal Year 2016

| SOURCE OF REVENUES | ESTIMATED REVENUES 2015 | ACTUAL REVENUES* 2015 | ESTIMATED REVENUES 2016 |
|-------------------------------------|-------------------------------|-----------------------------|-------------------------------|
| INTERNAL SERVICE FUNDS | | | |
| _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ | \$ _____ |
| Total Internal Service Funds | \$ _____ | \$ _____ | \$ _____ |
| TOTAL ALL FUNDS | \$ <u>47,459,022</u> | \$ <u>35,328,145</u> | \$ <u>44,498,565</u> |

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

CITY OF SAFFORD
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2016

| FUND | OTHER FINANCING 2016 | | INTERFUND TRANSFERS 2016 | |
|---|-------------------------|--------|-----------------------------|--------------|
| | SOURCES | <USES> | IN | <OUT> |
| GENERAL FUND | | | | |
| General Fund Debt | \$ | \$ | \$ | \$ 236,505 |
| Auto Lieu Tax Dedicated to HURF | | | | 487,940 |
| Sales Tax (.05) to Special Rev Fund | | | | 1,089,852 |
| | | | | |
| | | | | |
| Total General Fund | \$ | \$ | \$ | \$ 1,814,297 |
| SPECIAL REVENUE FUNDS | | | | |
| Utility Support for Street Patch (HURF) | \$ | \$ | \$ 169,000 | \$ |
| Special Revenue Fund Debt | | | | 729,940 |
| Auto Lieu Tax Dedicated to HURF | | | 487,940 | |
| Sales Tax (.05) to Special Rev Fund | | | 1,089,852 | |
| | | | | |
| Total Special Revenue Funds | \$ | \$ | \$ 1,746,792 | \$ 729,940 |
| DEBT SERVICE FUNDS | | | | |
| General Fund Debt | \$ | \$ | \$ 236,505 | \$ |
| Special Revenue Fund Debt | | | | 729,940 |
| Enterprise Debt | | | 1,153,471 | |
| | | | | |
| Total Debt Service Funds | \$ | \$ | \$ 2,119,916 | \$ |
| CAPITAL PROJECTS FUNDS | | | | |
| | \$ | \$ | \$ | \$ |
| | | | | |
| Total Capital Projects Funds | \$ | \$ | \$ | \$ |
| PERMANENT FUNDS | | | | |
| | \$ | \$ | \$ | \$ |
| Total Permanent Funds | \$ | \$ | \$ | \$ |
| ENTERPRISE FUNDS | | | | |
| Street Patch Fund | \$ | \$ | \$ | \$ 169,000 |
| Enterprise Fund Debt | | | | 1,153,471 |
| | | | | |
| Total Enterprise Funds | \$ | \$ | \$ | \$ 1,322,471 |
| INTERNAL SERVICE FUNDS | | | | |
| | \$ | \$ | \$ | \$ |
| Total Internal Service Funds | \$ | \$ | \$ | \$ |
| | | | | |
| TOTAL ALL FUNDS | \$ | \$ | \$ 3,866,708 | \$ 3,866,708 |

CITY OF SAFFORD
Expenditures/Expenses by Fund
Fiscal Year 2016

| FUND/DEPARTMENT | ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015 | EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015 | ACTUAL EXPENDITURES/ EXPENSES* 2015 | BUDGETED EXPENDITURES/ EXPENSES 2016 |
|-------------------------------------|---|---|--|---|
| GENERAL FUND | | | | |
| Statement E-1 | \$ 12,376,499 | \$ | \$ 10,582,150 | \$ 11,909,801 |
| Contingency | 4,000,000 | | | 4,000,000 |
| Total General Fund | \$ 16,376,499 | \$ | \$ 10,582,150 | \$ 15,909,801 |
| SPECIAL REVENUE FUNDS | | | | |
| Statement E-2 | \$ 4,942,499 | \$ | \$ 1,680,214 | \$ 1,383,752 |
| Total Special Revenue Funds | \$ 4,942,499 | \$ | \$ 1,680,214 | \$ 1,383,752 |
| DEBT SERVICE FUNDS | | | | |
| Statement E-3 | \$ 772,200 | \$ | \$ 639,442 | \$ 801,108 |
| Total Debt Service Funds | \$ 772,200 | \$ | \$ 639,442 | \$ 801,108 |
| CAPITAL PROJECTS FUNDS | | | | |
| Statement E-4 | \$ 872,000 | \$ | \$ 47,474 | \$ 10,061,576 |
| Total Capital Projects Funds | \$ 872,000 | \$ | \$ 47,474 | \$ 10,061,576 |
| PERMANENT FUNDS | | | | |
| Statement E-5 | \$ 23,000 | \$ | \$ 23,000 | \$ 23,000 |
| Total Permanent Funds | \$ 23,000 | \$ | \$ 23,000 | \$ 23,000 |
| ENTERPRISE FUNDS | | | | |
| Statement E-6 | \$ 22,291,025 | \$ | \$ 16,701,184 | \$ 18,624,133 |
| Contingency | 3,000,000 | | | 3,000,000 |
| Total Enterprise Funds | \$ 25,291,025 | \$ | \$ 16,701,184 | \$ 21,624,133 |
| INTERNAL SERVICE FUNDS | | | | |
| Total Internal Service Funds | \$ | \$ | \$ | \$ |
| TOTAL ALL FUNDS | \$ 48,277,223 | \$ | \$ 29,673,464 | \$ 49,803,370 |

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

CITY OF SAFFORD
Expenditures/Expenses by Department
Fiscal Year 2016

| DEPARTMENT/FUND | ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015 | EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015 | ACTUAL EXPENDITURES/ EXPENSES* 2015 | BUDGETED EXPENDITURES/ EXPENSES 2016 |
|-------------------------|---|---|--|---|
| General Fund | | | | |
| See Statement E-1 | | | | |
| Department Total | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| List Department: | | | | |
| Special Revenues | | | | |
| See Statement E-2 | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Department Total | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| List Department: | | | | |
| Enterprise Funds | | | | |
| See Statement E-6 | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Department Total | \$ _____ | \$ _____ | \$ _____ | \$ _____ |

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

CITY OF SAFFORD
Full-Time Employees and Personnel Compensation
Fiscal Year 2016

| FUND | Full-Time Equivalent (FTE) 2016 | Employee Salaries and Hourly Costs 2016 | Retirement Costs 2016 | Healthcare Costs 2016 | Other Benefit Costs 2016 | Total Estimated Personnel Compensation 2016 |
|-------------------------------------|---------------------------------------|---|--------------------------|--------------------------|--------------------------------|--|
| GENERAL FUND | 99 | \$ 5,306,409 | \$ 1,247,819 | \$ 851,494 | \$ 773,497 | \$ 8,179,219 |
| SPECIAL REVENUE FUNDS | | | | | | |
| HURF Fund | 10 | \$ 434,749 | \$ 49,866 | \$ 101,840 | \$ 76,847 | \$ 663,301 |
| Total Special Revenue Funds | 10 | \$ 434,749 | \$ 49,866 | \$ 101,840 | \$ 76,847 | \$ 663,301 |
| DEBT SERVICE FUNDS | | | | | | |
| | | \$ | \$ | \$ | \$ | \$ |
| Total Debt Service Funds | | \$ | \$ | \$ | \$ | \$ |
| CAPITAL PROJECTS FUNDS | | | | | | |
| | | \$ | \$ | \$ | \$ | \$ |
| Total Capital Projects Funds | | \$ | \$ | \$ | \$ | \$ |
| PERMANENT FUNDS | | | | | | |
| | | \$ | \$ | \$ | \$ | \$ |
| Total Permanent Funds | | \$ | \$ | \$ | \$ | \$ |
| ENTERPRISE FUNDS | | | | | | |
| | 40 | \$ 2,171,036 | \$ 249,531 | \$ 326,835 | \$ 257,166 | \$ 3,004,569 |
| Total Enterprise Funds | 40 | \$ 2,171,036 | \$ 249,531 | \$ 326,835 | \$ 257,166 | \$ 3,004,569 |
| INTERNAL SERVICE FUND | | | | | | |
| | | \$ | \$ | \$ | \$ | \$ |
| Total Internal Service Fund | | \$ | \$ | \$ | \$ | \$ |
| TOTAL ALL FUNDS | 149 | \$ 7,912,195 | \$ 1,547,216 | \$ 1,280,169 | \$ 1,107,510 | \$ 11,847,089 |

CITY OF SAFFORD

SUPPORTING STATEMENTS OF EXPENDITURES/EXPENSES

Fiscal Year 2015-2016

| Fund/Department | Budgeted Amounts for 2014-2015 | Approved Adjustments 2014-2015 | Actual Expenditures/ Expenses 2014-2015 | Budgeted Amounts for 2015-2016 |
|--|--------------------------------------|--------------------------------------|--|--------------------------------------|
| Statement E-1 General Fund: | | | | |
| City Council | 460,904 | - | 378,630 | 407,637 |
| City Manager | 289,978 | - | 249,054 | 266,282 |
| Human Resources | 259,868 | - | 166,037 | 341,164 |
| Legal Services | 167,910 | - | 158,739 | 149,700 |
| City Court | 243,631 | - | 241,161 | 236,504 |
| City Clerk | 281,887 | - | 236,964 | 255,445 |
| Finance Services | 588,886 | - | 527,170 | 556,745 |
| Planning & Community Svc | 602,658 | - | 379,969 | 348,248 |
| Building Safety | 165,633 | - | 159,790 | 160,686 |
| Recreational Program | 139,091 | - | 104,630 | 130,570 |
| Library | 954,971 | - | 739,875 | 858,900 |
| Police | 4,241,817 | - | 3,611,752 | 4,709,038 |
| Public Works | 2,859,737 | - | 2,570,907 | 2,598,083 |
| Golf Course | 205,300 | - | 238,989 | 205,200 |
| Airport | 228,522 | - | 224,146 | 71,058 |
| Fire District | 685,707 | - | 594,337 | 614,541 |
| Subtotal General Fund | 12,376,499 | - | 10,582,150 | 11,909,801 |
| Contingency | 4,000,000 | - | - | 4,000,000 |
| Total General Fund | 16,376,499 | - | 10,582,150 | 15,909,801 |
| Statement E-2 Special Revenues: | | | | |
| HURF | 1,822,675 | - | 1,585,635 | 1,383,752 |
| HURF/Streets Capital Projects | 3,119,824 | - | 94,579 | - |
| Total Special Revenues | 4,942,499 | - | 1,680,214 | 1,383,752 |
| Statement E-3: Debt Service Funds: | | | | |
| General Fund | - | - | - | 71,168 |
| Special Revenues | 772,200 | - | 639,442 | 729,940 |
| Enterprise Funds | - | - | - | - |
| Total Debt Service Funds | 772,200 | - | 639,442 | 801,108 |
| Statement E-4: Capital Project Funds: | | | | |
| General Fund | 872,000 | - | 47,474 | 3,643,669 |
| Special Revenues | - | - | - | 1,933,352 |
| Enterprise Funds | - | - | - | 4,484,555 |
| Total Capital Project Funds | 872,000 | - | 47,474 | 10,061,576 |
| Statement E-5: Permanent Funds: | | | | |
| Library Trust | 23,000 | - | 23,000 | 23,000 |
| Total Permanent Funds | 23,000 | - | 23,000 | 23,000 |

Statement E-6: Enterprise Funds:

| | | | | |
|----------------------------------|-------------------|----------|-------------------|-------------------|
| Landfill | 1,168,765 | - | 882,391 | 929,250 |
| Water | 6,382,876 | - | 3,913,128 | 4,583,159 |
| Waste Water | 1,633,875 | - | 1,031,679 | 1,167,882 |
| Water Reclamation Plant | 1,158,815 | - | 1,100,618 | 964,843 |
| Gas | 3,155,955 | - | 2,314,426 | 2,414,583 |
| Electric | 8,790,739 | - | 7,458,942 | 8,564,416 |
| Subtotal Enterprise Funds | 22,291,025 | - | 16,701,183 | 18,624,133 |
| Contingency | 3,000,000 | - | - | 3,000,000 |
| Total Enterprise Funds | 25,291,025 | - | 16,701,183 | 21,624,133 |
| | | | | |
| Grand Total | 48,277,223 | | 29,673,464 | 49,803,370 |

Truth in Taxation Analysis

Calculation for Truth in Taxation Hearing Notice 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) |

“EXHIBIT B”

To Resolution Number 15-023

CITY OF SAFFORD

PUBLIC NOTICE

FINAL BUDGET ADOPTION AND PROPERTY TAX LEVY

Members of the public wishing to appear and testify or make inquiries regarding the Budget and Tax Levy for Fiscal Year 2015-2016 for the City of Safford may be heard at a **PUBLIC HEARING**. The Hearing will be held **Monday, June 22, 2015 at 6:00 p.m.** in the Safford Library Program Room, 808 South 7th Avenue, Safford. When the Hearing concludes, the Council will convene a Special Council Meeting to adopt the Final Budget.

ADOPTION OF TAX LEVY

The City Council will convene to adopt a City Tax Levy for Fiscal Year 2014-2015 on **Monday, July 13, 2015 at 6:00 p.m.** in the Safford Library Program Room at the Library, 808 South 7th Avenue, Safford

A copy of the Tentative Budget and Tax Levy Report is available Monday through Thursday, from 7:00 a.m. until 6:00 p.m., at the following locations:

- City Clerk’s Office at City Hall, 717 Main Street, Safford Arizona
- City Website: www.cityofsafford.us
- Safford Library, 808 South 7th Avenue, Safford, AZ



#14-1

CITY COUNCIL COMMUNICATION

TO: Mayor and Council (**Executive Session**)
FROM: Dustin Welker, Planning and Community Development Director
SUBJECT: Development Agreement Curtis Properties
DATE: Monday, June 8, 2015

Purpose: Review and discuss a proposed Development Agreement for the annexation of properties owned by Jay and Tami Curtis east of Highway 191.

Attached: Proposed Development Agreement, Proposed Annexation Map Exhibit



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Horatio Skeete, City Manager
SUBJECT: Employee Position Changes and Classification
DATE: Monday, June 8, 2015 at 6:00 p.m.

Purpose and Recommended Action:



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Horatio Skeete, City Manager
SUBJECT: Compensation for the City Manager
DATE: Monday, June 8, 2015 at 6:00 p.m.

Purpose and Recommended Action: